

# ANNUAL REPORT 2022-23



**ASSAM PETRO-CHEMICALS LIMITED**

A Government of Assam Undertaking

CIN-U24116AS1971SGC001339

### Board of Directors as on 4<sup>th</sup> August, 2023

<b>Shri Bikul Ch. Deka</b>	Chairman
<b>Shri Hemanta Gogoi</b>	Vice-Chairman
<b>Shri Rajnesh Gogoi</b>	Managing Director
<b>Shri Pramod Kr. Prasad</b>	Director (Finance) & CFO
<b>Dr. Lakshmanan S, IAS</b>	Director
<b>Shri M P Singh, IAS</b>	Director
<b>Shri Gokul Ch. Swargiyari</b>	Director
<b>Shri Pritam Ray Choudhury</b>	Director
<b>Shri Poran Baruah</b>	Director
<b>Ms. Pranati Goswami</b>	Director
<b>Shri Santanu Majumder</b>	Director
<b>Shri Tuhin Kanti Bhattacharjee</b>	Director
<b>Prof. Gautam Barua</b>	Independent Director
<b>Shri Jitu Talukdar</b>	Independent Director

### Registered Office

**4<sup>th</sup> Floor, Orion Place**  
Mahapurush Srimanta Sankardev Path  
Bhangagarh, Guwahati, Assam-781 005  
Phone: 0361-3510424  
Email: aplguw@assampetrochemicals.co.in  
Web: www.assampetrochemicals.co.in

### Secretarial Auditor

**M/s Biman Debnath & Associates**  
Company Secretaries  
Flat No. 402, Block-C, Prashanti Pride  
Prakash Choudhury Housing Complex  
Tarun Nagar, ABC, Guwahati-781 005  
Email: csbimandebnath@gmail.com

### Audit Committee as on 4<sup>th</sup> August, 2023

<b>Prof. Gautam Barua</b>	Chairman
<b>Shri Poran Baruah</b>	Member
<b>Shri Santanu Majumder</b>	Member
<b>Shri Rajnesh Gogoi</b>	Permanent Invitee
<b>Shri Pramod Kr. Prasad</b>	Permanent Invitee

### Bankers

**Punjab National Bank**  
**State Bank of India**  
**Assam Gramin Vikash Bank**

### Head Office and Plant

Namrup, P.O. - Parbatpur  
Dist.: Dibrugarh, Assam PIN-786 623  
Phone no. 0374-2500331  
Email: admin\_apl@assampetrochemicals.co.in  
www.assampetrochemicals.co.in

### Independent Auditor

**M/s Parik & Co.**  
Chartered Accountants  
ASHIRBAD, Namghar Path, Sixmile, Guwahati-781022  
Phone No. 9431111698, 9608411698  
E-mail: parikinfra@gmail.com

### Registrar and Share Transfer Agent

**C B Management Services (P) Ltd.**  
P-22, Bondel Road, Kolkata- 700019  
Phone No. 033-40116713, email-rta@cbmsl.com

### Project Site

- 500 TPD Methanol Project**  
Namrup, P.O. - Parbatpur  
Dist.: Dibrugarh, Assam PIN-786 623
- 200 TPD Formalin Project**  
Dhaknabari Village, P.O.-Boitamari  
District: Bongaigaon, Assam PIN-783 389





**Shri Gulab Chand Kataria**  
Governor, Assam

**Dr. Himanta Biswa Sarma**  
Chief Minister, Assam

**Shri Sarbananda Sonowal**  
Union Minister for Ports, Shipping &  
Waterways; and Ayush

**Shri Ashwini Vaishnaw**  
Union Minister for Railways,  
Communications and Electronics &  
Information Technology

**Shri Rameswar Tell**  
Union M&S for Petroleum & Natural Gas  
and Labour & Employment

**Shri Bimal Bora**  
Minister, Govt. of Assam

Namrup, Assam  
Friday, 14<sup>th</sup> April, 2023



শ্রীযুত নাৰেন্দ্ৰ মোদী ৱাৰেণ্টৰ বাবে  
দেশবাসীৰ বাবে উৎসৰ্গা কৰে।

॥ अथाहं भगवन्मया स्तुतिमकलयन्निबध्नामि ॥

শ্রীযুତ ଓଳାବ ଛାନ୍ଦ କାଟିବିନ୍ଦା  
ବ୍ରହ୍ମାଣ୍ଡର ଗର୍ଭରୁ

डा. हिमालय विश्व शर्मा  
महाराष्ट्र, भारत

শ্রীযুক্ত সর্বানন্দ সোমবটাল

શ્રી અંબિકા દેવલ

শ্রীযুত বামেশ্বর তেজী  
 (স্বর্গীয়) ১৮৮১-১৯৬০  
 পুণ্ড্রিকাচার্য মহল, কলকাতা-৭০, প্রায় ১০০ বছর বয়সে

श्रीगुरुभिर्योग्यं नमः  
॥ १ ॥

महेश्वर, भारत  
दिनांक १४ अक्टूबर, २०२४ दिनांक १४ अक्टूबर



... after two weeks under heavy repair, some more.

श्रीमान् गुलाब चंद कटारिया

डॉ. हिमन्त विश्वकर्मा

श्रीमद् सूर्यनन्द सोनेवाल  
१५ मई १९५८

શ્રી અધિની વૈષ્ણવ  
કેન્ડીયો પેપરવોલ

बीमल रमेश्वर ठेठी  
एन एनटीवी

**श्रीमत् बीनल बोरा**  
मुख्य अतिथि

नामका, असम  
१४ एप्रिल, २०२१, गुरुवारी



राष्ट्र की समृद्धि

श्री नरेंद्र मोदी  
प्रधानमंत्री  
के.एम. कामठी द्वारा

॥ श्रीगणेशाय नमः ॥

श्री गुरुदेव भंड कटारिया  
दुधगांव, जयपुर

श्री सर्वानन्द सोनोवाल  
कवि, पत्रकार

॥ रामेभ्य नमः ॥

संस्कृत, अथवा  
11 अप्रैल, 2021, बुधवार

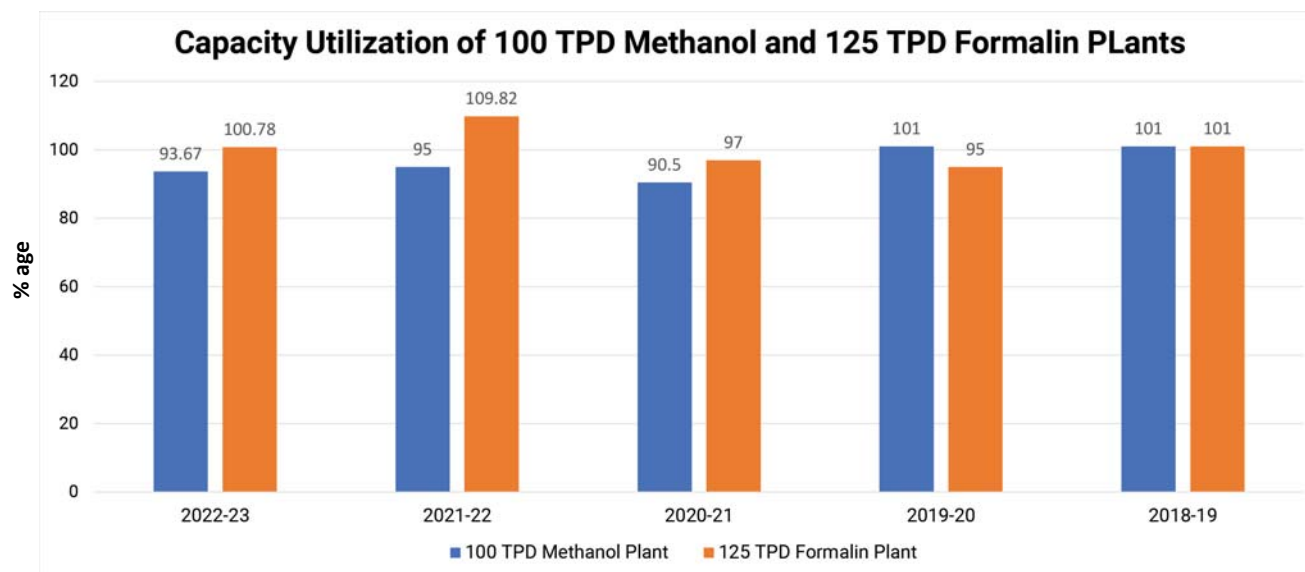
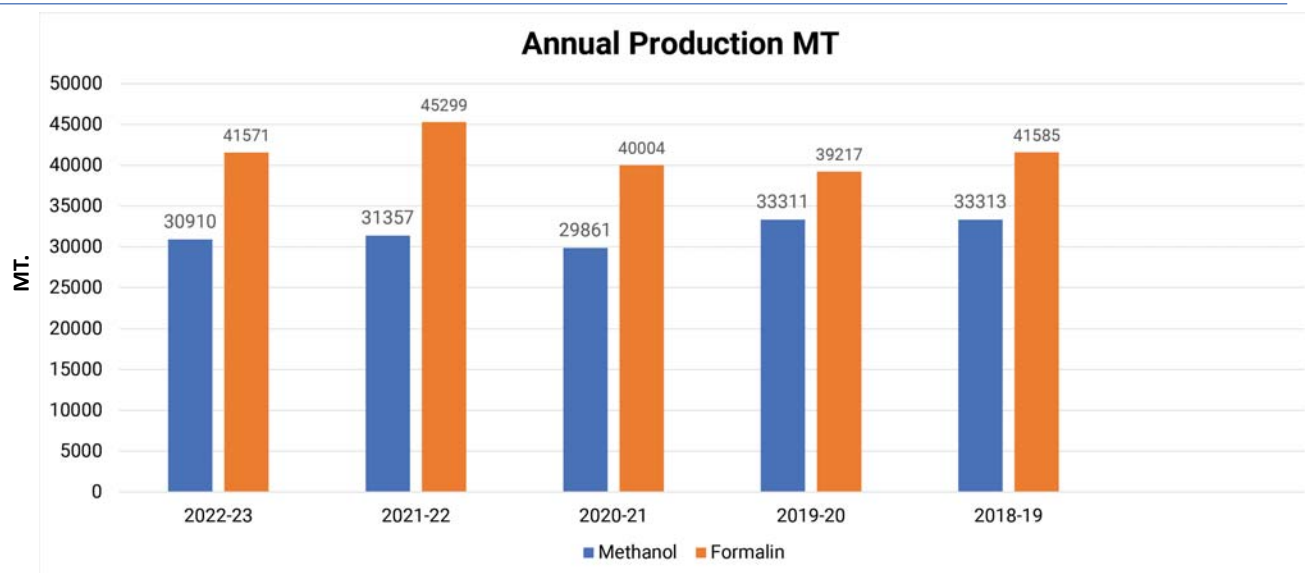
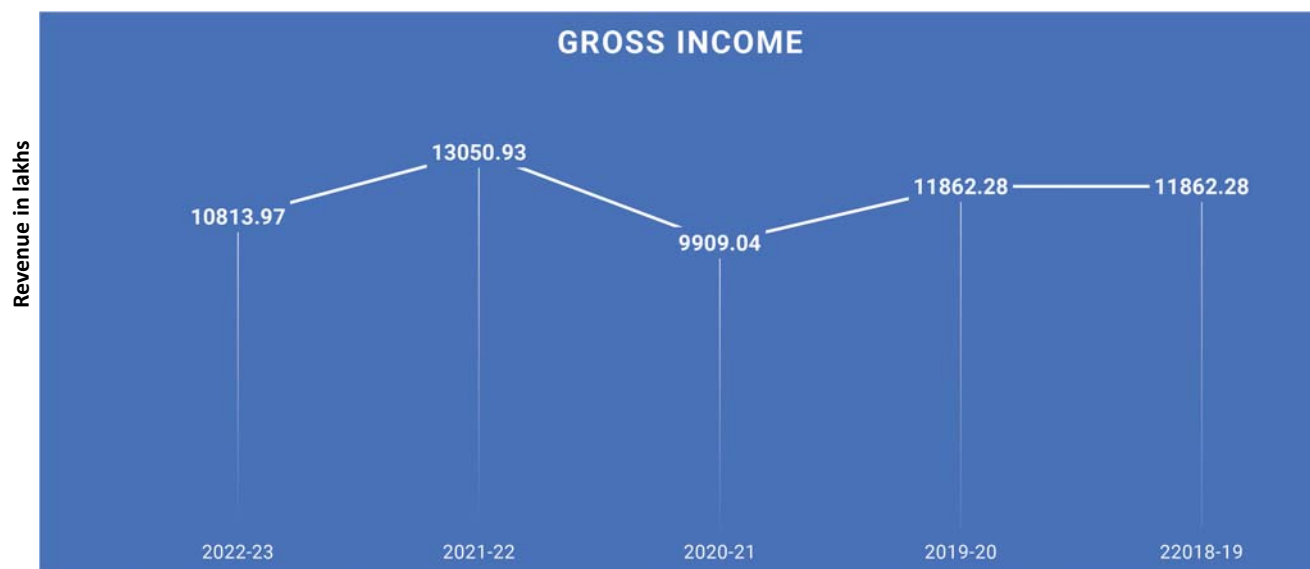
The Hon'ble Prime Minister, Shri Narendra Modiji virtually inaugurated the 500 Tonnes Per Day Methanol Plant of the Company from Sarusajai Athletic Stadium on 14<sup>th</sup> April, 2023

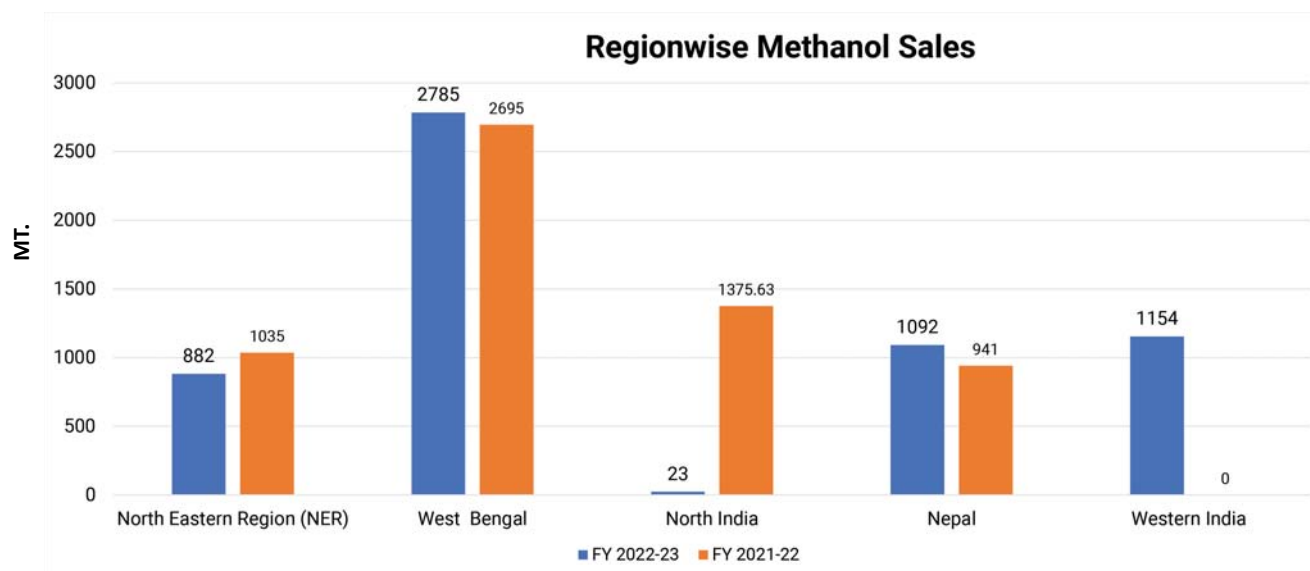
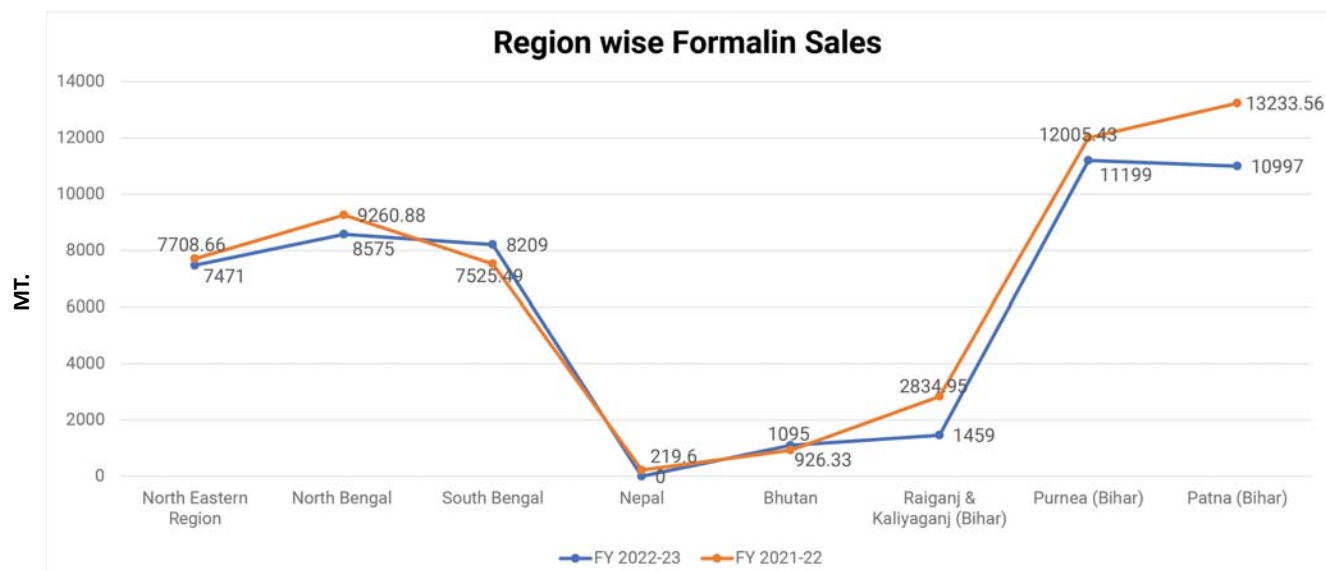
## 10 YEARS FINANCIALS AT A GLANCE

Particulars	2022-23	2021-22	2020-21	2019-20*	2018-19*	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Operating Results</b>										
Gross Total Income	10,813.97	13,050.93	9,909.04	9,122.75	11,804.64	9,978.23	8,742.79	7,676.52	9,062.29	10,284.63
Profit Before Interest Depreciation and Tax	(6,706.45)	2,411.24	1,003.79	(907.37)	641.08	682.71	475.74	(2,028.01)	(440.55)	1,391.12
Depreciation	194.07	220.43	180.27	223.51	210.12	146.61	136.33	129.06	150.35	239.95
Profit Before Tax	(6,900.52)	2,190.81	823.52	(1,130.88)	430.96	536.10	307.07	(2,157.07)	(590.90)	1,151.17
Tax	(164.45)	(76.97)	(2.28)	2.42	(31.27)	(8.1)	21.14	61.90	56.85	212.82
Profit After Tax	(6,736.07)	2,267.77	825.79	(1,133.30)	462.22	544.20	285.93	(2,218.97)	(647.75)	938.35
Dividend and Tax	-	-	-	-	-	-	-	-	-	133.37
Dividend %	-	-	-	-	-	-	-	-	-	12.50%
Retained Earnings	(6,736.07)	2,267.77	591.81	(1,223.69)	423.92	544.20	285.93	(2,218.97)	(647.75)	804.97
EPS in ` per Share	(1.09)	0.46	0.12	(0.25)	0.10	5.97	3.14	(24.33)	(7.10)	10.29
Gross Block	8,868.72	9,050.23	9,606.64	8,638.91	8,538.00	8,096.40	8,038.85	7,944.33	7,839.35	7,839.41
Net Block	1,714.77	2,374.07	2,373.94	1,565.11	1,634.31	1,329.94	1,381.74	1,400.56	1,403.97	1,522.81
Reserves & Surplus	(4,076.76)	2,659.31	391.54	(200.27)	1,023.42	5,426.32	4,882.13	4,596.20	6,815.60	7,474.02
<b>Capacity Utilisation</b>										
<b>Annual Installed Capacity (In MT)</b>										
Methanol	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000
Formalin	41250	41250	41250	41250	41250	41250	41250	41250	41250	41250
<b>Actual Production (In MT)</b>										
Methanol	30910	31357	29861	33311	33313	31478	31892	30172	32168	28822
Formalin	41571	45299	40004	39217	41585	38273	43743	42304	39100	37363
<b>Capacity Utilisation(In %)</b>										
Methanol	94	95	90	101	101	95	97	91	97	87
Formalin**	101	110	97	95	101	93	106	103	95	91

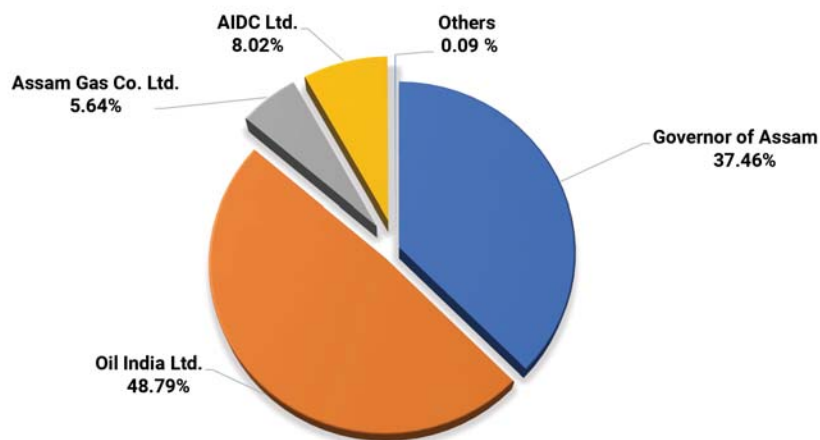
\* Figures the year is reclassified as per Ind AS.

\*\* Formalin production at Namrup only





### SHAREHOLDING PATTERN AS ON 31.03.2023







**ASSAM PETRO-CHEMICALS LIMITED**

A Government of Assam Undertaking

CIN-U24116AS1971SGC001339

# ANNUAL REPORT 2022-2023

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## Notice of 52<sup>nd</sup> Annual General Meeting

**NOTICE** is hereby given that the 52<sup>nd</sup> Annual General Meeting (AGM) of the shareholders of Assam Petro-Chemicals Limited will be held on **Tuesday, 26<sup>th</sup> September, 2023 at 11:00 AM** through Video-Conferencing (VC) or Other Audio-Visual Means (AOVM) to transact the following businesses:

### A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Company's standalone audited Financial Statements as at 31<sup>st</sup> March, 2023 along with the Directors' Report, Independent Auditors' Report and Comments of the Comptroller and Auditor General of India, etc. thereon and pass the following resolution as **Ordinary Resolution**;

**"RESOLVED THAT** the audited Financial Statements as at 31<sup>st</sup> March, 2023 together with the Directors' Report and the annexure thereto, the Independent Auditors' Report and the Comments of the Comptroller & Auditor General of India thereon, Secretarial Audit Report etc. be and are hereby received, considered and adopted."

2. To appoint **Shri Manvendra Pratap Singh [DIN-07708018]**, who retires by rotation and being eligible, offers himself for re-appointment as a Director and pass the following Ordinary Resolution.

**"RESOLVED THAT Shri Manvendra Pratap Singh [DIN-07708018]** be and is hereby re-appointed as Director of the Company."

3. To appoint **Dr. Lakshmanan S., IAS [DIN-09009335]**, who retires by rotation and being eligible, offers herself for re-appointment as a Director and pass the following **Ordinary Resolution**.

**"RESOLVED THAT Dr. Lakshmanan S., IAS [DIN-09009335]** be and is hereby re-appointed as Director of the Company."

### B. SPECIAL BUSINESS:

4. To appoint **Shri Poran Baruah [DIN 09784562]** as Director of the Company and in this regard to

consider, if thought fit, to pass with or without modification the following resolution as **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the article no. 85 of the Articles of Association of the Company and Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modifications or re-enactment thereof), **Shri Poran Baruah [DIN 09784562]**, who was nominated as a Non-Executive Part-Time Director by Oil India Limited vide their letter no. RCE:03-340 dated October 26, 2022 and subsequently inducted as an Additional Director in terms of Section 161 of the Companies Act, 2013, by the Board of Directors of the Company with effect from 23<sup>rd</sup> November, 2022 to hold office until the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature as a Director be and is hereby appointed as Director of the Company and liable to retire by rotation."

5. To appoint **Shri Santanu Majumder [DIN 09783930]** as Director of the Company and in this regard to consider, if thought fit, to pass with or without modification the following resolution as **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the article no. 85 of the Articles of Association of the company and sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modifications or re-enactment thereof), **Shri Santanu Majumder [DIN 09783930]**, who was nominated as a Non-Executive Part-Time Director by Oil India Limited vide their letter no. RCE:03-340 dated October 26, 2022 and subsequently inducted as an Additional Director in terms of Section 161 of the Companies Act, 2013, by the Board of Directors of the Company with effect from 23<sup>rd</sup> November, 2022 to hold office until the date of this Annual General Meeting and in respect



of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature as a Director be and is hereby appointed as Director of the Company and liable to retire by rotation.”

6. To appoint **Shri Tuhin Kanti Bhattacharjee [DIN 09783974]** as Director of the Company and in this regard to consider, if thought fit, to pass with or without modification the following resolution as **Ordinary Resolution**.

“**RESOLVED THAT** pursuant to the article no. 85 of the Articles of Association of the Company and sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modifications or re-enactment thereof), **Shri Tuhin Kanti Bhattacharjee [DIN 09783974]**, who was nominated as a Non-executive Part-Time Director by Oil India Limited vide their letter no. RCE:03-340 dated October 26, 2022 and subsequently inducted as an Additional Director in terms of Section 161 of the Companies Act, 2013, by the Board of Directors of the Company with effect from 23<sup>rd</sup> November, 2022 to hold office until the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature as a Director be and is hereby appointed as Director of the Company and liable to retire by rotation.”

7. To appoint **Shri Jitu Talukdar [DIN-07772330]** as Independent Director of the Company and in this regard to consider, if thought fit, to pass with or without modification the following resolution as **Ordinary Resolution**.

“**RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules framed thereunder read with Schedule IV to the Act, as amended from time to time, **Shri Jitu Talukdar [DIN: 07772330]**, who was appointed as an Additional Director in terms of section 161 of the Companies Act, 2013, [designated as Independent Director] by the Board of Directors of the Company with effect from 4<sup>th</sup> August, 2023 to hold office until the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under section 160 of the Companies Act, 2013 proposing his candidature as a Director be and is hereby appointed as Independent Director of the Company effective from 4<sup>th</sup> August, 2023 for a period of 5 (five) years or upto the date of receipt of any communications from Government of Assam for relieving him as director of the Company whichever comes earlier.”

8. To fix the remuneration of the Cost Auditors of the Company for the Financial Year 2023-24 and in this regard to consider and if thought fit, to pass with or without modifications the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 (“the Act”) read with Rule 14 (a) of the Companies (Audit and Auditors) Rules, 2014 (“the Rules”) the approval of the Company be and is hereby accorded for payment of remuneration of ₹23,900/- (Rupees twenty-three thousand nine hundred only) plus applicable GST to M/s Subhadra Dutta & Associates, Cost Accountants for the Financial Year 2023-24.”

By Order of the Board of Directors of  
Assam Petro-Chemicals Ltd.

Sd/-  
**Uttam Bailing**  
Company Secretary

Date: 04<sup>th</sup> August, 2023  
Place: Namrup

## Notes:

1. Pursuant to the General Circulars No. 20/2020 dated 5<sup>th</sup> May, 2020 and 10/2022 dated 28<sup>th</sup> December, 2022 (referred as MCA circulars) by the Ministry of Corporate Affairs, Government of India, physical attendance of the Members at the AGM venue is not required and Annual General Meeting (AGM) will be held through Video Conference (VC) or Other Audio-Visual Means (OAVM). Hence, Members can attend and participate in the ensuing 52<sup>nd</sup> AGM of the Company through VC/OAVM.
2. Since the 52<sup>nd</sup> AGM is being held through VC/OAVM pursuant to the MCA Circulars, the facility to appoint a proxy to attend and cast vote for the Member is not available. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the 52<sup>nd</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time on **26<sup>th</sup> September, 2023** of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for all the members on first come first served basis. This will include large Shareholders, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
4. The attendance of the Members attending in the 52<sup>nd</sup> AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April

13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 52<sup>nd</sup> AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.assampetrochemicals.co.in](http://www.assampetrochemicals.co.in). The AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In terms of the MCA Circulars, the notice of the 52<sup>nd</sup> AGM along with the Annual Report 2022-23 are sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Annual Report of the Company for the Financial Year 2022-23 is hosted in company's website at [www.assampetrochemicals.co.in](http://www.assampetrochemicals.co.in).

For prompt receipt of the Annual Report and all other communications from the Company electronically:

- a. Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Registrar and Transfer Agent (RTA) of the Company, M/s C B Management Services (P) Ltd. in to their email id: [rta@cbmsl.com](mailto:rta@cbmsl.com) with folio number and attaching a self-attested a copy of PAN card.
- b. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.



- c. If there is any change in the e-mail ID already registered with the Company/RTA, Members are requested to immediately notify such change to the Company/RTA in respect of shares held in physical form and to Depository Participants (DPs) in respect of shares held in electronic form.
  - d. In case of any queries relating to shares, the members are requested to contact the RTA at the above email address.
7. 52<sup>nd</sup> AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and 10/2022 dated 28<sup>th</sup> December, 2022.
- 8. Statements pursuant to Section 102 (1) of the Companies Act, 2013 concerning the special business mentioned under item numbers 4 to 8 of the notice are annexed hereto.
  - 9. ISIN of the shares of the Company is INE277D01010, members are requested to dematerialize their shares.

By Order of the Board of Directors of  
Assam Petro-Chemicals Ltd.

Date: 04<sup>th</sup> August, 2023  
Place: Namrup

Sd/-  
**Uttam Bailing**  
Company Secretary

### **Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013**

#### **Item no. 4.**

Pursuant to the Article 85 of the Articles of Association of the Company, Oil India Limited vide their letter no. RCE:03-340 dated October 26, 2022 nominated Shri Poran Baruah (DIN-09784562) as a nominee director of Oil India Ltd. The Board of Directors of the Company appointed Shri Poran Baruah as a Director on the Board of the Company in its meeting held on 23<sup>rd</sup> November, 2022 as an Additional Director of the Company upto the 52<sup>nd</sup> Annual General Meeting of the Company. The Company received a notice under section 160 from a member of the Company proposing appointment of Shri Poran Baruah as a Director of the Company. Shri Baruah does not have any disqualification mentioned in Section 164 of the Act. He is liable to retire by rotation as per Section 152 of the Companies Act, 2013.

Shri Poran Baruah is graduated from prestigious Jorhat Engineering College, Assam in Mechanical Engineering in 1990. He joined at Oil India Limited, a premier upstream petroleum company of the country in 1991 as Executive Trainee. Shri Baruah has been serving at various capacities at Oil India Limited for 32 years. Shri Baruah is presently posted as General Manager (Gas Management Services) at Oil India Ltd. field head quarter at Duliajan. He has vast experience in production, processing, compression, transportation and delivery of Natural Gas.

None of the other Directors and Key Managerial Personnel of the Company except Shri Poran Baruah, or their relatives, is interested in this resolution. The Board recommends this Ordinary Resolution for your approval.

#### **Item no. 5**

Pursuant to the Article 85 of the Articles of Association of the Company, Oil India Limited vide letter no.

RCE:03-340 dated October 26, 2022 nominated Shri Santanu Majumder (DIN-0983930) as a nominee director of Oil India Ltd. The Board of Directors of the Company appointed Shri Majumder as Additional Director on the Board of the Company effective from 23<sup>rd</sup> November, 2022 upto the 52<sup>nd</sup> Annual General Meeting. The Company received a notice under section 160 from a member of the Company proposing appointment of Shri Santanu Majumder as a Director of the Company. Shri Majumder doesn't have any disqualification mentioned in Section 164 of the Act. He is liable to retire by rotation as per Section 152 of the Companies Act, 2013.

Shri Santanu Majumder is a Fellow member of the Institute of Cost and Management Accountants of India. He qualified as Cost and Management Accountants in 2003 and joined at Oil India Ltd. (OIL) as Accounts Officer in 2005. He is presently working as Chief Manager (Finance & Accounts). He has also completed a diploma course on International Financial Reporting Standards (IFRS) from the Association of Chartered Certified Accountants, UK. Shri Majumder has more than 20 years of experience in finance and accounts. His areas of experience include accounting for oil and gas business operations, budgeting, revenue accounting, SAP accounting system, crude oil pricing, valuation of producing oil and gas assets for impairment assessment, feasibility studies, crude oil pipeline tariff fixation etc. Shri Majumder had also worked for a period of 2 years as Secretary & Treasurer of OILUSA, wholly Owned Subsidiary of OIL.

Your Board recommends the resolution for approval of the Shareholders for appointment of Shri Santanu Majumder as Director of the Company.

None of the other Directors and Key Managerial Personnel of the Company except Shri Santanu Majumder, or their relatives, is interested in this resolution. The Board recommends this Ordinary Resolution for your approval.

### Item No. 6

Pursuant to the Article 85 of the Articles of Association of the Company, Oil India Limited vide their letter no. RCE:03-340 dated October 26, 2022 nominated Shri Tuhin Kanti Bhattacharjee (DIN-

097839974) as a nominee director of Oil India Ltd. The Board of Directors of the Company appointed Shri Bhattacharjee as a Director on the Board of the Company in its meeting held on 23<sup>rd</sup> November, 2022 as an Additional Director upto the 52<sup>nd</sup> Annual General Meeting of the Company. The Company received a notice under section 160 from a member of the Company proposing appointment of Shri Tuhin Kanti Bhattacharjee as a Director in the 52<sup>nd</sup> AGM. Shri Bhattacharjee does not have any disqualification mentioned in Section 164 of the Act. He is liable to retire by rotation as per Section 152 of the Companies Act, 2013.

Shri Tuhin Kanti Bhattacharjee is a Mechanical Engineering graduate from the prestigious Maulana Azad National Institute of Technology, Bhopal and Associate Member of the Institute of Cost and Management Accountants of India. Shri Bhattacharjee joined at Oil India Ltd. as Production Engineer in 2007 and presently working as Chief Manager (Gas Business Development). Prior to joining at Oil India Ltd, he worked at Wipro Ltd. as Software Developer. Shri Bhattacharjee has rich experience in oil and gas production management, production accounting & Business Analytics, expertise in various SAP modules including Oil & Gas, Logistics, Sales & Distribution, Production Planning, FICO, JV Accounting. Shri Bhattacharjee has also completed certification courses in SAP, IPMA-D and International Gas Business Management from various institutions.

Your Board recommends the resolution for approval of the Shareholders for appointment of Shri Tuhin Kanti Bhattacharjee as Director of the Company.

None of the directors and the Key Managerial Personnel of the company other than Shri Tuhin Kanti Bhattacharjee himself interested or concerned in the resolution.

**Item No. 7:**

According to Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the company is required to appoint at least two Independent Directors on the Board of the Company. In order to comply with the abovementioned provisions and pursuant



to the Article 85 of the Articles of Association of the Company, the Government of Assam vide notification no. eCF No.: 168088/300 appointed Shri Jitu Talukdar (DIN-07772330) as Independent Director of the Company. Accordingly, the Board of Directors of the Company in pursuance of Section 149 (10), 161 and other applicable provisions, if any of the Companies Act, 2013 and upon receipt of abovementioned notification appointed Shri Talukdar as Additional Director (Independent) for a term of five years with effect from 4<sup>th</sup> August, 2023. Since, Shri Talukdar was appointed as an Additional Director (Independent) of the Company, therefore approval of the shareholders in Annual General Meeting is necessary. The Board of Directors of the Company commends the resolution for approval of the shareholders at the 52<sup>nd</sup> Annual General Meeting of the Company. Shri Jitu Talukdar is qualified to be appointed as Independent Director of the Company and does not have any disqualification as specified in Section 164 of the Act and he is not liable to retire by rotation. He has also registered himself in the databank of Independent Directors maintained by the Institute of Corporate Affairs, Government of India.

Shri Jitu Talukdar is a business owner. He has done MBA in Marketing from Dibrugarh University. He was appointed as Vice-Chairman of Assam Industrial Development Corporation Ltd. by the Government of Assam from 7<sup>th</sup> March, 2017 to 20<sup>th</sup> January, 2022.

Your Board recommends the resolution for approval of the Shareholders for appointment of Shri Jitu Talukdar as Director of the Company.

None of the Directors and the Key Managerial Personnel of the Company other than Shri Jitu Talukdar himself is interested or concerned in the resolution.

#### Item No. 8

According to Section 148(3) of the Companies Act, 2013 read with Rule 14 (a) of the Companies (Audit and Auditors) Rules, 2014 ("the Act"), the Board of Directors requires to appoint a cost accountant or firm of Cost Accountants in practice as Cost Auditor on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

Accordingly, the Board of Directors, at its meeting held on 4<sup>th</sup> August, 2023 appointed M/s Subhadra Dutta & Associates, Cost Accountants as the Cost Auditors for the Financial Year 2023-24 at fees of ₹ 23,900.00 (Rupees twenty-three thousand nine hundred only) excluding applicable GST, if any for conducting the audit of the cost records of the Company.

In compliance with the said provisions the Ordinary Resolution for fixation of remuneration of the Cost Auditors is now placed before the members for ratification/approval. Your directors recommend for passing the above resolution as ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives, is interested in the resolution.

By Order of the Board of Directors of  
Assam Petro-Chemicals Ltd.

Sd/-  
**Uttam Bailing**  
Company Secretary

Date: 04<sup>th</sup> August, 2023  
Place: Namrup

**INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and General Circular no. 10/2022 dated 28<sup>th</sup> December, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing 52<sup>nd</sup> AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this 52<sup>nd</sup> AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the 52<sup>nd</sup> AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the 52<sup>nd</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 52<sup>nd</sup> AGM through VC/OAVM will be made available for all members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 52<sup>nd</sup> AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the 52<sup>nd</sup> AGM through VC/OAVM will be counted

for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 52<sup>nd</sup> AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the 52<sup>nd</sup> AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 52<sup>nd</sup> AGM has been uploaded on the website of the Company at [www.assampetrochemicals.co.in](http://www.assampetrochemicals.co.in). Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. 52<sup>nd</sup> AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING 52<sup>ND</sup> GENERAL MEETING ARE AS UNDER: -**

The remote e-voting period begins on 23<sup>rd</sup> September, 2023 at 09:00 A.M. and ends on 25<sup>th</sup> September, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e., 19<sup>th</sup> September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion



to their share in the paid-up equity share capital of the Company as on the cut-off date being 19<sup>th</sup> September, 2023.

### How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center;">  App Store        Google Play     </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

**4. Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

**5. Password details for shareholders other than Individual shareholders are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

**c) How to retrieve your 'initial password'?**

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account



with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. **After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.**
  8. **Now, you will have to click on "Login" button.**
  9. **After you click on the "Login" button, Home page of e-Voting will open.**

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. **After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.**
2. **Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".**
3. **Now you are ready for e-Voting as the Voting page opens.**
4. **Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote**

**and click on "Submit" and also "Confirm" when prompted.**

5. **Upon confirmation, the message "Vote cast successfully" will be displayed.**
6. **You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.**
7. **Once you confirm your vote on the resolution, you will not be allowed to modify your vote.**

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csbimandebnath@gmail.com](mailto:csbimandebnath@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [aplguw@assampetrochemicals.co.in](mailto:aplguw@assampetrochemicals.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [aplguw@assampetrochemicals.co.in](mailto:aplguw@assampetrochemicals.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
2. Only those Members/ shareholders, who will be present in the 52<sup>nd</sup> AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 52<sup>nd</sup> AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the 52<sup>nd</sup> AGM. However, they will not be eligible to vote at the 52<sup>nd</sup> AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the 52<sup>nd</sup> AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 52<sup>ND</sup> AGM THROUGH VC/OAVM ARE AS UNDER:**

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 52<sup>ND</sup> AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the 52<sup>nd</sup> AGM is same as the instructions mentioned above for remote e-voting.
1. Member will be provided with a facility to attend the 52<sup>nd</sup> AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their

respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [aplguw@assampetrochemicals.co.in](mailto:aplguw@assampetrochemicals.co.in) latest by 20<sup>th</sup> September, 2023. The same will be replied by the company suitably.
  6. Those shareholders who have registered themselves as speaker will only be allowed to express their views/ ask questions during the 52<sup>nd</sup> AGM.
  7. When a pre-registered speaker is invited to speak at the meeting but he/she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get themselves connected to a device with good video and audio alongwith good internet speed.
  8. The Company reserved the right to restrict the number of questions and number of speaker as appropriate for smooth conduct of the 52<sup>nd</sup> AGM.



## DIRECTORS' REPORT

### Dear Shareholders,

Your directors' have the pleasure in presenting the 52<sup>nd</sup> Annual Report of the Company together with the audited Standalone Financial Statements for the Financial Year ending on 31<sup>st</sup> March, 2023. Your Company has completed its 50 years of existence in June, 2021 and entered in to a new phase with the commissioning of 500 TPD Methanol plant.

### Financial Highlights (Standalone)

The Company's summarized financial performance (standalone) for the Financial Year ending on 31<sup>st</sup> March, 2023 is as under:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from Operations	10,405.60	12,593.48
Other Income	408.37	457.45
<b>Total Income</b>	<b>10,813.97</b>	<b>13,050.93</b>
Cost of material consumed	9,614.01	2,897.09
Employee benefit cost	4,490.32	5,226.57
Other expenses	3,416.09	2,728.62
Total Expenses	17,520.42	10,852.28
<b>Gross Profit /(Loss)</b>	<b>(7,094.59)</b>	<b>2,198.66</b>
Less: Depreciation and amortization	194.07	220.41
Profit/(Loss) for the year before prior period adjustment, exceptional and extraordinary items	(6,900.52)	1,978.21
<b>Less: Exceptional Item</b>	<b>-</b>	<b>212.58</b>
Profit/(Loss) Before Tax	(6,900.52)	2,190.81
<b>Less: Tax Expenses</b>	<b>(164.45)</b>	<b>(76.96)</b>
Profit /(Loss) for the year after taxation	(6,736.07)	2,267.77
<b>Total Comprehensive Income</b>	<b>(6,736.07)</b>	<b>2,267.77</b>
Proposed Dividend	NIL	NIL
<b>Tax on Dividend</b>	<b>NA</b>	<b>NA</b>
<b>Number of shares</b>	<b>60,20,19,120</b>	<b>49,71,59,708</b>
<b>Earnings Per Share (EPS) (in ₹)</b>	<b>(1.09)</b>	<b>0.46</b>

The Financial Year 2022-23 started with very disappointing note for the Company as the Government of India hiked Natural Gas price by 210% for the period effective from 1st April, 2022 to 30th September, 2022 and declined methanol price in the international market. The Company earned total income of ₹10,813.97 lakhs in the financial year ending on 31.03.2023 which was 17.14% lesser than the previous financial year. The Company incurred an unprecedented loss

of ₹6736.07 lakhs during the financial year 2022-23 compared to ₹2267.77 lakhs of profit in the immediately preceding financial year.

The shareholders are aware that the Company has been in the business of production and marketing of Methanol and Formalin for last five decades. The Company earned revenue of ₹10,405.60 lakhs from production during the year. The revenue share of Formalin and Methanol sale in the Financial Year 2022-23 were 82% and 18% respectively.

The price of Methanol and Formalin in India were lower in the Financial Year 2022-23 compared to the preceding year.

Employee benefits cost is one of the major costs that the Company incurred during the FY 2022-23. The employee benefits cost was 43.15% of the total revenue from operation and 25.34% of the total expenses that the Company. The employee benefits cost during the FY 2022-23 reduced by 14.09% over the previous. Assam Petro-Chemicals Limited purchases power from Assam Power Distribution Company Ltd. to run its 100 TPD Methanol and 125 TPD Formalin plants at Namrup. The Company spent ₹1346.32 lacs on purchase of power and fuels during the Financial Year 2022-23 which was ₹255.69 lacs higher than the previous year. The power cost increased mainly due to hike in power tariff by the power distribution company.

The average price realization of Methanol during the Financial Year 2022-23 was lesser than the previous year due to lower methanol import price at ex-tank at Kandla Port. The Company marketed methanol at an average price of ₹31.69 per kilogram during the FY 2022-23 compared to ₹33.96 per kilogram in the previous year. The comparison of imported methanol price in India vis-à-vis price realized by the Company for last three years are as follows:

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Ex-Tank India average Price per KG of Methanol *(in ₹)	27.57	33.34	23.23
Average basic price realization per KG of Methanol by the company (in ₹)	31.69	33.96	22.08

\*Source: Global Chemical Report

The other income earned during the year was mainly from interest on fixed deposits of the Company's surplus fund parked at banks in the form of fixed deposits. The Company earned lower amount of interest on fixed deposits as the Company liquidated its most of the fixed deposits to meet the project expenses on implementation of the 500 TPD Methanol and 200 TPD Formalin project.

Natural Gas is the main raw material used by the

Company for producing Methanol and Methanol is used as feedstock for producing Formalin. The cost of raw materials consumed (natural gas) was 231.58% more than the previous year mainly due to steep hike of Natural Gas price by the Government of India. The cost of raw materials consumed during the year 2022-23 was ₹9614.01 Lakhs against ₹2897.07 lakhs in the previous year. Hence, the Natural Gas price increase is the main reason for loss incurred by the Company during the Financial Year 2022-23.

As per the New Domestic Natural Gas Pricing Guidelines, 2014 the Central Government notifies price of Natural twice in a year for every six months, i.e., from 1st April to 30th September and from 1st October to 31st March. However, the Central Government scrapped this Natural Gas pricing guidelines w.e.f. 8th April, 2023 and introduced a new NG pricing policy. The Natural Gas price per MMBTU during the Financial Years 2021-22 and 2022-23 are given hereinbelow.

Particulars	Financial Year 2022-23		Financial Year 2021-22	
	H1	H2	H1	H2
NG Price per MMBTU (in USD)	6.10	8.57	1.79	2.90

H1- from 1<sup>st</sup> April to 30<sup>th</sup> September; H2 -from 1<sup>st</sup> October to 31<sup>st</sup> March

According to the Indian Accounting Standard 36, an entity needs to assess at end of each reporting period whether any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the assets. Pursuant to the IAS 36, the Company assessed impairment of both 100 TPD Methanol and 125 TPD Formalin plants as on 31.03.2023 and made a provision of ₹468.14 lacs in the financial statements.

Your Company incorporated Pragjyotish Fertilizers and Chemicals Ltd. (PFCL) as a Joint Venture company with another state government undertaking in 2004. Assam Petro-Chemicals Ltd. holds 55.55% of the equity capital in PFCL as on

date. This company has been sick as it failed to implement the project successfully for which it was incorporated. Presently, PFCL does not have any physical assets in its books of accounts nor any regular manpower on its roll. However, in order to comply with statutory requirements and complete the winding up process, the Government of Assam appointed a Managing Director and Joint Venture partners constituted a Board of Directors. The Board of Directors of PFCL has been actively working on winding-up of the Company.

Pursuant to Section 129(3) of the Companies Act, 2013, the financial statements of subsidiary Company are required to consolidate with the financial statements of the holding Company but your directors could not do it because the Financial Statements of PFCL as on 31st March, 2023 are not ready for consolidation. Therefore, only the standalone financial statements of the Company are placed before the shareholders to receive, consider and adopt in the ensuing 52nd Annual General Meeting.

Noteworthy that although Assam Petro-Chemicals Ltd. holds majority of share in PFCL as on 31st March, 2023 but the entire investment made in PFCL have already been written off from the books of the Company. The Company do not have any liability towards PFCL as on 31<sup>st</sup> March, 2023.

### State of Company's Affairs, Outlook and Concerns

Assam Petro-Chemicals Limited has been in petrochemicals business for last 52 years. The Company is presently producing methanol and formalin in its plants located at Namrup in the Dibrugarh district of Assam. The installed daily production capacities of these two Methanol and Formalin plants are 100 tons and 125 tons respectively. The Company is also operating a formalin conversion plant at Raninagar in West Bengal which has daily production capacity of 30 tons. The Company is marketing its products in India also exporting to Bhutan, Nepal and Bangladesh at globally competitive price. The annual installed

production capacity of Methanol and Formalin, considering 330 days operation of the plants in a year are 33,000 MT and 41,250 MT respectively. The Company has successfully commissioned its new 500 TPD Methanol plant on 8th April, 2023 and formally inaugurated it by the Hon'ble Prime Minister on 14th April, 2023. This new plant has already started producing Methanol with desired quality. This new plant is now under stabilization stage and preparing for performance test. The new 500 TPD Methanol plant will produce 1,65,000 Metric Tons of Methanol annually. The 200 TPD Formalin project is under implementation stage and as per the revised schedule this plant is scheduled to commission in December, 2023. On successful commissioning of the new 200 TPD Formalin plant at Boitamari, the annual formalin production capacity of the Company will be increased to 1,07,250 Metric Tons. The additional saleable quantity of Methanol and Formalin will enable the Company to venture into new geographical boundaries and cater to the growing demand of the existing customers.

Methanol is one of the most demanded chemicals globally. Global Methanol market size is USD 30.9 billion in 2023 and set to become USD 38.2 billion by 2028 at a Compounded Annual Growth Rate (CAGR) of 4.2%. Methanol demand in India is also witnessing increase at the rate of 7%-8% but the domestic production of methanol has been static for last few years. India is dependent on imported methanol to the extent of 70-80% of the present demand. India's methanol demand stood at 2,107 thousand tones in 2018 and projected to grow at a Compound Average Growth Rate (CAGR) of 7.51% during 2019-2030 to reach 4,675 thousand tones by 2030. Increasing usage of methanol in the production of formaldehyde, methyl tertiary-butyl ether, pharmaceuticals, acetic acid etc. are the primary factors in rise its demand in India. Since methanol is used as an alternative fuel for combustion engines due to its efficient combustion, ease of distribution and easy availability, growing automotive industry would also drive the demand for methanol in the



country during the forecast period of 2019-2030. Methanol is a base material for acetic acid and formaldehyde production, and in recent years it is also increasingly used in producing ethylene and propylene. Mixing methanol with other chemicals enables it to be used as an intermediate material to make hundreds of methanol derivative products used in every aspect of human lives. Methanol and its derivative products such as acetic acid and formaldehyde created via chemical reactions route are used as base materials in acrylic plastic, synthetic fabrics and fibers used to make clothing, adhesives, paint, and plywood used in construction and as a chemical agent in pharmaceuticals and agrochemicals.

Burning of fossil fuels releases Green House Gases (GHG) and pollutes our environment. In order to counter the ever-increasing crude import bill and to protect our environment from GHG, Methanol Economy is promoted by the NITI Aayog. Researches reveal that methanol can replace High-Speed Diesel in Railways, Marine sector and generation of power etc. In this regard the Ministry of Road Transport and Highways, Government of India has allowed use of M-15, M-85, MD-95 and M-100 as fuel in the country. Under the aegis of NITI Aayog, experimental use of 15% methanol blended diesel (MD-15 fuel) in trucks and buses manufactured by Ashok Leyland are done in active participation of Indian Oil Corporation Ltd. (IOCL) and Assam Petro-Chemicals Limited. Similar experiments are also conducted by IOCL on M-15 fuel (15% Methanol blended in Petrol) in Tinsukia. Experimental results reveal that methanol blended fuels reduces GHG emission significantly. We learned that the outcome of these experiments is very encouraging and hopeful to see blending of methanol with auto-fuel soon. Methanol can also be used as fuel in power generator sets. Assam Petro-Chemicals Ltd. is being a major methanol manufacturer in the Country, commercial use of M-15 and MD-15 fuel will be a beneficial to the Company.

The Government of India has changed the Natural

Gas (NG) pricing guidelines effective from 8th April, 2023. The new guidelines are intended to ensure stable pricing regime for domestic gas consumers while at the same time providing adequate protection to producers from adverse market fluctuation with incentives for enhancing production. According to the new guidelines, price of NG shall be 10% of the monthly average of Indian Basket of crude oil which will be notified on monthly basis. Gas produced from new wells or well interventions in the nomination fields of ONGC & OIL, is allowed a premium of 20% over the gas price fixed on the nominated block. Your Company purchases NG from Oil India Limited for producing Methanol. As per the new NG pricing guidelines made effective from 8th April, 2023, your Company is purchasing NG partly at 6.5 USD and 7.8 USD per MMBTU. This has a great impact on the cost of production and profitability of the Company and shall continue to impact in the coming years.

Increase of Natural Gas price and increase in US dollar exchanges rate has been affecting the Company very dearly. The increase of Natural gas price, increased capital expenditure in the 500 TPD Methanol and 200 TPD Formalin project, delay in achievement of Date of Commencement of Commercial Operation (DCCO) of the 500 TPD Methanol plant and low product price realization are major concern for the Company.

### Operating Performance:

Your Company is operating a 100 TPD Methanol and a 125 TPD Formalin plants located at Namrup in Dibrugarh district of Assam. Age of the 100 TPD Methanol and the 125 TPD Formalin plants are about 34 years and 26 years respectively. The formalin plant was originally designed and installed with 100 ton per day production capacity but this plant was revamped to 125 TPD in 2012. Both the plants have already outlived their normal life. The performance of both the methanol and formalin plants was satisfactory during the financial year 2022-23.

The summary of production of methanol and

formalin vis-à-vis plants capacity utilization during the FY 2022-23 and FY 2021-22 are as follows:

Plants	Production in MT		
	Installed Annual Capacity	FY 2022-23	FY 2021-22
100 TPD Methanol Plant	33,000	<b>30,910</b>	31,357
125 TPD Formalin plant, Namrup	41,250	<b>41,571</b>	45,299
30 TPD Formalin conversion plant	9,900	<b>7,215</b>	
<b>Capacity Utilisation of Plants:</b>			
Methanol	100%	<b>93.67%</b>	95.00%
Formalin	100%	<b>100.78%</b>	109.82%

The Methanol and Formalin plants were operated at 93.67% and 100.78% respectively in the Financial Year 2022-23. Optimum capacity utilization of both the plants have been priority of the Company but aging of the plants, interruption in power supply from the grid, occasional low Natural Gas supply pressure, maintenance of plants and equipment etc. created hurdles in achieving better capacity utilization. Replacement of reformer tubes, catalyst and other routine maintenance of the plant resulted lower methanol production during the Financial Year 2022-23. The Company do not have its own source of power to run the 100 TPD Methanol plant and depends on power supplied from the grid. Interruptions in continuous power supply adversely affected in achieving higher productivity and plant capacity utilization. During the financial year 2022-23, the Company experienced 48 nos. of power supply interruptions which resulted approximately 580 MT of Methanol production loss.

The capacity utilization of the 125 TPD Formalin plant depends entirely on market demand and availability of Methanol as raw materials for formalin production. Methanol produced at its 100 TPD Methanol plant is used for producing Formalin in its plants located at Namrup and conversion plant located at Raninagar, West Bengal. The Company has engaged M/s Utsav Enterprise, Raninagar, as conversion agent for producing Formalin from Methanol supplied by the Company. The Conversion Plant has installed capacity to produce 30 MT of formalin per day. The Company pays conversion charge on production of

every Metric Ton of Formalin at their plant. Formalin production was lower in the financial year 2022-23 compared to previous year due to supply constraints of methanol during the 100 TPD Methanol plant shutdown period for reformer tubes replacement.

The Company remained in its same business of manufacturing and marketing of methanol and formalin during the Financial Year 2022-23 and there was no diversification. The Company has been implementing a 500 TPD Methanol and 200 TPD Formalin projects. The details of the new projects are discussed elsewhere in this report.

### Sales & Marketing:

The Company has been marketing its products i.e., methanol and formalin in the North Eastern States, West Bengal, Bihar, Jharkhand, Odisha, Uttar Pradesh, and several other North Indian states and exporting to two neighbouring countries viz., Nepal and Bhutan. The Company has recently commenced methanol and formalin export to Bangladesh. Assam Petro-Chemicals Ltd. being the sole methanol manufacturer in the eastern India region, enjoys competitive advantages but the Company is unable to meet market demand for methanol due to limited production capacity of its existing plant. The Company sold 5936 MT Methanol during the FY 2022-23 compared to 6402.61MT in the previous Financial Year. The Company produced Formalin from Methanol in its own plant located at Namrup at a conversion ratio of 2.0637. It has always been focusing on production of its value-added product Formalin and market it to get better price realization. The Company sold 49,005 MT of formalin during the FY 2022-23 as compared to 51,201 MT in the previous Financial Year. There was decline in formalin sales during the year compared to the previous year due lower production of formalin during shutdown of the 100 TPD Methanol plant for replacement of reformer tubes.

Methanol is used as raw material and additive in pharmaceuticals, garments, chemicals, bio-diesel, wood-based industries, adhesive, paints and some other chemicals industries in India. These industries

are largely depended on imported methanol as the domestic production do not fulfills country's demand. Pharmaceuticals is a promising sector where the Company is presently focusing on.

Assam Petro-Chemicals Ltd. has strong presence in Formalin market in the entire eastern India region. Monthly demand for Formalin in this region is approximately 30,000 MT but your Company supplies only 15% of the market demand due to its limited production capacity in its plants located at Namrup and Raninagar. The production capacity of formalin will be ramp-up significantly on commissioning of the 200 TPD Formalin plant project at Boitamari in the 4th quarter of the FY 2023-24.

There is very high demand for both the products of the Company in the eastern India region and export potential to Bangladesh, Nepal and Bhutan. With enhanced production on commissioning of 500 TPD Methanol and 200 TPD Formalin plant, your Company will be able to cater to the demand of the region.

The area wise sales quantity of the Company's products in the year 2022-23 vis-a-vis in the previous year are as follows:

FORMALIN				
REGION	SALES PERFORMANCE			
	FY 2022-23		FY 2021-22	
	QTY (MT)	BASIC VALUE (₹)	QTY (MT)	BASIC VALUE (₹)
North Eastern Region	7,471	1523.36	7,708.66	1,828.22
North Bengal	8,575	1596.09	7247.39	1588.81
South Bengal	8,209	1289.90	7,025.49	1,323.31
Nepal	0	0	219.60	43.73
Bhutan	1,095	217.45	926.33	214.32
Raiganj & Kaliyaganj (Bihar)	1,459	235.30	2,834.95	546.10
Purnea (Bihar)	11,199	1847.23	12,005.43	2,316.92
Patna (Bihar)	10,997	1808.04	13,233.56	2,545.24
<b>Total</b>	<b>49,005</b>	<b>8,517.58</b>	<b>51,201.41</b>	<b>10,406.65</b>

METHANOL				
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REGION	SALES PERFORMANCE			
	FY 2022-23		FY 2021-22	
	QTY (MT)	VALUE (₹ in lacs)	QTY (MT)	VALUE (₹ in lacs)
North Eastern Region (NER)	882	308.10	1,035.42	388.01
Western Indian Region	1,154	371.65	0.0	0.0
North India	23	7.60	1,375.63	450.57
Nepal	1,092	337.27	941.36	313.70
Odisha	0	0	352.86	108.10
West Bengal	2,785	857.07	2,695.34	913.71
<b>Total</b>	<b>5,936</b>	<b>1,881.69</b>	<b>6,402.61</b>	<b>2,174.09</b>

India is a methanol importer country as its demand is not fulfilled through domestic production. The Company has always been facing stiff competition from methanol imported from the countries where natural gas price is comparatively lower and easily available. Your Company sold residual quantity of Methanol remained at its disposal after conversion to Formalin in the areas wherein the net price realization per Metric Ton is the most. Your Company has consistently been maintaining and offering best quality of products to its valued customers for years. During the FY 2022-23, the Company sold 1154 MTs of Methanol to pharmaceutical manufacturers located in the western India region at a premium price.

Peoples Republic of Bangladesh does not have any Methanol production facility as on date and demand for Methanol in that country entirely depends on imported Methanol. India shares a long international border with Bangladesh. Assam Petro-Chemicals Ltd. was trying hard to resume Methanol supply to Bangladesh for long. The Company had series of discussion with Bangladesh Government, trade bodies and customers directly and through the office of the Assistant High Commissioner to Bangladesh to India, Guwahati. Finally, the Company restarted methanol and formalin export to Bangladesh in June, 2023.

Assam Petro-Chemicals Ltd. has been supplying Bhutan's entire Formalin demand for a very long period. Assam Petro-Chemicals Ltd. is catering Methanol demand of Nepal and it has potential to



grow further. Your Company is exporting Methanol and Formalin to Nepal and Bhutan directly in Indian currency.

The new 500 TPD Methanol plant was commissioned in April, 2023 and the Company is expected to produce 15000 MT of Methanol additionally every month. APL has made robust strategy to market the additional quantity of Methanol produced which includes capture the entire eastern India market, supply to Pharmaceutical Sector, export to Bangladesh, increase methanol export to Nepal.

In order to increase the market share in the existing areas and to penetrate the potential market of methanol and formalin following efforts have been continuously made.

1. Ensure timely delivery of Company's products at the consignee's/customers' end.
2. Periodical feedback on quality, delivery, transportation etc. of products from our valued customers in "CUSTOMERS FEEDBACK CARD." Visit to our customer in person are also undertaken as and when required.
3. Redressal of customer grievances within 24 hours of lodging such complaint, where possible.
4. Attractive credit cum quantity discount policy has been adopted to encourage the customer to procure more quantity on monthly basis.
5. Brand building measures are also been pursued.

#### **Project Activities:**

The 500 TPD Methanol plant project of the Company has commissioned on 8th April, 2023 and dedicated it to the service of the nation by the Hon'ble Prime Minister Shri Narendra Modi on 14<sup>th</sup> April, 2023. Stabilization and preparedness to conduct of Performance and Guarantee Test Run (PGTR) of the plant are in progress. It is expected that the new methanol plant will operate at its full capacity of 500 ton per day soon. The technology of this plant is taken from Holder Topse of Denmark and the LEPCM consultant was M/s Engineers India

Ltd. Although the project implementation period of this plant was 36 months followed by 3 months stabilization but it has taken longer duration for completion and commissioning.

Your Company is implementing a 200 TPD Formalin project at Boitamari in Bongaigaon district in Western Assam. M/s ISGEC Heavy Engineering Ltd. is engaged as the Lump Sum Turn Key (LSTK) contractor for implementation. Technology for this project is supplied by Omega Chemicals Group SRL of Italy. Tata Consulting Engineers Ltd., Mumbai is the Project Management Consultant for this project. As on date, overall project implementation progress is approximately 69.21%. The project implementation period was originally for 24 months but the LSTK contractor is unable to complete the project as per scheduled timeline. This project is expected to commission in December 2023.

The Company is also implementing a transshipment center project at Boitamari adjacent to the 200 TPD Formalin project site on LSTK basis. The contract was awarded to M/s OVAL Projects Engineering Ltd. in October, 2021 (with completion period of 10 months). Implementation of this project is also delayed due to certain technical reasons. The revised schedule for commissioning of this project is October' 2023. On commissioning of the transshipment facility later this year, the Company will have additional storage facility as well as a marketing and distribution center in the western part of Assam. The transshipment facility will enable the Company to supply its products to its customers quickly. Its strategic location will also provide greater room to meet the competitors' challenge.

#### **Human Resource Management and Industrial Relations:**

The human resources are the most important resource of any organization to progress and prosper. The success or failure of an organization is largely dependent on the caliber and capabilities of the people working therein. The Human Resource Management is an integral part of the Company which focuses on driving employee

engagement, fostering a positive work culture, handling employee relations, supporting them to enhance their knowledge and skill for individual and organizational growth, development and success.

In order to optimize the human resource, the Company is framing and administering best HR Policies, sourcing competent personnel through recruitment, imparting training to newly recruited employees and continuous training to existing workforce, periodic evaluation of employees etc. Assam Petro-Chemicals Ltd. in collaboration with various institutions and subject matter experts, designs and delivers comprehensive training programs that address both technical and soft skills development of its personnel. These programs encompass a range of topics, including leadership, communication, project management, and industry-specific knowledge. We also encourage continuous learning through workshops, webinars, and online courses to ensure that our employees stay updated with the latest industry trends.

The Company conducts in-house and external training programme for its employees to enhance their knowledge, skills and competencies. During the year 2022-23, the Company organized 9 inhouse training programme for its employees and sent 11 nos. of its employees for external training. Assam Petro-Chemicals Ltd. has also facilitated students of the region to undergo internship training. During the year 2022-23, 151 nos. of such students were completed their summer/winter internship programme in the Company.

The manpower strength of the Company was 319 as on 31.03.2023 out of which 124 were unionised cadre and 195 were officers. The total nos. of woman employee were 23 on roll as on 31.03.2023. During the year 44 nos. of employees were separated from the Company due to retirement, resignation and death.

The industrial relations scenario of the Company during Financial Year 2022-23 was harmonious and cordial. All the issues raised by the APL Workers' Union as well as APL Officers' Association were

resolved amicably through discussions.

### **Health, Safety and Environment (HSE):**

Assam Petro-Chemicals Limited gives utmost priority to Health, Safety and Environment to maintain a healthy and safe work environment also safeguard its assets and properties as well as its surroundings. The Company is committed for continuous improvement in working environment and maintaining health, safety and wellbeing of the employees. The Company is also committed to protect environment and minimize release of Green House Gas (GHG) from its operations.

In order to ensure the effective implementation of HSE Policy of the Company, HSE awareness drive was made among all levels of the employees of the Company. Periodic health check-up of the industrial employees is continuously undertaken every year. The Company has been working on complete elimination of accidents and reduction of personal injuries in workplace. The Company is complying with all the applicable statutory requirements on HSE. Company has successfully commissioned the 500 TPD Methanol project at Namrup without a single incident of accident reported during the entire project implementation period. The Company is implementing 200 TPD Formalin project at Boitamari without any accident.

Your Company celebrated the National Safety Day on 4th March, 2023 in the factory premises at Namrup. The theme of this year's National Safety Day was "Nurture young minds - Develop safety culture". A large number of employees participated in the event and have taken pledge for adherence of all safety norms and standards for their personal safety and properties of the Company.

Your Company like the previous years celebrated the World Environment Day on 5th June, 2022 at its head office and factory premises at Namrup with the theme of "Only One Earth".

The Company also did plantations within its plant areas and surroundings. Greenery is covering more than 35% of the total area of the Company's land

at Namrup. This has been developed over a period and more efforts are made to plant trees within the Company's premises to protect environment.

#### **Dividend and transfer to Reserves:**

Your Board of Directors could not recommend for dividend for the Financial Year 2022-23 nor transfer to general reserve due to the loss incurred by the Company.

#### **Unpaid and unclaimed dividend for the previous Financial Years:**

According to Section 124(5) of the Companies Act, 2013, the Companies are required to transfer unpaid and unclaimed dividend amount to the 'Investors Education and Protection Fund (IEPF)' set up by the Central Government after expiry of 7 (seven) years from its transfer to Unpaid and Unclaimed Dividend account. Pursuant to Section 124(6) of the Companies Act, 2013 and the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, Companies are also required to transfer the corresponding shares of dividend unpaid amount transferred to IEPF to the Demat account of 'Investors Education and Protection Fund Authority' within 30 days from the transfer of dividend to IEPF. Accordingly, the Company transferred all the dividend unpaid and unclaimed amount on becoming due to transfer on completion of seven years also the corresponding shares to demat account of the IEPF Authority.

The investors of the Company whose shares and unclaimed dividend amount have already been transferred to IEPF and Demat account of the IEPF authority may claim their shares and the unpaid dividend amount by filing Form IEPF 5 online. The e-form IEPF -5 is available at <https://www.iepf.gov.in/IEPF/corporates.html>.

The list of the shareholders whose shares are transferred to demat account of IEPF Authority is hosted at our website <https://www.assampetrochemicals.co.in/dividend.php>. For any clarification, the shareholders may write to the Company Secretary of the Company or Company's

Registrar and Share Transfer Agent M/s C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata-700 019.

#### **Credit Rating:**

ICRA Ltd. has downgraded their long-term credit rating at [ICRA] BB<sup>+</sup> (Negative) on the loan amount ₹890.67 Crores availed from Punjab National Bank. The Company is hopeful that credit rating will improve gradually as the 500 TPD Methanol plant has already commissioned and starts earning.

#### **Changes in Share Capital:**

During the Financial Year 2022-23, the Company offered rights shares to the existing shareholders in two tranches to raise equity capital for the project funding. In the first tranche of right issues, the Company offered 621,12,131 nos. of equity shares of ₹10 each. The tranche -1 of the rights share issue were fully subscribed by the shareholders. The Board of Directors of the Company made allotment of shares to the rights share applicants on 7<sup>th</sup> November, 2022 which resulted enhancement of paid -up share capital of the Company upto ₹559,27,18,390.00 divided into 55,92,71,839 equity shares of ₹10 each.

Subsequently, the Board of Directors decided to offer 621,12,131 nos. of more equity shares of ₹10 each to the shareholders on rights basis at a ratio of one equity share against every nine existing shares. The shareholders of the Company subscribed only 607,47,281 nos. of rights shares offered in tranche-2 of the Rights Share Issue. The Board of Directors of the Company made allotment of the rights shares on 24<sup>th</sup> February, 2023 to the applicants. The paid-up share capital of the Company further enhanced upto ₹602,01,91,200.00 (Rupees six hundred two crore one lacs ninety-one thousand two hundred only) divided in to 60,20,19,120 equity shares of ₹10 each.

The authorised and paid-up share capital of the Company as on 31<sup>st</sup> March, 2023 were ₹750,00,00,000.00 and ₹602,01,91,200.00 respectively. The nominal value of per share of the



Company is ₹10 each.

The Company didn't issue any shares with differential rights or benefits or Employee Stock Options or Sweat Equity Shares during the Financial Year 2022-23.

#### Extract of Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (3) of the Companies (Management and Administration) Rules, 2014 an extract of Annual Return in Form MGT-9 for the Financial Year ending on 31<sup>st</sup> March, 2023 is enclosed as **Annexure- 'A'**. The Annual Returns of the Company are available in its website <https://www.assampetrochemicals.co.in>.

#### Board of Directors and the Number of Board Meetings:

The Board of Directors of the Company is constituted in accordance with the Section 149 of the Companies Act, 2013. However, due to resignation of an Independent Director on 9<sup>th</sup> June, 2022 the Board comprises of only one Independent Directors as on 31<sup>st</sup> March, 2023. The Board of Directors of the Company comprises of nominee Directors from Government of Assam and Oil India Ltd., Independent Director and Whole Time Directors. The members of the Board of Directors of the Company are mixture of civil servants, technocrats having adequate experience and expertise in related field, professional and social workers. All the members of the Board of Directors had/have requisite skills and knowledge to govern the Company.

According to the Articles 85 of the Articles of Association of the Company, the Government of Assam and Oil India Limited have equal rights to nominate directors on the Board of Directors of the Company. Accordingly, Government of Assam nominated six Directors including the Chairman, Vice-Chairman and Managing Director of the Company. Oil India Limited has also nominated equal numbers of Directors on the Board including the Director (Finance) and CFO.

There were several changes in the Board of Directors of the Company during the year 2022-23. Following changes were taken place in the Board of Directors of the Company during the FY 2022-23:

1. The Governor of Assam vide notification no. PE.24/2010/Pt.-I/100 dated 24<sup>th</sup> May, 2022 appointed Shri M.P. Singh, IAS (DIN-07708018) as a member of the Board in place of Shri Adil Khan, IAS (DIN-09055275).
2. Pursuant to the Article no. 85 of the Articles of Association of the Company, Oil India Ltd. vide their letter no. RCE:03-340 dated October 26, 2022 relieved Shri Arup Jyoti Sarmah (DIN-08830629), Shri Kishore Kr. Baishya (DIN-08822204) and Shri Tridip Baruah (DIN-08833074) and appointed Shri Poran Baruah (DIN-09784562), Shri Santanu Majumder (DIN-09783930) and Shri Tuhin Kanti Bhattacharjee (DIN-09783974) as Directors of the Company.

There were 13 (thirteen) nos. of directors on the Board of Assam Petro-Chemicals Limited as on 31<sup>st</sup> March, 2023.

1. Shri Bikul Chandra Deka, Chairman
2. Shri Hemanta Gogoi, Vice-Chairman
3. Shri Rajnesh Gogoi, Managing Director
4. Shri Pramod Kr. Prasad, Director (Finance) & Chief Financial Officer
5. Shri M. P. Singh, IAS, Director
6. Ms. Neera Daulagupu, ACS, Director\*
7. Shri Gokul Ch. Swargiyari, Director
8. Shri Pritam Roy Choudhury, Director
9. Shri Poran Baruah, Director
10. Ms. Pranati Goswami, Director
11. Shri Santanu Majumder, Director
12. Shri Tuhin Kanti Bhattacharjee, Director
13. Prof. Gautam Barua, Independent Director

*\*The Governor of Assam through a notification relieved Ms. Neera Daulagupu, ACS (DIN-07302422) as director of the Company and appointed Dr.*

*Lakshmanan S., IAS (DIN-09009335) as director in her place. Dr. Lakshmanan S. inducted as Director on the Board of the Company w.e.f. 24.05.2023. Dr. Lakshmanan S., IAS is the Secretary to the Government of Assam, Industries, Commerce and Public Enterprise Department.*

According to Section 152 of the Companies Act, 2013 the following directors are to retire by rotation in the 52<sup>nd</sup> Annual General Meeting who offers themselves for reappointment:

- a) Shri Manvendra Pratap Singh (DIN-07708018), and
- b) Dr. Lakshmanan S. (DIN-09009335)

The Board of Directors of the Company appointed Shri Poran Baruah, Shri Santanu Majumder and Shri Tuhin Kanti Bhattacharjee as Additional Directors of the Company from 23<sup>rd</sup> November, 2022 up to the 52<sup>nd</sup> Annual General Meeting of the Company. The Company received a notice under Section 160 of the Companies Act, 2013 proposing them as Directors on the Board.

Pursuant to the notification no. eCF No. 168088/300, the Board of Directors of the Company appointed Shri Jitu Talukdar (DIN-07772330) as Additional Director (independent) w.e.f 4<sup>th</sup> August, 2023 upto the 52<sup>nd</sup> AGM of the Company. In order to appoint Shri Talukdar as independent director of the Company for a term of five years, a resolution is moved for the approval of the shareholders in the 52<sup>nd</sup> Annual General Meeting of the Company.

#### **Number of Meetings of the Board of Directors:**

During the Financial Year 2022-23 the Company convened total 8 (eight) meetings of the Board of Directors and the gap between two consecutive meetings of the Board of Directors never exceeded 120 days. The details of the meetings of the Board of Directors held during the Financial Year 2022-23 are given under the para 'Board of Directors' in the Corporate Governance Disclosure enclosed as '**Annexure B**'. All the meetings of the Board of Directors were held in compliance with the applicable provisions of the Companies Act, 2013

and SS-1 issued by the Institute of Company Secretaries of India.

#### **Particulars of Loan, Guarantees and Investments under Section 186:**

The Company has not given any loan or guarantee covered under the provisions of section 186 of the Companies Act, 2013 during the Financial Year 2022-23.

#### **Promoters:**

Followings are the promoters of the Company as on date. The details of their shareholdings are provided in form MGT-9 annexed as Annexure-A:

- a. Governor of Assam
- b. Oil India Ltd.
- c. Assam Industrial Development Corporation Ltd. and
- d. Assam Gas Company Ltd.

#### **Particulars of Contracts or Arrangements with Related Parties:**

The Company didn't enter any related party agreements or contracts with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict of interest with the Company. However, the Company procured natural gas from Oil India Limited, a promoter of the Company, at the price fixed by the Government of India. Similarly, Assam Gas Co. Ltd. another promoter of the Company transported natural gas through pipeline to the Company's methanol plant at a transmission tariff fixed by the Petroleum and Natural Gas Regulatory Board.

#### **Material Changes Affecting the Financial Position of the Company:**

There was no such material changes and commitments in the Company which could affect the financial position from the date of the financial statements of the Company for the Financial Year 2022-23 till the date of signing this report.

## Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo:

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

### I. Conservation of Energy-

#### A. Energy conservation measures taken: -

- The process technologies adopted in our 100 TPD Methanol and 125 TPD Formalin plants are energy efficient. The Company selected the most developed I.C.I. (Now Johnson Matthey) England, Low Pressure Methanol Technology for manufacture of Methanol and Derivados Forestales, Netherlands Silver Process Technology for manufacture of Formaldehyde at the time setting up of the respective plants. The waste heat has been recovered to produce steam required for the process. Hence, heat is not radiated to atmosphere. Heat exchangers and pipes are well insulated to prevent the loss of heat. Cooling waters used in heat exchangers and other cooling water are recycled back to Cooling Tower and then reused to prevent the loss of water and treating chemicals. Efficient and effective corrosion resistance properties to the cooling water system, environment friendly & bio-degradable chemicals are used.
  - In the township, majority of the street lighting system with conventional CFL illumination is replaced with energy efficient & long-lasting LED lighting system.
  - The procurement and replacement of energy efficient, VFD drive motor that the modern technology has offered, is encouraged and accomplished.
  - Power Factor Improvement Capacitors (PFIC) are incorporated in electrical circuit for PF improvement and for obtaining additional discount thereof in the monthly energy bill.
- #### B. Additional investments and proposals if any being implemented for reduction of the consumption of energy:

There was no such proposal in the year under review.

### C. Impact of the measures (A) & (B) above:

*The specific consumption of electricity and natural gas as fuel are well within the tolerance limit.*

### D. Total energy consumption and power & fuel consumption per unit of production

a. Electricity	2022-23	2021-22
i) Purchased Unit (MWH)	Normal: 8373.606 Peak: 3976.747 Night: 6113.899 Total: 18464.254	Normal: 7293.335 Peak: 3,459.0864 Night: 5380.561 Total: 16132.983
Total amount (₹ in Crores)	14.86	11.63
Rate per Unit (₹/KWH)	Normal: 6.65 Peak: 8.65 Night: 4.65	Normal: 6.35 Peak: 8.35 Night: 4.35
Own generation (MWH)		
Turbo Generator (TG)	4002.93	4263.07
Gas Turbine Generator (CPP)	16263.9	Not Commissioned
b. Consumption per Unit of production		
i. Electricity (KWH) 100TPD Methanol Plant	33.56	455.98
ii. Natural Gas	0.010155 MMSCM	0.011525 MMSCM

### II. Technology Absorption: Research and Development (R & D)-

- Specific area in which R & D carried out by the Company: The Company do not have R & D facility. However, the Company takes steps for plant improvement and debottlenecking. The Company installed an additional Natural Gas compressor and a condenser in the methanol distillation section for better performance of the plant.
- Benefit derived as a result of above R & D: Does not arise
- Future Plan of Action: The Company don't have the plan to establish any in house research and development facilities as on this date.



### III. Technology Absorption and Adaptation-

#### i) The efforts made towards technology absorption, adaptation and innovation:

APL has been operating its 100 TPD Methanol and 125 TPD Formalin plants with the technology supplied by foreign suppliers. The Methanol technology was acquired from ICI Technology (presently known as Jhonson and Matthey) and Formalin technology from Derivados Forestales, Netherland's technology.

The Company has commissioned a 500 TPD Methanol Plant with 11 MW Captive Power Plant at Namrup. The technology used in Methanol production in the new 500 TPD Methanol was obtained from Holder & Topsoe, Denmark after global search for the most efficient technology.

#### ii) The benefits derived like product improvement, cost reduction, product development or import substitution etc.:

Product quality improved & no pollution related issues faced

#### iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)

- |  |                  |
|--|------------------|
| (a) The details of technology imported   | : Does not arise |
| (b) The year of import   | : Does not arise |
| (c) Whether the technology been fully absorbed   | : Does not arise |
| (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | : Does not arise |

### IV. Foreign Exchange Earnings and Outgo-

- a) Activities relating to exports: The Company has been taking initiatives to export its product to Bangladesh to earn foreign exchange for the country. The products sold in Bhutan and Nepal is in Indian currency only.

#### b) Total Foreign exchange used and earned:

Particulars	2022-23 (₹)	2021-22 (₹)
i. Earnings in Foreign Exchange (sales)	Nil	Nil
ii. Foreign Exchange Outgo	Nil	Nil

#### Details of Subsidiary:

Your Company has a subsidiary Company viz., Pragjyotish Fertilizers & Chemicals Ltd. (PFCL) incorporated in 2004 as a joint venture Company with State Fertilizer Corporation Ltd. PFCL has not been carrying on any business since its incorporation. This Company is under winding-up process. The financial statements for the Financial Year 2022-23 haven't yet been prepared and therefore the financial statements of the subsidiary Company could not be consolidated with the financial statements of the Company as prescribed in Section 129(3) & 134(1) of the Companies Act, 2013 and Companies (Accounts) Rules, 2014.

#### Business Risk Management:

Although the Company doesn't have any specific risk management policy as on this date but the Board of Directors of the Company deliberates on threats, risks and concerns which may threaten the continuation of its business or pose threat on its existence in its meetings on a regular basis.

The buildings, plant and machineries and other assets of the Company are fully insured. The Company also taken comprehensive insurance policy on the 500 TPD Methanol and 200 TPD Formalin project to cover all kind of risks during the construction and commissioning period.

#### Details of Directors and Key Managerial Personnel:

The provisions of Section 203 of the Companies Act, 2013 became applicable to the Company w.e.f. 2<sup>nd</sup> June, 2018 due to increase of paid-up share capital of the Company beyond ₹10 Crore. There were three Key Managerial Personnel (KMP) as on 31.03.2023 as defined in Section 203 of the Act and they were as follows:

1. Shri Rajnesh Gogoi, Managing Director
2. Shri Pramod Kr. Prasad, Director (Finance) & Chief Financial Officer
3. Shri Uttam Bailing, Company Secretary

Other than the KMPs stated above, the Company has senior management team consisting technocrats and professionals to handle the affairs of the Company efficiently.

The details of the Directors of the Company along with the Directors who were appointed or have ceased as Director during the year have already been discussed elsewhere in this report in details and stated in the *Corporate Governance Disclosure annexed hereto*.

#### **Deposits:**

The Company does not have any outstanding deposit at beginning of the Financial Year nor did it accept any deposits from the public during the Financial Year 2022-23.

#### **Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements:**

The Company has adequate internal financial control system in place and same is commensurate with the nature and size of the business of the Company. The Company also appointed a Chartered Accountant firm as internal auditor to discharge the internal audit function for the FY 2022-23. This enhances the effectiveness of the internal control system further. The Audit Committee of the Board regularly reviews the effectiveness of the internal control system of the Company.

#### **Receipt of any commission by Managing Director from Company or for receipt of commission / remuneration from it holding or subsidiary:**

The Company did not pay any commission to the Managing Director nor did the Managing Director receive any commission from its subsidiary Company.

#### **Declaration by Independent Director:**

Pursuant to the Section 149(6) of the Companies Act, 2013, the Independent Directors of the Company had given declarations in the beginning of the Financial Year 2022-23 that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

As per the declaration given and noted by the Board of Directors, none of the Independent Director was disqualified to be appointed or continue as Independent Director of the Company as on 31st March, 2023.

#### **Statutory Auditor:**

Pursuant to Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India appoints Independent Auditor of the Company to conduct audit. Accordingly, the Comptroller and Auditor General of India vide their letter no. No./CA. V/ COY/ASSAM,APETRO(1)/43 Dated :26/08/2022 appointed M/s Parik & Co., Chartered Accountants as independent auditors for FY 2022-23.

The auditors have conducted their audit for the Financial Year ending on 31st March, 2023 and their report dated 19.05.2023 is enclosed with the financial statements. Your Company pays ₹2,50,000.00 (Rupees two lacs fifty thousand) only as audit fee to the Independent Auditor for conduct of their audit.

#### **Secretarial Auditor:**

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, your Board appointed Biman Debnath & Associates, Company Secretaries as the Secretarial Auditor of the Company for the Financial Year 2022-23. The Secretarial Auditor has conducted their audit and their report dated 28<sup>th</sup> July, 2023 is annexed with this Report as **Annexure-C**.

#### **Cost Auditors:**

Pursuant to the Companies (Cost Records and Audit) Rules, 2014, the Company appointed M/s

Subhadra Dutta & Associates, Cost Accountants to undertake the Audit of the Cost Records of the Company for the Financial Year 2022-23.

In order to comply with the Section 148 of the Companies Act, 2013, the Board of Directors appointed M/s Subhadra Dutta & Associates, Cost Accountants as the Cost Auditor of the Company for the Financial Year 2023-24 at a fee of ₹23,900.00 (Rupees twenty-three thousand nine hundred) only excluding applicable tax and out of pocket expenses. The Board recommends for approval of the Cost Audit Fee in the ensuing AGM.

### Corporate Social Responsibility (CSR) Policy:

Pursuant to the Section 135 of the Companies Act, 2013, the Company constituted Corporate Social Responsibility Committee to frame CSR policy and recommend to the Board of Directors to approve and oversee the compliance the CSR policy implementations. The composition of Corporate Social Responsibility Committee of the Company as on 31.03.2023 was as follows:

- |                                  |            |
|----------------------------------|------------|
| a) Shri Rajnesh Gogoi,           | – Chairman |
| Managing Director                |            |
| b) Shri Pramod Kr. Prasad,       | – Member   |
| Director (Finance)               |            |
| c) Ms. Pranati Goswami, Director | – Member   |
| d) Prof. Gautam Barua,           | – Member   |
| Independent Director             |            |

Assam Petro-Chemicals Limited is a responsible public sector organization, spends its CSR budget amount diligently. The Company has been spending CSR fund in pursuance of the objectives set forth in the CSR Policy. The Company's CSR activities are mainly focused on education sector. During the Financial Year 2022-23, the Company made contribution to APL Vasundhara Jatiya Vidyalaya, Namrup, provided a Diesel Generator to Namsang T. E. Model School, Naharkatiya and illuminated Tingkhang College compound and its adjacent areas by solar lights. The details of the CSR expenditures and the CSR policy is annexed as **Annexure -D**.

As a good corporate and socially responsible citizen, Assam Petro Chemicals Limited contributed an amount of ₹1.00 Crore (Rupees one crore) only to Chief Minister's Relief Fund, Assam on 16<sup>th</sup> June, 2022 for relief of the distressed people of Assam affected by flood.

### Audit Committee:

The Audit Committee of the Company is constituted under the Chairmanship of an Independent Director in terms of the Section 177 of the Companies Act, 2013. However, due to sudden resignation of an independent director from the Board and inability to fill up the casual vacancy forthwith, the Audit Committee contained only one independent director as on 31st March, 2023. The details of the meeting of the Audit Committee held during the Financial Year 2022-23 and the roles and power of the Audit Committee are given in the *Corporate Governance Disclosure* as **Annexure-B**.

### Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 is a comprehensive piece of legislature covering all the aspects to provide protection against sexual harassment of women at workplace, prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto. In order to ensure compliance of the provisions of the said Act, the Company has constituted an Internal Complaint Committee (ICC). The Internal Complaint Committee did not receive any complaint of sexual harassment at the workplace during the Financial Year 2022-23.

### Directors Responsibility Statement:

Pursuant to the requirement under Section 134 (3) (c) and (5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts



for the Financial Year ended on 31st March, 2023, all applicable accounting standards had been followed, along with proper explanations relating to material departures;

- (ii) 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 as on 31st March, 2023 and of the profit and losses of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts of the Company for the Financial Year ended on 31st March, 2023 on a 'going concern' basis.
- (v) The Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) The Directors have devised proper systems to

ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Reply to the Comments of the Auditors:**

The Auditors of the Company have made certain comments in their Audit Report. According to the Section 134(3)(f) of the Companies Act, 2013, the Board of Directors of the Company have given pointwise reply on the same. The reply of the Board is enclosed as 'Annexure E'.

#### **Acknowledgment:**

Your directors place on records their appreciation of the unstinted support and encouragement extended by the Government of Assam, banks, the valued shareholders, customers and the employees of the Company.

Your directors also place on record their sincere appreciation to Oil India Limited for continuous supply of Natural Gas as main feedstock for production of Methanol and Assam Gas Company Ltd. for transporting Natural Gas to the plant.

Your directors also like to express sincere thanks and gratitude to the dealers, transporters, customers and all other stakeholders for their continuous faith and support on the Company.

**For and on behalf of the Board of Directors of  
Assam Petro-Chemicals Ltd.**

Sd/-

**Bikul Ch. Deka**  
Chairman

Place: Namrup  
Date: 04<sup>th</sup> August, 2023

Form MGT 9

**EXTRACT OF ANNUAL RETURN**As on Financial Year ended on 31<sup>st</sup> March, 2023

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I.	REGISTRATION AND OTHER DETAILS:				
i)	CIN	U24116AS1971SGC001339			
ii)	Registration Date	22 <sup>nd</sup> April, 1971			
iii)	Name of the Company	Assam Petro-Chemicals Limited			
iv)	Category/Sub-category of the Company	Public Company Limited by Shares			
v)	Address of the Registered office & contact details	4 <sup>th</sup> Floor, Orion Place, Bhangagarh, Mahapurush Srimanta Shankardev Path, Guwahati, Assam, India, PIN-781005 Phone No.: 0361-3510424 e-mail: aplguw@assampetrochemicals.co.in; website: www.assampetrochemicals.co.in			
vi)	Whether listed company	Unlisted			
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	C B Management Service (P) Limited, P-22, Bondel Road, Kolkata-700019, West Bengal, India Telephone No: 033-22806692-93-94, 66922486, 66922937 Fax no. 033-22870263, e-mail: rta@cbmsl.com			
II.	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY				
All the business activities contributing 10% or more of the total turnover of the company.					
SL No	Name & Description of main products/services	NIC Code of the Product /service*	% to total turnover of the company**		
i)	Methanol	201	17.23		
ii)	Formaldehyde	201	82.66		
* On the basis National Industrial Classification - Ministry of Statistics and Programme Implementation					
** On the basis of Net Turnover					
III.	PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES				
SI No	Name & Address of the Company	CIN	HOLDING/ SUBSIDIARY/	% OF SHARES HELD	APPLICABLE SECTION
i)	Oil India Limited	L11101AS1959GOI001148	Associate	48.68	2(6)
ii)	Pragjyotish Fertilizers & Chemicals Limited	U24124AS2004SGC007344	Subsidiary	55.56	2(87)

#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

##### (i) Category-wise Share Holding

Category of Shareholder	Number of shares held at the beginning of the year (01-Apr-2022)				Number of shares held at the end of the year (31-Mar-2023)				
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	% change during the year
A. Promoters									
(1) Indian									
(a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Government	24,20,00,000	0	24,20,00,000	48.68	30,25,00,000	0	30,25,00,000	48.79	0.11
(c) State Government(s)	4,97,12,190	20,50,00,000	25,47,12,190	51.23	11,19,62,190	20,50,00,000	31,69,62,190	51.12	-0.11
(d) Bodies Corporate	0	0	0	0.00	0	0	0	0	0.00
(e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(1)	29,17,12,190	20,50,00,000	49,67,12,190	99.91	41,44,62,190	20,50,00,000	61,94,62,190	99.91	0.00
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	29,17,12,190	20,50,00,000	49,67,12,190	99.91	41,44,62,190	20,50,00,000	61,94,62,190	99.91	0.00
B. Public shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(c) Central Government (Oil India Limited)	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	-	-	-	0.00	-	-	-	0.00	0.00
2. Non-institutions									

(a) Bodies Corporate									
(i) Indian	825	1,100	1,925	0.00	825	1,100	1,925	0.00	0.00
(ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹1 lakh	18,917	1,50,129	1,69,046	0.03	24,352	1,51,631	1,75,983	0.03	-0.006
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh.	0	11,000	11,000	0.00	102475	11,000	1,13,475	0.03	0.03
(c) Others (specify)									
(i) Society	0	2750	2750	0.00	0.00	2,750	2,750	0.00	0.00
Non-Resident Indian	137	0	137	0.00	137.00	-	137	0.00	0.00
Investor Education & Protection Fund	2,62,660	0	2,62,660	0.05	262660	0.00	2,62,660	0.04	-0.01
Sub-Total (B)(2)	2,82,539	1,64,979	4,47,518	0.09	3,90,449	1,66,481	5,56,930	0.09	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	2,82,539	1,64,979	4,47,518	0.09	3,90,449	1,66,481	5,56,930	0.09	0.00
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>29,19,94,729</b>	<b>20,51,64,979</b>	<b>49,71,59,708</b>	<b>100</b>	<b>41,48,52,639</b>	<b>20,51,66,481</b>	<b>62,00,19,120</b>	<b>100</b>	<b>0.00</b>

\* Oil India Ltd. being a Government of India Enterprise is treated as Central Government and Governor of Assam, Assam Industrial Development Corporation Ltd. and Assam Gas Co. Ltd. are treated as State Government.

## ii. SHARE HOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2022)			Shareholding at the end of the year (31 <sup>st</sup> March, 2023)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Assam Industrial Development Corporation Limited	4,97,12,190	10.00	Nil	4,97,12,190	8.02	Nil	-1.98
2	Governor of Assam	17,70,00,000	35.60	Nil	23,22,50,000	37.46	Nil	1.86
3	Oil India Ltd.	24,20,00,000	48.68	Nil	30,25,00,000	48.79	Nil	0.11
4	Assam Gas Company Ltd.	2,80,00,000	5.63	Nil	3,50,00,000	5.64	Nil	0.01
	<b>Total</b>	<b>49,67,12,190</b>	<b>99.91</b>	<b>0.00</b>	<b>61,94,62,190</b>	<b>99.91</b>	<b>0.00</b>	<b>0.00</b>



### iii. CHANGE IN PROMOTERS SHAREHOLDINGS

Sl. No.	Name	Increase/decrease in shareholding	Shareholding/ Transaction date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	OIL INDIA LIMITED	At the beginning of the year	01-04-2022	24,20,00,000	48.79	24,20,00,000	48.79
		Increase	07-11-2022	3,02,50,000		27,22,50,000	
		Increase	24-02-2023	3,02,50,000		30,25,00,000	48.79
		At the end of the year	31-03-2023			30,25,00,000	
2	GOVERNOR OF ASSAM	At the beginning of the year	01-04-2022	17,70,00,000	35.6	17,70,00,000	37.46
		Increase	07-11-2022	2,82,58,576		20,52,58,576	
		Increase	24-02-2023	2,69,91,424		23,22,50,000	
		At the end of the year	31-03-2023			23,22,50,000	37.46
3	ASSAM INDUSTRIAL DEVELOPMENT CORPORATION LTD	At the beginning of the year	01-04-2022	4,97,12,190	10.00	4,97,12,190	8.02
		At the end of the year	31-03-2023			4,97,12,190	8.02
4	ASSAM GAS CO. LTD.	At the beginning of the year	01-04-2022	2,80,00,000	5.64	2,80,00,000	5.64
		Increase	07-11-2022	35,00,000		3,15,00,000	
		Increase	24-02-2023	35,00,000		3,50,00,000	
		At the end of the year	31-03-2023			3,50,00,000	5.64

### iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS, DIRECTORS AND HOLDERS OF ADRS AND GDRS)

Sl. No.	Name of the Shareholders	Increase/decrease in shareholdings	Date	Shareholding at the beginning		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	MAHENDRA GIRDHARILAL	At the beginning of the year	01-04-2022	2475	0	2475	0
		Increase	25-11-2022	100000	0.02	102475	0.02
		At the end of the year	31-03-2023			102475	0.02
1	KAILASH BAGARIA	At the beginning of the year	01-04-2022	11000	0	11000	0
		At the end of the year	31-03-2023			11000	0
2	KESHALATA BYMRA	At the beginning of the year	01-04-2022	5500	0	5500	0
3	HEMANG M PATEL	At the end of the year	31-03-2023			5500	0
		At the beginning of the year	01-04-2022	2200	0	2200	0
		Increase	25-11-2022	1400	0	3600	0
		Increase	17-03-2023	4400	0	8000	0
		At the end of the year	31-03-2023			8000	0
4	SUMAN MALU	At the beginning of the year	01-04-2022	5500	0	5500	0
		At the end of the year	31-03-2023			5500	0

5	AOD OIL-CO-OPERATIVE SOCIETY, IOC	At the beginning of the year	01-04-2022	2750	0	2750	0
		At the end of the year	31-03-2023			2750	0
6	RAJALAKSHMI SETHURAMAN	At the beginning of the year	01-04-2022	2750	0	2750	0
		Decrease	07-01-2023	2750	0	0	0
		At the end of the year	31-03-2023			0	0
7	ALAKA BARUA	At the beginning of the year	01-04-2022	2750	0	2750	0
		At the end of the year	31-03-2023			2750	0
8	SUSHILA BORUAH	At the beginning of the year	01-04-2022	2750	0	2750	0
		At the end of the year	31-03-2023			2750	0
9	ANIMA BARUAH	At the beginning of the year	01-04-2022	2750	0	2750	0
		At the end of the year	31-03-2023			2750	0
10	ANJANA BURAGOHAIN	At the beginning of the year	01-04-2022	2750	0	2750	0
		At the end of the year	31-03-2023			2750	0
10	BANGSHIDHAR BARGOHAIN	At the beginning of the year	01-04-2022	2750	0	2750	0
		At the end of the year	31-03-2023			2750	0
10	MINATI GOSWAMI CHAUDHURY	At the beginning of the year	01-04-2022	0	0	0	0
		Increase	31-03-2023	2750	0	2750	0
		At the end of the year	31-03-2023			2750	0
10	SHREERAM SETHURAMAN	At the beginning of the year	01-04-2022	0	0	0	0
		Increase	06-01-2023	2750	0	2750	0
		At the end of the year	31-03-2023			2750	0

## V. SHAREHOLDING OF DIRECTORS & KMP

Sl. No.	Name	Details of shareholding / Changes	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares in the Company	No. of shares	% of total shares in the Company
1	Shri Bikul Ch Deka Chairman	At the begining of the year	01-04-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
2	Shri Hemanta Gogoi Vice -Chairman	At the begining of the year	01-04-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
3	Shri Rajnesh Gogoi Managing Director	At the begining of the year	01-04-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
4	Shri Pramod Kr. Prasad Director (Finance) & CFO	At the begining of the year	01-04-2022	0	0	0	0
		At the end of the year	25-11-2022	0	0	0	0
5	Shri M P Singh, IAS Director	On the date of appointment	17-06-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
6	Shri Gokul Ch Swargiyari Director	At the begining of the year	01-04-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
7	Ms. Neera Daulagupu, ACS Director	At the begining of the year	01-04-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
8	Prof. Gautam Barua Independent Director	At the begining of the year	01-04-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
9	Shri Pritam Ray Choudhury Director	At the begining of the year	01-04-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
10	Shri Poran Baruah Director	On the date of appointment	23-11-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
11	Ms. Pranati Goswami Director	At the begining of the year	01-04-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
12	Shri Santanu Majumder Director	On the date of appointment	23-11-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
13	Shri Tuhin Kanti Bhattacharjee Director	On the date of appointment	23-11-2022	0	0	0	0
		At the end of the year	31-03-2023	0	0	0	0
14	Shri Uttam Bailung Company Secretary	At the begining of the year	01-04-2022	59	0	59	0
		Increase	07-11-2023	35	0	94	0
		Increase	24-02-2023	60	0	154	0
		At the end of the year	31-03-2023			154	0

## vi. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01-Apr-2022)</b>				
i) Principal Amount	9,01,82,01,899	0.00	0.00	9,01,82,01,899
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0.00
<b>Total (i+ii+iii)</b>	<b>9,01,82,01,899</b>			<b>9,01,82,01,899</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	40,17,96,031	0.00	0.00	40,17,96,031
Reduction	13,11,49,303	0.00	0.00	13,11,49,303
<b>Net Change</b>	<b>27,06,46,728</b>	<b>0.00</b>	<b>0.00</b>	<b>27,06,46,728</b>
<b>Indebtedness at the end of the financial year (31-Mar-2023)</b>				
i) Principal Amount	9,28,88,25,445	0.00	0.00	9,28,88,25,445
ii) Interest due but not paid	23,182	0.00	0.00	23,182
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>9,28,88,48,627</b>	<b>0.00</b>	<b>0.00</b>	<b>9,28,88,48,627</b>

## vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		
1	<b>Gross salary</b>	Shri Rajnesh Gogoi, Managing Director	Shri Pramod Kr. Prasad Director (Finance) & CFO	<b>Total Amount</b> (in ₹)
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	26,32,308.00	26,57,585.00	52,89,893.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock option	0.00	0.00	0.00
3	Commission as % of profit	0.00	0.00	0.00



4	Others (Providend Fund, Medical Expenses and incentive	0.00	0.00	0.00
<b>Total (A)</b>		26,32,308.00	26,57,585.00	52,89,893.00
<b>Ceiling as per the Companies Act, 2013 is not applicable to the company.</b>				
<b>*draws salary from Oil India Limited as they are serving in Assam Petro-Chemicals Ltd. under deputation. The Company reimburses their salary fixed as per AS (RoP) Rules, 2017.</b>				

**B. Remuneration to other directors:**

Figures in ₹

Sl.No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	Deepakananda Bharali	Prof. Gautam Barua	
	(a) Fee for attending board / committee meetings	10,000.00	93,000.00	1,03,000.00
	(b) Commission	0.00	0.00	0.00
	(c ) Others, please specify	0.00	0.00	0.00
	<b>Total (1)</b>	<b>10,000.00</b>	<b>93,000.00</b>	<b>1,03,000.00</b>
2	Other Non Executive Directors	Bikul Ch. Deka	Hemanta Gogoi	
	"(a) Fee for attending board committee meetings"	0.00	0.00	
	(b) Commission	0.00	0.00	
	(c ) Remuneration as per Govt. order	6,00,000.00	4,80,000.00	
	<b>Total (2)</b>	<b>10,80,000.00</b>		<b>6,95,484.00</b>
	<b>Total (B)=(1+2)</b>	<b>11,83,000.00</b>		
	<b>Total Managerial Remuneration</b>			
		<b>64,72,893.00</b>		

Overall Ceiling for sitting fees as per the Act. is ₹1,00,000/-each director per meeting of the Board of Directors.

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Figures in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (KMP)	
1	<b>Gross Salary</b>	<b>Shri Uttam Bailing, Company Secretary</b>	<b>Total</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	22,74,280.00	22,74,280.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission - as % of profit - Incentive	0.00	0.00
5	Others, please specify (Provident Fund, Medical Expenses and incentive)		
	(a) Medical reimbursement	0.00	0.00
	(b) Employers Contribution to PF	2,17,314.00	2,17,314.00
<b>Total</b>			<b>24,91,594.00</b>

## (VIII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

# CORPORATE GOVERNANCE DISCLOSURE

## 1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance. The company continues with its efforts to attain the highest level of transparency, professionalism and accountability in every aspect and in all interactions with its stakeholders, the State Government and also with its employees. The company aims at satisfaction of all stakeholders in a balanced manner through sustainable growth and profitability.

## 2. BOARD OF DIRECTORS

The Board of Directors of the Company is constituted as per the requirements of the Section 149 of the Companies Act, 2013. There were 13 (thirteen) members on the Board of Directors of the Company as on 31<sup>st</sup> March, 2023. The composition and categories of Directors as on 31<sup>st</sup> March, 2023 were as follows:

Category	Name of Directors
<b>Non-Executive Director</b> (Nominated by the Promoters)	Shri Bikul Ch. Deka, Chairman [DIN -07774812]
	Shri Hemanta Gogoi, Vice-Chairman [DIN-09484718]
	Shri Manavendra Pratap Singh, IAS [DIN-07708018]
	Ms. Neera Daulagupu, ACS [DIN-07032422] @
	Shri Gokul Ch. Swargiyari [DIN-08545385]
	Shri Pritam Ray Choudhury, [DIN-08822190]
	Shri Poran Baruah, [DIN-09784562] *
	Ms. Pranati Goswami, [DIN-08822172]
	Shri Santanu Majumder, [DIN-09783930] *
<b>Independent Director</b>	Shri Tuhin Kanti Bhattacharjee [DIN-09783974] *
	Prof. Gautam Barua [DIN-01226582]
<b>Whole Time Director</b>	Shri Rajnesh Gogoi, Managing Director [DIN-09394422]
	Shri Pramod Kr. Prasad, Director (Finance) [DIN- 09547921]

None of the director is related to any other director on the Board.

*\*Shri Poran Baruah, Shri Santanu Majumder and Shri Tuhin Kanti Bhattacharjee were appointed as Additional Directors of the Company w.e.f. 23<sup>rd</sup> November, 2022.*

*@ The Governor of Assam relieved Ms. Neera Daulagupu, ACS as a Nominee Director of the Government and appointed Dr. Lakshmanan S., IAS [DIN-09009335] as the Director of the Company on her place w.e.f. 31<sup>st</sup> May, 2023.*

As per the Article 85 of the Articles of Association of the Company, the Government of Assam and Oil India Ltd. are empowered to nominate equal numbers of Board members. Accordingly, Government of Assam and Oil India Limited have nominated equal numbers of Director on the Board of Directors of the Company. The Chairman, Vice-Chairman, Managing Director and three non-executive directors are nominated by the Government of Assam. Oil India Limited appointed Director (Finance) & CFO and other five directors on the Board of Directors of the Company.

Pursuant to the Section 149 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 the Company appointed two independent Directors on the Board of Directors of the Company. However, an Independent Director, appointed by the Company on the suggestion of the Governor of Assam relinquished his office w.e.f. 9<sup>th</sup> June, 2023. Presently, the company has only one Independent Director on its Board. Request has been made to the Government of Assam to propose an Independent Director for appointment. Accordingly, the Government of Assam appointed Shri Jitu Talukdar as Independent Director. He has been inducted as Independent Director of the Company on 4<sup>th</sup> August, 2023.

## 3. MEETINGS OF THE BOARD OF DIRECTORS:

The Company convened meetings of the Board of Directors as per applicable provisions of the Companies Act, 2013, Companies (Meetings of the Board and its Powers) Rules, 2014 and the Secretarial Standard -1 (SS-1) issued by the Institute of Company Secretaries of India. During the Financial Year 2022-23 ending on 31<sup>st</sup> March, 2023, the Company convened total 8 (eight) meetings of the Board of Directors. The gap between two consecutive meetings of the Board of Directors never exceeded 120 days.

The details of the meetings of the Board of Directors held during the Financial Year 2022-23 were as follows: -

Sl. No.	Date of Board Meeting	Board Strength	Numbers of Directors present	Percentage of attendance
1	30.05.2022	14	9	64.28
2	30.08.2022	13	10	76.92
3	30.09.2022	13	9	69.23
4	19.10.2022	13	9	69.23
5	23.11.2022	13	9	69.23
6	22.12.2022	13	10	76.92
7	13.02.2023	13	9	69.23
8	06.03.2023	13	10	76.92

**Particulars of Directors including those who ceased to be director in the company during the financial year, their attendance at meetings of Board of Directors and the meetings of Shareholders held during the Financial Year 2022-23.**

Sl. No.	Name of Directors and their Category	(i) Date of joining as Director of the Company (ii) Date of cessation if any	Attendance of the meeting of Board held during the year and percentage thereof			Attended in the last general meeting (Yes/No/NA)	Name of the Companies/Firms/association of individuals in which interested
			Nos. of meetings attended	Total meetings held during the tenure of the director	% of attendance		
1	Shri Bikul Ch. Deka, Chairman [DIN -07774812] Category: Govt. of Assam Nominee	7 <sup>th</sup> March, 2017	8	8	100	Yes	NIL
2	Shri Hemanta Gogoi, Vice-Chairman [DIN-09484718] Category: Govt. of Assam Nominee	31 <sup>st</sup> January, 2022	8	8	100	Yes	NIL
3	Shri Rajnesh Gogoi Managing Director [DIN-09394422] Category: Whole Time Director	30 <sup>th</sup> Nov., 2021	8	8	100	Yes	NIL
4	Shri Manavendra Pratap Singh, IAS [DIN-07708018] Category: Govt. of Assam nominee	17 <sup>th</sup> June, 2022	1	8	12.50	No	AIDCL, CSML, IPL, ASIDCL, PBSL, ASFC, CCIL, ASWMCL, IAF, ATPQ, ATCL, ASL, FL, ASTCL
5	Shri Adil Khan, IAS [DIN 09055275] Category: Govt. of Assam Nominee Director	30 <sup>th</sup> July, 2021 (Ceased on 24.05.2022)	0	0	0	NA	AIDCL, CSML, IPL, BTP, IAF, ASWCL, CCIL, ATPQ, PBSL



Sl. No.	Name of Directors and their Category	(i)Date of joining as Director of the Company (ii)Date of cessation if any	Attendance of the meeting of Board held during the year and percentage thereof			Attended in the last general meeting (Yes/No/NA)	Name of the Companies/ Firms/association of individuals in which interested
			Nos. of meetings attended	Total meetings held during the tenure of the director	% of attendance		
6	Ms. Neera Daulagupu, ACS [DIN-07302422] Category: Govt. Nominee Director	30 <sup>th</sup> July,2021	0	8	0	No	ASWCL, APML, IPL, DNP Ltd.
7	Prof. Gautam Barua [DIN-01226582] Category: Independent Director	12 <sup>th</sup> April, 2021	6	8	75	Yes	NESFBL
8	Shri Deepakananda Bharali [DIN-08739623] Category: Independent Director	6 <sup>th</sup> May,2020 (Ceased on 09.06.2022)	0	1	0	NA	NIL
9	Shri Pritam Ray Choudhury [DIN-DIN-08822190] Category: Nominee Director of OIL	25 <sup>th</sup> September,2020	7	8	87.5	Yes	NIL
10	Shri Arup Jyoti Sarmah [DIN-08830629] Category: Nominee Director of OIL	25 <sup>th</sup> September,2020 (ceased on 23.11.2022)	3	4	75	No	NIL
11	Ms Pranati Goswami [DIN-08822172] Category: Nominee Director of OIL	25 <sup>th</sup> September,2020	7	8	87.5	Yes	NIL
12	Shri Kishore Kr. Baishya [DIN-08822204] Category: Nominee Director of OIL	25 <sup>th</sup> September,2020 (ceased on 23.11.2022)	4	4	100	Yes	NIL
13	Shri Tridip Baruah [DIN-08833074] Category: Nominee Director of OIL	25 <sup>th</sup> September,2020 (ceased on 23.11.2022)	3	4	75	Yes	NIL

Sl. No.	Name of Directors and their Category	(i)Date of joining as Director of the Company (ii)Date of cessation if any	Attendance of the meeting of Board held during the year and percentage thereof			Attended in the last general meeting (Yes/No/NA)	Name of the Companies/ Firms/association of individuals in which interested
			Nos. of meetings attended	Total meetings held during the tenure of the director	% of attendance		
14	Shri Gokul Swargiyari [DIN-08545385] Category: Govt. of Assam Nominated Director	12 <sup>th</sup> April, 2021	3	8	37.5	Yes	AGCL, DNP Ltd., PBGL, TNGC
15	Shri Poran Baruah [DIN-09784562] Category: Govt. of Assam Nominated Director	23.11.2022	3	4	75	No	NIL
16	Shri Santanu Majumder [DIN-09783930] Category: Govt. of Assam Nominated Director	23.11.2022	3	4	75	No	NIL
17	Shri Tuhin Kanti Bhattacharjee [DIN- 09783974] Category: Govt. of Assam Nominated Director	23.11.2022	3	4	75	No	NIL

**AIDCL:** Assam Industrial Development Corporation Limited; **IAF:** Invest Assam Foundation; **IPL:** Industrial Paper(Assam) Ltd.; **CSML** : Cachar Sugar Mills Ltd.; **ATPO** :Assam Trade Promotion Organization; **ASFC:** Assam State Fertilizer & Chemicals Ltd.; **CCIL** :Calcom Cement India Ltd.; **ASIDCL:** Assam Small Industries Development Corporation Ltd.; **NHM** :National Health Mission; **ASWCL:** Assam State Warehousing Corporation Ltd.; **PBSL** : Prag Bosimi Synthetics Ltd.; **APML** :Ashok Paper Mill(Assam) Ltd. **DNP Ltd.;** **NESFBL** : North East Small Finance Bank Ltd.; **AGCL** : Assam Gas Company Limited; **PBGL:** Purba Bharati Gas Pvt. Ltd.; **TNGC** : Tripura Natural Gas Company Ltd., **FL:** Fertichem Ltd., **ASL:** Assam Syntex Ltd., **ASWMCL:** Assam State Weaving & Manufacturing Co. Ltd., **ATCL:** Assam State Textile Corporation Ltd.

#### 4. COMMITTEES OF THE BOARD OF DIRECTORS

##### A. AUDIT COMMITTEE:

According to the Section 177 of the Companies Act, 2013, the Company constituted the Audit Committee under the Chairmanship of an Independent Director. There are three directors on the Audit Committee of the Company. Other two members are non-

executive directors. The Managing Director and the Director (Finance) and CFO are permanently invited to the meetings of the Audit Committee. During the Financial Year 2022-23 the company convened four meetings (30<sup>th</sup> May, 2022, 29<sup>th</sup> September,2022, 10<sup>th</sup> November,2022, 29<sup>th</sup> March,2023) of the Audit Committee. Since, the Company is having only one independent directors as on 31.03.2023, therefore

the Committee was lacking majority of independent directors.

All the members of the Audit Committee attendance records of the members at the meetings were as follows:

Name of the Directors	Status	No. of meeting attended	Attended in the last AGM (Yes /No)
Prof. Gautam Barua	Chairman	4	Yes
Ms. Pranati Goswami	Member	3	Yes
Shri Poran Baruah	Member	1	NA
Shri Santanu Majumder	Member	1	NA

Terms of Reference: The terms of reference/powers of the Audit Committee are as under:

#### A. Powers of the Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### B. The Role of Audit Committee includes

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for remuneration and terms of appointment of auditors of the company.
3. Approval of payment to the statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required being included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.

- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimate based on the exercise of judgment by the management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with the listing and other legal requirements relating to financial statement.
- Disclosure of related party transactions
- Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission with the Board for approval.
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent notification of transactions of the company with the related parties.
9. Scrutiny of inter corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls;

12. Reviewing, with the management, performance of statutory and internal auditors adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow-up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the whistle Blower Mechanism.
19. Approval of appointment of CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience & background, etc of the candidate.
20. Carrying out such other functions as is mentioned in the terms of reference of the audit committee.
21. To review the following information:
  - The management Discussion and Analysis of financial condition and results of operation;

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weakness issued by the statutory auditors;
- Internal audit reports relating to internal control weakness; and
- The appointment, removal and terms of remuneration of the chief internal auditor(s) shall be subject to review by the audit committee;
- Statements of Deviations:
  - a. Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1).
  - b. Annual statements of funds utilised for purpose other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

## B. NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD:

According to Section 178 (1) of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, the company is required to constitute *Nomination and Remuneration Committee* of the Board of Directors of the company. Accordingly, the Board constituted the Nomination and Remuneration Committee on 12<sup>th</sup> April, 2021. The composition of the Nomination and Remuneration Committee is as follows:

Prof. Gautam Barua (Independent Director)	Chairman
Shri Gokul Swargiyari, Non-executive Director	Member

There was no meeting of this Committee held during the Financial Year 2022-23.

The Managerial remuneration paid to the Managing Director and Director (Finance) during the FY 2022-23 is as under:



(Figures in ₹)

Name of Director	All elements of remuneration package of Directors i.e. salary, benefits, bonus	Other benefits	Service contracts, notice period, severance fee.
Shri Rajnesh Gogoi, Managing Director (from 1 <sup>st</sup> Dec., 2021 to 31.03.2022)	₹26.32 lacs (Rupees twenty-six lacs thirty-two thousand) only	Nil	He is a serving officer of Oil India Ltd. (OIL) whom the Government of Assam appointed as the Managing Director of the Company. He draws regular salary from OIL as per his terms of service. The Company reimburses his remuneration to OIL as per the remuneration calculated under Assam Service (Revision of Pay) Rules, 2017. His service conditions, notice period etc. are governed by his terms of appointment with the parent Company i.e., OIL.
Shri Pramod Kr. Prasad Director (Finance) & CFO	₹26.58 lacs (Rupees twenty-six lacs fifty-eight thousand) only	Nil	He was under deputation as Director (Finance) from OIL. The Company reimburses salary to OIL as determined under Assam Service (Revision of Pay) Rules, 2017. His service conditions, notice period etc. are governed by his terms of appointment with the parent Company i.e., Oil India Ltd..

The company pays sitting fee to the independent directors of the Company at the rate of fee of ₹8,000/- (Rupees Eight Thousand only) for attending each of meeting of Board of Directors and ₹5,000/- (Rupees Five thousand) only for attending every meeting of the Board sub-committee where the Independent Director is a member. The Company didn't pay any sitting fee to the nominee directors of Government of Assam and Oil India Ltd.

The sitting fee paid to the Independent Directors during the Financial Year 2022-23 are given as under:

Sl. No.	Names of the Directors	Amount of Sitting Fees (in ₹)
1	Shri Deepakananda Bharali	10,000.00
2	Prof. Gautam Barua	93,000.00
	<b>Total:</b>	<b>1,03,000.00</b>

Pursuant to the Government of Assam notification PE.37/2015/59 dated 04/08/2018, the Chairman and Vice-Chairman of the Company receives monthly remuneration from the Company. Accordingly, the Company paid ₹6.00 lacs to the Chairman and ₹4.80 lacs to the Vice-Chairman during the Financial Year 2022-23. Both the Chairman and Vice-Chairman are

also provided chauffeur driven vehicles and 100 litre diesel to run the vehicle for his official use.

### C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to Section 138 of the Companies Act, 2013, the Company constituted a Corporate Social Responsibility Committee of the Board of Directors. There were three meetings of the CSR Committee of the Board held during the year 2022-23.

The Composition of the committee was as follows:

Shri Rajnesh Gogoi Managing Director	Chairman
Pramod Kr. Prasad, Director (Finance)	Member
Prof. Gautam Barua, Independent Director	Member
Ms. Pranati Goswami, Director	Member

Details of the CSR policy and expenditures made by the Company during the Financial Year 2022-23 are stated in the annexure to the Directors' Report.

### D. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company re-constituted a Stakeholders' Relationship Committee with the chairmanship of the

Managing Director of the Company. The composition of the Committee as on 31.03.2023 is given as under.

Shri Rajnesh Gogoi, Managing Director	Chairman
Shri Pramod Kr. Prasad, Director (Finance)	Member

The Stakeholders' Relationship Committee, inter alia, consider and resolve the grievances of the shareholders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee also meets to consider and approve transmission of shares and issue of Duplicate and Rematerialized Share Certificates, etc. as and when required.

Shri Uttam Bailung, Company Secretary, is the Secretary of all Board Sub-Committees constituted under the Companies Act, 2013 and applicable Rules thereunder. The contact detail of the Company Secretary is as under: -

*Company Secretary*

*Assam Petro-Chemicals Limited*

*4<sup>th</sup> Floor, Orion Place, Mahapurush Srimanta Sankardev Path, Bhangagarh, Guwahati-781 005 Assam, Phone no. 0361-3510424*

[email-bailung.uttam@assampetrochemicals.co.in](mailto:email-bailung.uttam@assampetrochemicals.co.in),  
[aplguw@assampetrochemicals.co.in](mailto:aplguw@assampetrochemicals.co.in)

Other than the above statutory Board Sub-Committees, the Board constituted the following two more sub-Committees viz. Marketing Committee and Project Committee for smooth running of the affairs of the Company.

## 5. GENERAL BODY MEETINGS

Details of General Body Meetings held in the last three years are given below:

General Body Meeting	Day and Date	Time	Venue
49 <sup>th</sup> AGM	Friday, 11 <sup>th</sup> December, 2020	11.00 AM	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility.
50 <sup>th</sup> AGM	Monday, November, 20, 2021	11:00 AM	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility.

51 <sup>st</sup> AGM	Friday, 30 <sup>th</sup> September, 2022	01.00 PM	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility.
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### Special Resolution passed at the 50<sup>th</sup> AGM:

No special resolution was passed in the 51<sup>st</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2022.

### Special Resolution passed through Postal Ballot:

No special resolution was passed by the shareholders through the Postal Ballots during the year 2022-23.

## 6. MEANS OF COMMUNICATION

The Company is having a website [www.assampetrochemicals.co.in](http://www.assampetrochemicals.co.in) and all the information relating to the company affecting the stakeholders in general are published therein. The website also contains the basic information of the Company, composition of Board etc. The Company's Annual Reports for preceding years are also available in a user-friendly and downloadable form.

## 7. GENERAL SHAREHOLDER INFORMATION

### a) 52<sup>nd</sup> Annual General Meeting:

Date: 26<sup>th</sup> September, 2023

Venue: Video-Conference (VC) or Other Audio Visual Means (OAVM)

Financial Year:

1<sup>st</sup> day of April to 31<sup>st</sup> day of March of the following year.

### b) Dividend Payment Date:

Board of Directors couldn't recommend dividend for the FY 2022-23 due to insufficient amount of profit earned by the Company during the year.

### c) Listing:

The shares of the company are not listed in any of the stock exchanges as on this date.

### d) Date of Book Closure: Not applicable

### e) Registrar and Share Transfer Agent:

M/s C.B. Management Services (P) Ltd.

P-22, Bondel Road, Kolkata-700 019

E-mail: [rta@cbmsl.com](mailto:rta@cbmsl.com).

**f) Share Transfer System:**

Physical Shares: Pursuant to the notification of the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 and made it effective from 2<sup>nd</sup> October, 2018, no transfer of shares of the company was possible in physical mode. However, the Ministry of Corporate Affairs, Government of India vide notification no. GSR 43(E) dated 22.03.2019 allowed transfer of shares in physical mode in case of unlisted Government Companies. Assam Petro-Chemicals Ltd. being an unlisted Government Company, therefore shares can now be transferred in physical mode.

Shares in Electronic Mode: 41,48,52,639 nos. (66.91%) of equity shares of the company are held in dematerialized mode on 31.03.2023. The company appeal to the shareholders who haven't yet used this facility to dematerialise their shares so that the shares can be held and transferred electronically.

**g) Distribution of shares**

The distribution of shares of the company as on 31<sup>st</sup> March, 2023 are as follows:

Shareholders	Number of shares held	Shares held in Demat	Shares held in physical	% of holding
Promoters and Promoters Group	61,94,62,190	41,44,62,190	20,50,00,000	99.91
Other public share holders	5,56,930	3,90,449	1,66,481	0.09
Total	62,00,19,120	41,48,52,639	20,51,66,481	100

**h) Dematerialisation of Shares and liquidity:**

The company provides the facility to dematerialise the shares of the Company with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN of the Company's shares is **INE277D01010**.

For more information on Demat of the

Company's shares the shareholders may communicate to Company's Registrar M/s C.B. Management Services (P) Ltd., P- 22, Bondel Road, Kolkata-700 019 or to the Company Secretary of the company.

**i) The Company never issued GDRs/ADRs/Warrants or any convertible instruments hence, there are no outstanding of as on 31-03-2023.**

**j) Plant and Project Locations:**

i. Existing plants and 500 TPD Methanol project site

Assam Petro-Chemicals Limited

P.O. - Parbatpur, Namrup

Distt.: Dibrugarh, Assam-786 623

**ii. 200 TPD Formalin Project Site:**

Village: Dhaknabari, P.O.-Boitamari, Dist.: Bongaigaon, PIN-783 389

**k) Address for correspondence:**

Assam Petro-Chemicals Limited

4th Floor, Orion Place, Mahapurush Srimanta Sankardev Path,

Bhangagarh, Guwahati-781 005, Assam

E-Mail: [aplguw@assampetrochemicals.co.in](mailto:aplguw@assampetrochemicals.co.in)

**8. OTHER DISCLOSURES:**

i. There was no transaction of material nature with Directors or Management or their relatives having potential conflict with the interest of the company at large during the FY 2022-23.

ii. **Vigil Mechanism/Whistle Blower Policy:** The Company has adopted a Vigil Mechanism or Whistle Blower Policy. The Policy is also available in the Company's website.

**iii. Compliance with Corporate Governance Requirements:**

The Company delisted from all the stock exchanges w.e.f. 20/02/2017 and therefore it is not required to comply with the corporate governance provisions of the SEBI (LODR) Regulations, 2015.

iv. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund:

No unpaid and unclaimed dividend amount transferred to Investors Education and Protection Fund (IEPF) during the year under review. However, the Company transferred an amount of ₹67,884.00 to IEPF on 07.11.2022 as per Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education

and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the company transferred total 2,62,660 equity shares belonged to 527 shareholders to the IEPF Authority. The detail information of the shareholders whose share have been transferred to IEPF are available in the weblink <http://www.assampetrochemicals.co.in/dividend.php>.

The shareholders whose shares have been transferred to Investors Education and Protection Fund may claim their shares online by filing e-Form IEPF-5 in the **[www.iepf.gov.in](http://www.iepf.gov.in)**.



FORM MR-3

# SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>MARCH, 2023

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**ASSAM PETRO CHEMICALS LTD,**  
(CIN: U24116AS1971SGC001339)  
4<sup>th</sup> floor, Orion place Bhangagarh  
G S Road Guwahati-781005,  
Assam

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ASSAM PETRO CHEMICALS LTD**, (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts and Statutory Compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Memorandum and Articles of Association of the Company etc.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of

Company Secretaries of India.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. The Petroleum Act, 1934 and Petroleum Rules, 2002;
- b. Factories Acts and Rules;
- c. The Oil Industry (Development) Act, 1974;
- d. The Energy Conservation Act, 2001;
- e. The Petroleum & Natural Gas Rules;
- f. Gas Cylinder Rules;
- g. Indian Boiler Regulations;
- h. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- i. The Environment (Protection) Act, 1986;
- j. Explosives Acts, 1884;
- k. Air (Prevention and Control of Pollution) Act, 1981;
- l. The Electricity Act, 2003; etc.

The Acts which are not applicable to the Company though forming part of the prescribed Secretarial Audit Report have not been considered while preparing this Secretarial Audit Report.

Further, we have also examined compliance with the applicable clauses of the following:

- (i) Guidelines from the Ministry of Petroleum & Natural Gas;
- (ii) Order, Instructions, Guidelines of the Department of Public Enterprises, Government of India and other concerned Ministry including Government of Assam;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except the following:-

1. *The Company has not properly complied with the provisions of Section 149 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 regarding the appointment of Independent Director. During the financial year under review there was only one Independent Director on the Board of the Company w.e.f. 09.06.2022 to 31.03.2023.*
2. *The Company has not properly Complied with the provision of section 177 and 178 of the Companies Act, 2013 regarding composition of Audit Committee and Nomination and remuneration Committee respectively, since majority of members in audit committee and one half members of Nomination and remuneration Committee are not Independent Directors.*

### **We further report that:**

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to all the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company had no specific events / actions which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.)

**For Biman Debnath & Associates**  
Company Secretaries

Place: Guwahati  
Date: 28<sup>th</sup> July, 2023  
UDIN:F006717E000692754

Sd/-  
**CS Biman Debnath**  
Proprietor  
C.P. No.5857/ FCS No. 6717

# ANNUAL REPORT ON CSR ACTIVITIES OF ASSAM PETRO-CHEMICALS LTD. AS ON 31.03.2023

1. Brief outline on CSR Policy of Assam Petro-Chemicals Ltd: CSR Policy of the Company is framed to provide direction for carrying various CSR programmes and projects that are required to undertake to comply with the statutory requirements as per the Section 135 of the Companies Act, 2013 and rules made thereunder. The CSR Policy of the company provides for undertaking CSR activities and project to Promoting Education and Skill development; Eradication of Poverty, malnutrition and hunger; Women Empowerment and Social Welfare; Environmental Protection and afforestation; Promotion of sports and cultural activities; Relief and rehabilitation of victims due to any natural disaster and calamities; Sanitization and providing safe drinking water; Rural development projects etc.

**The CSR Policy of the Company mandates to carry out CSR Programmes and activities in relevant local areas to fulfil commitments arising from requests of the government(s) / regulatory authorities. All the CSR activities will aim to provide equal opportunities to beneficiaries.**

2. Composition of CSR Committee:

Sl No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the FY 2022-23	Number of meetings of CSR Committee attended during the year
1	Shri Rajnesh Gogoi	Managing Director	3	3
2	Shri Pramod Kr. Prasad	Director (Finance)	3	3
3	Shri Deepakananda Bharali (upto 09.06.2022)	Independent Director	3	2
4	Ms. Pranati Goswami	Non-Executive Director	3	3
5.	Prof. Gautam Barua (w.e.f. 23.11.2022)	Independent Director	0	0

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

*The CSR Policy, Composition of the CSR Committee and brief about the CSR projects are available at <https://www.assampetrochemicals.co.in/csr.php>*

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Rule 8 (3) of the Companies (Corporate Social Responsibility) Rules, 2014 is not applicable.

5.

Average Net Profit as per Section 135(5)	2% of average Net Profit as per Section 135(5)	Surplus arising CSR Project	Amount required to setoff	Total CSR obligation for the financial year
(a)	(b)	(c)	(d)	[e=(b)+(c)-(d)]
₹6.35 Cr.	₹13.06 lakhs	Nil	₹6.10 lakhs	₹6.96 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

(a) Amount spent in Administrative Overheads: NIL

(b) Amount spent on Impact Assessment, if applicable.: NIL

(c) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹17.96 lakhs

(d) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹) NIL				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer.
17.96 Lakhs	NIL	NA	NA	Nil	NA

(e) Excess amount for set-off, if any:

Sl. No	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of the section 135	13.06 lakhs
(ii)	Total amount spent for the Financial Year	17.96 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	4.90 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	4.90 Lakhs

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135. if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer	
1	FY-20-21	Nil	Nil	8.75 lakhs	Nil	Nil	NA
2	FY-21-22	Nil	Nil	Nil	Nil	Nil	NA
3	FY 22-23	Nil	Nil	17.96 lakhs	Nil	Nil	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No



If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset (s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Nil

Sl No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

Not Applicable

Sd/-

**Rajnesh Gogoi**

Managing Director and Chairman of CSR Committee

Date:04.08.2023

Place: Namrup

**Annexure-E**

## REPLY OF THE BOARD OF DIRECTORS ON THE QUALIFICATIONS AND COMMENTS OF THE AUDITORS AS PER SECTION 134 (3) (f) OF THE COMPANIES ACT, 2013

Sl. No.	Comments of the Auditors	Reply of the Board of Directors
A	STATUTORY AUDITORS COMMENTS	
	NIL	NA
B	SECRETARIAL AUDITORS	
	The Company has not properly complied with the provisions of Section 149 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 regarding the appointment of Independent Director. During the financial year under review there was only one Independent Director on the Board of the Company w.e.f. 09.06.2022 to 31.03.2023.	Delay in receipt of appointment order from the State Government, the Board could not fill up casual vacancy created on resignation of an existing Independent Director. However, the Board inducted a new Independent Director w.e.f. 4 <sup>th</sup> August, 2023 pursuant to an order of the State Government. Hence, the Board of Directors of the Company constituted as per the applicable provisions of the Act.
	The Company has not properly Complied with the provision of section 177 and 178 of the Companies Act, 2013 regarding composition of Audit Committee and Nomination and Remuneration Committee respectively, since majority of members in Audit	Due to unavailability of requisite numbers of Independent Directors on the Board, the Audit Committee and Nomination and Remuneration Committee could not be constituted as per law. However, on induction of a new Independent Director, both the Committees are reconstituted as per the Section 177 and 178 of the Companies Act, 2013.
C	COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA	
	<b>A. COMMENTS ON PROFITABILITY</b> <b>Statement of Profit and Loss</b> <b>Income</b> <b>Other Income (Note-25)</b> <b>Other non-operating income ₹1.11 crore</b>  1. Refer 'Notes forming part of the financial statements' (Note no 34.7) regarding allotment of Land (non-monetary grant) (fair market value: ₹7.36 crore) by the State Government in Bongaigaon, Assam for setting up of Industrial Park/200 TPD Formalin Plant (TPD Plant) and accounting of said Land in accordance with provisions of Ind AS 20 ( Government Grants). While the TPD Plant was under construction as on 31 March 2023, the Company estimated the 'construction period' and 'useful life' of the TPD Plant as 2 years and 25 years respectively.	<p>The non-monetary grant received by the company is recognized as deferred income and recognized in 27 years i.e., considering construction period of 2 years and 25 years as life of the assets.</p> <p>However, point of the Audit is noted for further review and necessary action will be taken after review, if required.</p>

	<p>As per Ind AS 20 (refer paragraphs <u>24 and 26</u>), the Government Grants related to Assets (including non-monetary grants at fair value), shall be recognized as 'Deferred Income' and the same shall be recognized in profit or loss on a systematic basis over the useful life of the asset. As such, the Company was required to book the Grant (fair value of the Land) as 'Deferred Income' in Balance Sheet (Liabilities Side) and after commissioning of the TPD Plant, the Company should start recognizing the said Grant (Deferred Income) as 'Income' in Profit and Loss Account on a systematic basis, over the useful life of the TPD Plant (25 years).</p> <p>However, the Company started recognizing (crediting) the Grant (Deferred Income) as 'Income' to the extent of ₹0.27 crore per year (being the 1/27<sup>th</sup> part of ₹7.36 crore) in the Profit and Loss Account under 'Other Non-Operating Income' (Note-25) from the accounting year 2020-21 by debiting 'Other Non-Current Liabilities', despite the project still pending commissioning. This has resulted in understatement of 'Loss for the year' by ₹0.27 crore with corresponding understatement of the 'Accumulated Loss (Other Equity-Note-16)' and Other Non-Current Liabilities by ₹0.81 crore each.</p>	
	<p><b>Expenses</b> <b>Other Expenses (Note-31)</b> <b>Miscellaneous expenses ₹4.73 crore</b></p> <p>2. This includes ₹0.17 crore, being the cost incurred (security, electricity and office rent), which was directly attributable to the construction of 200 TPD formalin plant at Bongaigaon, Assam (TPD Plant) and bringing the asset to the location/condition necessary for it to be capable of operating in the manner intended by Management. Since the construction of TPD Plant is pending completion, the said costs should have been capitalized under the head 'Capital Works in Progress' in terms of the provisions of Ind AS 16 (Property, Plant and Equipment) (refer para 16) instead of charging to revenue under the above head (Miscellaneous Expenses).</p> <p>This has resulted in overstatement of 'Loss for the year' by ₹0.17 crore with corresponding understatement of 'Capital work-in-progress' to the same extent.</p>	<p>The expenditure incurred in Boitamari, Bongaigaon, for security, electricity and office rent are purely of the nature of administration and general overheads which are not part of the cost of a PPE as laid down in para 19 clause (d) of Ind AS 16. Administration and other general overhead costs is not eligible for costs of an item of property, plant and equipment, hence, debited to Profit &amp; Loss Statement. In the view of Management, there is not overstatement of Loss for the year by ₹17.31 lakh with corresponding understatement of 'Capital work-in-progress' by the same amount.</p> <p>However, point of the Audit is noted for review and necessary action will be taken after review, if required.</p>

	<p><b>B. COMMENTS ON FINANCIAL POSITION</b></p> <p><b>Balance Sheet</b>  <b>Assets</b>  <b>Non-Current Assets</b>  <b>Other non-current assets (Note-7)</b>  <b>Advance income tax ₹0.83 crore</b></p> <p>1. This included the unadjusted income tax advance (₹0.10 crore) for the Financial year 2019-20, which should have been written off as the Income Tax Department had already completed the assessment of income for the Financial Year 2019-20 and refunded (September 2022) the final amount (₹0.68 crore) against the refundable amount (₹0.78 crore) booked by the Company. This has resulted in overstatement of the above head (Advance Income Tax) by ₹0.10 crore with corresponding understatement of 'Loss for the year' to the same extent.</p>	<p>The mentioned amount of ₹9.56 lakh on the ground of materiality threshold limit, is not material enough to impact the true and fair view of reported financial results and financial position of the Company as on the reporting date.</p> <p>However, point of the Audit is noted for review and necessary action will be taken after review, if required.</p>
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# COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF 'ASSAM PETROCHEMICALS LIMITED' FOR THE TEAR ENDED 31 MARCH 2023

The preparation of financial statements of **Assam Petrochemicals limited (Company)** for the year ended **31 March 2023** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing an opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **19 May 2023**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Assam Petrochemicals Limited** for the year ended **31 March 2023** under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6) (B) of the Act which have come to my attention and which, in my view, are necessary for enabling a better understanding of the financial statements and the related audit report:

## A. COMMENTS ON PROFITABILITY

### Statement of Profit and Loss

#### Income

#### Other Income (Note-25)

#### Other non-operating income ₹1.11 crore

1. Refer 'Notes forming part of the financial statements' ( Note no 34.7) regarding allotment of Land (non-monetary grant) ( fair market value: ₹7.36 crore) by the State Government in Bongaigaon, Assam for setting up of Industrial Park/200 TPD Formalin Plant (TPD Plant) and accounting of said Land in accordance with provisions of Ind AS 20 ( Government Grants). While the TPD Plant was under construction as on 31 March 2023, the Company estimated the 'construction period' and 'useful life' of the TPD Plant as 2 years and 25 years respectively.

As per Ind AS 20 (refer paragraphs 24 and 26), the Government Grants related to Assets (including non-monetary grants at fair value), shall be recognized as 'Deferred Income' and the same shall be recognized in profit or loss on a systematic basis over the useful life of the asset. As such, the Company was required to book the Grant (fair value of the Land) as 'Deferred Income' in Balance Sheet (Liabilities Side) and after commissioning of the TPD Plant, the Company should start recognizing the said Grant (Deferred Income) as 'Income' in Profit and Loss Account on a systematic basis, over the useful life of the TPD Plant (25 years).

However, the Company started recognizing (crediting) the Grant (Deferred Income) as ' Income' to the extent of ₹0.27 crore per year (being the 1/27<sup>th</sup> part of ₹7.36 crore) in the Profit and Loss Account under 'Other Non-Operating Income' (Note-25) from the accounting year 2020-21 by debiting 'Other Non – Current Liabilities', despite the project still pending commissioning. This has resulted in understatement of 'Loss for the year' by ₹0.27 crore with corresponding understatement of the 'Accumulated Loss (Other Equity-Note-16)' and Other Non-Current Liabilities by ₹0.81 crore each.

**Miscellaneous expenses ₹4.73 crore**

2. This includes ₹0.17 crore, being the cost incurred (security, electricity and office rent), which was directly attributable to the construction of 200 TPD formalin plant at Bongaigaon, Assam (TPD Plant) and bringing the asset to the location/condition necessary for it to be capable of operating in the manner intended by Management. Since the construction of TPD Plant is pending completion, the said costs should have been capitalized under the head 'Capital Works in Progress' in terms of the provisions of Ind AS 16 (Property, Plant and Equipment) (refer para 16) instead of charging to revenue under the above head (Miscellaneous Expenses).

This has resulted in overstatement of 'Loss for the year' by ₹0.17 crore with corresponding understatement of 'Capital work-in-progress' to the same extent.

## B. COMMENTS ON FINANCIAL POSITION

## Balance Sheet

## Assets

## Non-Current Assets

**Other non-current assets (Note-7)**

**Advance income tax ₹0.83 crore**

1. This included the unadjusted income tax advance (₹0.10 crore) for the Financial year 2019-20, which should have been written off as the Income Tax Department had already completed the assessment of income for the Financial Year 2019-20 and refunded (September 2022) the final amount (₹0.68 crore) against the refundable amount (₹0.78 crore) booked by the Company. This has resulted in overstatement of the above head (Advance Income Tax) by ₹0.10 crore with corresponding understatement of 'Loss for the year' to the same extent.

**For and on the behalf of the  
Comptroller and Auditor General of India**

**Dated:11/08/2023**

**Place: Guwahati**

Principal Accountant General (Audit), Assam

# Independent Auditor's Report

**To the Members of Assam Petro Chemicals Limited**

**Report on the Standalone IND AS Financial Statements**

## 1. Report on the Financial Statements:

We have audited the accompanying Standalone Ind AS financial statements of Assam Petro Chemicals Limited, ('the Company'), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flow for the Financial Year ended as at 31<sup>st</sup> March 2023, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income, changes in equity and its cash flows for the year then ended.

## 2. Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Financial Statements under the provisions of the Act and

the Rules there under, and we have fulfilled our other ethical responsibility in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 3. Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgment, were most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key Audit Matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

## 4. Information other than the Standalone Financial Statements and Auditors' Report:

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, but does not include the standalone Ind AS financial statements and our Auditor's Report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

The annual report is expected to be made available to us after the date of auditor's report. Hence, we have nothing to report in this regard.

## 5. Management's Responsibility for the Financial Statements:

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the Financial Position, Financial Performance, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under and accounting system.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or

has no realistic alternative but to do so.

The Board of Director is also responsible for overseeing the Company's financial reporting process.

## 6. Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) **Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.**
- b) **Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing**



our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## 7. Emphasis of Matters:

***We draw the attention to the following matters in the Notes to the Financial Statements and Others:***

### ***(a) Company Category:***

***In the ROC Portal, the Company is continuously declaring its Company SubCategory as 'State Govt. Company', whereas as per 2(45) of the Companies Act, 2013 the Company SubCategory seems to be of a Non Government Company.***

As per Section 2(45) of the Companies Act, 2013 "Government Company" means any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government Company.

But neither fifty-one per cent of the paid-up share capital of this Company is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments nor this Company is a subsidiary company of any Government Company, as is evident from the under mentioned shareholding pattern of the Company as at 31/03/2023:

List of Shareholders	SubCategory of Shareholder	% of Paid Up Capital Held
Governor of Assam	State Govt.	37.46%
Oil India Limited	Union Govt. Company	48.79%
Assam State Industrial Development Corporation Ltd	State Govt. Company	08.02%
Assam Gas Company Limited	State Govt. Company	05.64%
Others (Individuals)		0.09%
<b>Total</b>		<b>100.00%</b>

The new Companies Act 2013 does not contain specific provisions about 'deemed Government Companies' on the lines of Section 619 B of the Companies Act 1956. However, Section 2(27) of the Companies Act define the words Control as under:

**"control"** shall include the **right to appoint majority of the directors or to control the management or policy decisions exercisable** by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

As per clause 85 of Articles of Association of the Company the Governor of Assam (including Assam Industrial Development Corporation Limited and Assam Gas Co Ltd.) and Oil India Limited shall have right to nominate equal number of Directors on the Board of the Company. **Thus right to appoint majority of directors is equally vested in the hand of Government of Assam & Oil India Limited, thus in concert its vest with government.**

As per Clause 119 of Articles of Association of the Company, **General Power of the Company is vested in Board and as per clause 121 of Articles of Association of the Company, "the Managing Director of the Company shall be nominated by Governor of Assam and a Whole Time Director on Finance i.e. Director (Finance) shall be nominated by Oil India Limited". Thus management control of this Company seems to be equally vested in the hand of Government of Assam & Oil India Limited, thus in concert its vest with government.**

**Office of the Principal Accountant General (Audit), Assam (vide letter No. AMG-III (PSU)/2-12/ Appointment of SA /Vol-XI/2020-21/30 dated 16/05/2023) has clarified that Assam Petro Chemicals Limited is a 'Government Controlled Other Company'**

MCA Circular No. 33/2014 dated 31<sup>st</sup> July 2014, clarify that New Act does not alter the position with regard to audit of such deemed Government Companies through C& AG and thus Deemed Government Companies, referred to in Section 619B of the Companies Act 1956 shall also be covered under subsection (5) and (7) of Section 139 of the New Act. However no such MCA Gazette Notification allowing all specified exemptions (as mentioned in MCA Gazette Notification No 372 dated 05.06.2015, which specifically grant certain exemption to Government Companies) has been issued by MCA for allowing exemption to **'Government Controlled Other Company'** (as was earlier available to deemed government company, referred to in Section 619B of the old Companies Act 1956).

'Many Government Controlled Other Company' have declared its Company SubCategory as Non Govt. Company. For Example North East Transmission Company Limited ('a Government Controlled Other Company') has declared its Company SubCategory as 'Non Govt. Company' in spite of the fact that its 74% paid up capital is collectively owned by Government(s) along with Govt. undertakings but fifty-one per cent of the paid-up share capital is not held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and also this company is not a subsidiary company of any Government Company.

Present Shareholding pattern of **North East Transmission Company Limited** is as under:

List of Shareholders	SubCategory of Shareholder	% of Paid Up Capital Held
Power Grid Corporation of India Limited	Union Govt. Company	26%
ONGC Tripura Power Company Limited	Non Govt. Company	26%
Assam Electricity Grid Corporation Ltd	State Govt. Company	13%
Government of Tripura	State Govt.	10%
Government of Mizoram	State Govt.	10%
Government of Manipur	State Govt.	6%
Government of Meghalaya	State Govt.	5%
Government of Nagaland	State Govt.	4%
<b>Total</b>		<b>100%</b>
<b>Grouping of Shareholding Pattern</b>		
State Govt. Shareholding (Collectively)		35%
Union Govt. Company		26%
State Govt. Company		13%
Non Govt. Company		26%
<b>Total</b>		<b>100%</b>

**Thus from the above enumerated facts, it is evident that although M/s. Assam Petro Chemicals Limited is a 'Government Controlled Other Company' but not the 'State Government Company'**

**Therefore, we hereby place emphasis that Financial Statement of Assam Petro Chemicals Ltd, should be read by treating the Company SubCategory as Non Government Company.**

**(b) Trade Payable (Note 20):**

**Trade Payable ₹ 12785.11 Lakhs is without provision of demand raised by M/s. Oil India Ltd to ₹ 79.02 Lakhs to compensate assessed VAT payments and interest thereon. The Company has disclosed amount as contingent liability on the plea that 'the Company is under process of examination of the legality of the demand,' However the company has not raised any dispute before M/s. Oil India Ltd against demand of ₹79.02 Lakhs.**

**Therefore, we hereby place emphasis that Financial Statement of Assam Petro Chemicals Ltd, should be read by treating that 'Trade Payable & consequential 'Book Loss' has been understated by ₹.79.02 Lakhs.**

**8. Report on Other Legal and Regulatory Requirements:**

- i) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.
- ii) With respect to the other matter to be included in the Auditor's Report in terms of direction of the Comptroller and Auditor General of India (C&AG) under section 143(5) of the Companies Act, 2013, and on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we give in the "Annexure-B" a statement on the matters directed by C&AG.
- iii) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to be best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended to the date).
- e) ***On the basis of the Gazette Notification No 372 dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of Section 164(2) of the Companies Act, 2013, regarding the "Disqualification of Directors" for appointment as Director of company shall not apply to a Government Company.***

***Since M/s. Assam Petro Chemicals Limited is a Non Govt. Company therefore provisions of Section 164(2) with respect to disqualification of Director is applicable on Assam Petro Chemicals Limited. Further to that, also as per clause 94 of Articles of Association of Company "The Office of the director shall become vacant in case he incurs any of the disqualifications specified in Section 164 of the Companies Act, 2013".***

***However, the Company in respect of Govt. of Assam Nominated Director has neither obtained 'consent to act as director' nor 'obtained declaration from its director about section 164(2) disqualification'. Therefore, we are unable to comment on eligibility of directors as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.***

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and

Auditors) Rules, 2014 (as amended to the date), in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of quantified pending litigations as on March 31, 2023 on its financial position in its standalone financial statements – Refer Notes 33.1 to the standalone financial statements;
- ii) As per Management Representation, the Company do not have any long term contract including any derivative contracts for which there were any material foreseeable losses;
- iii) There has been no delay in transferring amount required to be transferred to the Investor Education and Protection Fund by the Company;
- iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or



indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations

under sub-clause (a) and (b) contain any material misstatement; and

v) No dividend has been declared or paid during the year by the Company.

#### **9. Managerial Remuneration:**

The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.

**For, PARIK & CO**  
**(Chartered Accountants)**

**FRN: 302147E**

**Partner**  
**CA Bipin Kumar**  
**ICAI Membership No: 059805**  
**UDIN: 23059805BGWEBK3137**

**Place: Guwahati**  
**Date: 19.05.2023**

## ANNEXURE – A

### TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8(i) of our report on "Other Legal and Regulatory Requirements" of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i	(a)	(A) The Company has maintained proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.  (B) The Company has maintained proper records showing full particulars of Intangible Assets.
	(b)	The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
	(c)	The title deeds of all the immovable properties are held in the name of the Company.
	(d)	The Company has not revalued its Property, Plant and equipment (including Right-of-use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.  However the Company has provided for Impairment Loss amounting to ₹468.14 Lakhs, on the basis of ascertainment of carrying value of cash generating assets.
	(e)	Based on the information and explanations furnished to us, no proceeding have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transaction Act, 1988(45 of 1988) and rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.
ii	(a)	Physical verification of inventories, consisting of stores and spares has been carried from time to time at regular intervals. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
	(b)	The company has been sanctioned working capital limits in excess of ₹Five Crores in aggregate from Assan Gramin Vikash Bank in the month of March 2023 on the basis of security of current assets. The prescribed period of filing quarterly returns with Bank has not been fallen due till the period of this reporting to the date of sanction/ disbursement therefore reporting under Clause 3(i)(d) of the Order is not fallen due on this Company.
iii	(a)	The Company has not granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act during the year. Accordingly, the requirement to report on clause 3(iii) (a) to (f) of the Order is not applicable to the Company.
iv		In our Opinion, and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
v		The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi		Pursuant to the rules made by the Central Government of India, the Company is required to maintained cost record as specified under Section 148(1) of the Act in respect of its products. The Company is complying the Cost Audit requirement and has obtained the Cost Audit Report for the Financial year 2021-22 within time limit and have appointed Cost Auditor for Financial Year 2022-23.					
vii	(a)	According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. As per management representation , we have been informed that the Company has applied for exemption from operations of Employees' State Insurance Act and Labour Welfare Fund Cess is not applicable to the company.					
	(b)	According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which has not been deposited on account of a dispute, are as follows:					
		Name of the Statue	Nature of dues	Amount (Net of Payment) ₹In lakhs	Amount Paid ₹In Lakhs	Period to which the amount relates	Forum where the dispute is pending
		Income Tax	Tax & Interest	32.43	0	2022-23	Commissioner (Appeals)
		Income Tax	Interest	0.37	0	2014-15	Assistant Commissioner
		Central Sales Tax	Tax & Interest	22.03	0	2015-16	Commissioner of Taxes, Assam, Guwahati
viii		According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.					
ix	(a)	According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year. The Bank (Punjab National Bank) vide email dated April 12, 2023 has confirmed that the accounts are regular.					
	(b)	According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.					
	(c )	In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.					
	(d)	Based upon the audit procedures performed and the information and explanations given by the management, the company has not utilized short term loans for long term purpose.					
	(e )	According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.					
	(f)	According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.					

x	(a)	The Company has not raised any money by way of initial public offer and through debt instruments by way of further public offer during the year. Accordingly, the requirement to report on clause 3(x) (a) of the Order is not applicable to the Company.
	(b)	The company has raised equity amounting to ₹12285.94 Lakhs by way of right issue to its existing shareholder during the year and for this the company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
xi	(a)	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
	(b)	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
	(c)	As represented to us by the management, there are no whistle blower complaints received by the company during the year. Accordingly, the reporting under Clause 3(xi)(c) of the Order is not applicable to the Company.
xii		The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
xiii		The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Note No. 34.3 of standalone financial statements, as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
xiv	(a)	The Company does not have an internal audit department but internal audit was conducted by a firm of Chartered Accountants on quarterly basis. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
	(b)	The reports of the Internal Auditor for the period under audit have been considered by us.
xv		The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under Clause 3(xv) of the Order is not applicable to the Company.
xvi	(a)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
	(b)	The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
	(c)	The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) & (d) of the Order is not applicable to the Company.
xvii		The Company has incurred cash losses approximately amounting to ₹6432.38 Lakhs in the current financial year. Cash losses has been calculated by reducing the Grant amortization and adding the Depreciation & Deferred Tax to the Net Profit after taxes of the Company.



xviii		There has been no resignation of the statutory auditors during the year but there was change of auditor as per mandate of C& AG office and accordingly the reporting under Clause 3(xviii) of the Order is not applicable to the Company.
xix		According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that the Company has incurred huge Cash Loss during the reporting year therefore this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
xx		The Company has during the year spent the amount of Corporate Social Responsibility as required under sub- section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
xxi		<p>The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.</p> <p><b><i>However, we report that The Consolidated Financial Statement of the Company and its subsidiary M/s Pragjyotish Fertilizer and Chemicals Limited has not been prepared due to absence of Audited Financial Statement of the subsidiary company. However, the management of the Company is of the opinion that there is no financial impact during 2022-23 on the Company, as all the investments, loans &amp; advances to this subsidiary has already been provided as loss in earlier periods of the books of accounts of the Company.</i></b></p>

For, PARIK & CO  
(Chartered Accountants)

FRN: 302147E

Partner

CA Bipin Kumar

ICAI Membership No: 059805

UDIN: 23059805BGWEBK3137

Place: Guwahati

Date: 19.05.2023

**ANNEXURE – B**  
**to the Independent Auditor's Report**  
**(Referred to in paragraph 8(ii) of our report of even date)**

**Compliance Certificate**

We have conducted the Audit of Accounts of **ASSAM PETRO CHEMICALS LIMITED**, having its Registered office at 4th Floor, Orion Place, Mahapurush Srimanta Sankardev Path, Bhangaghar, Guwahati, Assam-781005, for the Financial Year ended 31st March, 2023 in accordance with the Directions issued by the Comptroller & Auditor General of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the Directions / Sub-directions issued to us. Our comments against the specified directions are enclosed here with in separate sheet.

**For, PARIK & CO**  
**(Chartered Accountants)**

**FRN: 302147E**

**Partner**

**CA Bipin Kumar**

**ICAI Membership No: 059805**

**UDIN: 23059805BGWEBK3137**

**Place: Guwahati**

**Date: 19.05.2023**

**Annexure B**  
**to the Independent Auditor's Report**  
**(Referred to in paragraph 8(ii) of our report of even date)**

**DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013**

Sl No	Directions	Action Taken
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company maintains its books of accounts in Tally Accounting Software. Hence, all accounting transaction are processed through Tally Accounting Software. Implication of processing accounting transaction outside Tally accounting software does not arise. However, there is risk of manual alternation of carry forwarded opening balances, while splitting of yearly accounts.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loan/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on the details provided by the Management and our audit, we observed that during the period under audit there is no restructuring of an existing loan or waiver/ write of debts / loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds received/ receivable for specific schemes from central/ state agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	No cash grant/ subsidy have been received from Central/ state Government or it agencies, during the reporting period.

**For, Parik & Co.**  
(Chartered Accountants)  
FRN: 302147E

Partner  
**CA Bipin Kumar**  
ICAI Membership No. 059805  
UDIN:23059805BGWEK3137

Place: Guwahati  
Date 19.05.2023

## ANNEXURE – C

### TO THE INDEPENDENT AUDIT REPORT

#### (Referred to in Para 8(iii)(f) of our report of even date)

#### **Report on the Internal Financial Controls under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Assam Petro Chemicals Limited (the Company') as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). The responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's 'Internal Financial Controls over Financial Reporting' based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control bases on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial

control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of the Management of the Company, and (3) provided reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

**For, PARIK & CO**

(Chartered Accountants)

FRN: 302147E

**Partner**

**CA Bipin Kumar**

ICAI Membership No: 059805

UDIN:23059805BGWEBK3137

Place: Guwahati

Date: 19/05/2023.

### **Modified Opinion**

***The Company is implementing a 500 TPD Methanol Plant at Namrup and also in the process of implementing a 200 TPD Formalin Plant at Boitamari with huge capital investments. However the company has not designed and formulated any manual for Internal Control over Financial Reporting in compliance of Guidance Note on Audit to Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013.***

We have considered this weaknesses in determining the audit procedures applied in audit of the financial statements of the Company as of 31<sup>st</sup> March, 2023 and this weakness do not affect our opinion on the standalone Ind AS Financial Statements of the Company for the year ended.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in the rest material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.



## Balance Sheet as at 31<sup>st</sup> March, 2023

(Amount in Lakhs)

Particulars		Note	As at 31 March, 2023	As at 31 March, 2022
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	1,713.19	2,372.49
	(b) Capital work-in-progress	3	1,49,324.52	1,20,812.98
	(c) Intangible assets	4	1.58	1.58
	(d) Financial Assets-			
	(i) Investment	5	-	-
	(ii) Loans	6	252.12	258.86
	(e) Other non current assets	7	652.62	1,125.40
	(f) Deferred tax Assets (net)		109.27	-
	<b>Total Non-current Assets</b>		<b>1,52,053.30</b>	<b>1,24,571.31</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	8	1,779.36	1,425.82
	(b) Financial Assets			
	(i) Trade receivables	9	894.52	713.94
	(ii) Cash and cash equivalents	10	2,705.68	5,203.41
	(iii) Bank balances other than (ii) above	11	84.01	4,793.37
	(iv) Loans	12	22.61	35.61
	(c) Other current assets	13	11,629.77	11,906.27
	<b>Total Current Assets</b>		<b>17,115.95</b>	<b>24,078.42</b>
	Non-current assets Classified as Held for Sale	14	118.89	-
	<b>Total Assets</b>		<b>1,69,288.14</b>	<b>1,48,649.73</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	15	62,002.51	49,716.57
	(b) Other Equity	16	(4,076.76)	2,659.31
	<b>Total Equity</b>		<b>57,925.75</b>	<b>52,375.88</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17	86,273.32	86,650.11

	(ii) Other financial liabilities	18	2,320.09	1,724.92
	(b) Other Non current liabilities		654.40	681.67
	(c) Deferred tax liabilities (net)		-	55.18
	<b>Total Non-current Liabilities</b>		89,247.81	89,111.88
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	19	423.29	-
	(ii) Trade payables	20	12,785.11	673.79
	(iii) Other financial liabilities	21	7,129.55	4,557.99
	(b) Other current liabilities	22	758.93	691.29
	(c) Provisions	23	1,017.70	1,238.90
	<b>Total Current Liabilities</b>		22,114.58	7,161.97
	<b>Total Equity &amp; Liabilities</b>		1,69,288.14	1,48,649.73
Accompanying notes to the Financial Statements		1 to 35		

As per our report of even date annexed

**For PARIK & CO**  
(Chartered Accountants)  
FRN : 302147E

Sd/-  
**CA Bipin Kumar**  
UDIN: 23059805BGWEBK3137  
Partner  
M.No.: 059805

Place : Guwahati  
Date : 19/05/2023

Sd/-  
**Rajnish Gogoi**  
Managing Director  
(DIN : 09394422)

Sd/-  
**Pramod Kr. Prasad**  
Chief Finance Officer  
(DIN : 09547921)

Sd/-  
**Bikul Ch. Deka**  
Chairman  
(DIN : 07774812)

Sd/-  
**Uttam Bailung**  
Company Secretary  
(M.No.:FCS-7254)

# Statement of Profit and loss for the year ended 31<sup>st</sup> March 2023

(Amount in Lakhs)

Particulars		Note No.	As at 31 March, 2023	As at 31 March, 2022
I	Revenue From Operations	24	10,405.60	12,593.48
II	Other income	25	408.37	457.45
III	Total Income (I+II)		10,813.97	13,050.93
IV	Expenses:			
	Cost of materials consumed	26	9,614.01	2,897.09
	Changes in inventories of finished goods, Stocks-in-Trade and work-in-progress	27	(292.50)	10.09
	Employee benefits expense	28	4,490.32	5,226.57
	Finance costs	29	0.40	-
	Depreciation and amortisation expense	30	194.07	220.41
	Impairment expenses/losses	2	468.14	-
	Other expenses	31	3,240.05	2,718.53
	<b>Total Expenses (IV)</b>		<b>17,714.49</b>	<b>11,072.69</b>
V	<b>Profit before Exceptional Items and Tax (III-IV)</b>		(6,900.52)	1,978.23
VI	Exceptional items	32	-	212.58
VII	<b>Profit before tax (V-VI)</b>		(6,900.52)	2,190.81
VIII	<b>Tax expense:</b>			
	(1) Current tax		-	310.30
	(2) MAT credit entitlement		-	(310.30)
	(3) Tax expense relating to prior years		-	-
	(4) Deferred tax		(164.45)	(76.97)
	<b>Total Tax expense</b>		(164.45)	(76.97)
IX	Profit / (Loss) for the period from continuing operations		(6,736.07)	2,267.77
X	Profit / (Loss) from discontinuing operations		-	-
XI	<b>Tax expense of discontinued operations</b>		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-

## Statement of Profit and loss for the year ended 31<sup>st</sup> March 2023 (contd.)

(Amount in Lakhs)

Particulars		Note No.	As at 31 March, 2023	As at 31 March, 2022
XIII	<b>Profit for the period (IX+XII)</b>		(6,736.07)	2,267.77
XIV	Other Comprehensive Income			
	(i) Items relating to remeasurement of Defined Employee Benefit Plan			
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		<b>(6,736.07)</b>	<b>2,267.77</b>
XVI	Earnings per equity share (for continuing operation):			
	Basic & Diluted (Amount in ₹)		(1.09)	0.46
XVII	Earnings per equity share (for discontinued operation)			
	Basic & Diluted (Amount in ₹)		(1.09)	0.46
XVII	Earnings per equity share (for discontinued & continuing operations)			
	Basic & Diluted (Amount in ₹)		(1.09)	0.46
		1 to 35		

As per our report of even date annexed

**For PARIK & CO**  
(Chartered Accountants)  
FRN : 302147E

Sd/-  
**CA Bipin Kumar**  
UDIN: 23059805BGWEBK3137  
Partner  
M.No.: 059805

Place : Guwahati  
Date : 19/05/2023

Sd/-  
**Rajnesh Gogoi**  
Managing Director  
(DIN : 09394422)

Sd/-  
**Pramod Kr. Prasad**  
Chief Finance Officer  
(DIN : 09547921)

Sd/-  
**Bikul Ch. Deka**  
Chairman  
(DIN : 07774812)

Sd/-  
**Uttam Bailung**  
Company Secretary  
(M.No.:FCS-7254)

# Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
<b>A Cash flow from operating activities</b>				
<b>Profit after Tax</b>		(6,736.07)		2,267.77
<b>Adjustments for</b>				
Depreciation and amortisation	194.07		220.43	
Interest Income	(280.58)		(323.22)	
Other Non Operative Items	-		-	
Other Non Cash Items	1,110.54		(18.08)	
<b>Total</b>		1,024.04		(120.87)
<b>Operating profit before working capital changes</b>		(5,712.03)		2,146.90
<b>Changes in working capital:</b>				
Inventories	(353.54)		(248.21)	
Trade receivables	(180.58)		485.19	
Current loans & advances	12.99		91.25	
Non - Current loans & advances	6.74		15.24	
Other current assets	276.50		(298.28)	
Other non - current assets	472.78		(530.98)	
Trade Payables	12,111.32		190.80	
Other financial Liabilities	(88.41)		350.40	
Other Current Liabilities	67.65		(751.26)	
Other Non - Financial Liabilities	(27.27)		(538.98)	
Short Term & Long Term Provisions	(221.20)		(712.08)	
<b>Total</b>		12,076.16		(1,946.90)
<b>Cash Generated From Operations</b>		6,364.13		200.00
Income Tax Payment (net of refund)		-		-
<b>Net Cash Flow from Operating Activities</b>		<b>6,364.13</b>		<b>200.00</b>
<b>B Cash flow from Investing Activities</b>				
Purchase of property, plant and equipments	(209.59)		(220.56)	
Expenditure on Construction Work in Progress	(28,515.72)		(19,550.71)	
Interest received	280.58		323.22	
Assets Held for sale	(118.89)		-	
Addition of non current asset through Govt. Grant	-			
Cash flow from extraordinary items		(28,563.63)		(19,448.06)
<b>Net Cash Generated/(Used) in Investing Activities :</b>		<b>(28,563.63)</b>		<b>(19,448.06)</b>
<b>C Cash flow from Financing Activities</b>				
Equity share capital	12,285.94		20,934.32	
Long Term Borrowings	2,283.18			



Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
Cash Credit Facility	423.29			20,934.32
Receipt of Govt. Grant		14,992.41		
<b>Net Cash Generated/(Used) from Financing Activities</b>		<b>14,992.41</b>		<b>20,934.32</b>
<b>D Net Change in cash &amp; cash equivalents (A+B+C)</b>		(7,207.09)		1,686.26
Cash & cash equivalents as at beginning end of year		9,996.78		8,310.52
Cash & cash equivalents as at end of the year		<b>2,789.69</b>		<b>9,996.78</b>
Notes:				
Cash and cash equivalents represents:				
Cash on hand		1.19		0.38
Current accounts, Term Deposits, etc		2,704.49		5,203.03
Unpaid Dividend Bank Account		-		-
Earmarked Balance		84.01		4,793.37
		<b>2,789.69</b>		<b>9,996.78</b>

As per our report of even date annexed

**For PARIK & CO**  
(Chartered Accountants)  
FRN : 302147E

Sd/-  
**CA Bipin Kumar**  
UDIN: 23059805BGWEBK3137  
Partner  
M.No.: 059805

Place : Guwahati  
Date : 19/05/2023

Sd/-  
**Rajnish Gogoi**  
Managing Director  
(DIN : 09394422)

Sd/-  
**Pramod Kr. Prasad**  
Chief Finance Officer  
(DIN : 09547921)

Sd/-  
**Bikul Ch. Deka**  
Chairman  
(DIN : 07774812)

Sd/-  
**Uttam Bailing**  
Company Secretary  
(M.No.:FCS-7254)

## Statement of Changes in Equity for the period ended 31<sup>st</sup> March, 2023

(Amount in Lakhs)

a. Equity Share Capital				
Balance at the beginning of the reporting period	Changes in equity share capital during the year		Balance at the end of the reporting period	
49,716.57	12,285.94		62,002.51	
b. Other Equity				
Particulars	Reserves and Surplus			
	Capital reserve	Capital redemption reserve	General Reserve	Retained Earnings
Balance at the beginning of the reporting period	0.14	110.29	3,309.11	(760.23)
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(6,736.07)
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Utilised for Bonus issue of shares	-	-	-	-
Balance at the end of the reporting period	0.14	110.29	3,309.11	(7,496.30)

As per our report of even date annexed

**For PARIK & CO**  
 (Chartered Accountants)  
 FRN : 302147E

Sd/-  
**CA Bipin Kumar**  
 UDIN: 23059805BGWEBK3137  
 Partner  
 M.No.: 059805

Place : Guwahati  
 Date : 19/05/2023

Sd/-  
**Rajnesh Gogoi**  
 Managing Director  
 (DIN : 09394422)

Sd/-  
**Pramod Kr. Prasad**  
 Chief Finance Officer  
 (DIN : 09547921)

Sd/-  
**Bikul Ch. Deka**  
 Chairman  
 (DIN : 07774812)

Sd/-  
**Uttam Bailing**  
 Company Secretary  
 (M.No.:FCS-7254)

## Notes forming part of the financial statements

### Note Particulars

## 1 COMPANY BACKGROUND

Assam Petro-Chemicals Limited (the 'Company') is a public limited Company incorporated under the Companies Act 1956. The company is having its registered office at Guwahati. The Company is engaged in the business of manufacturing and selling of Chemicals Methanol & Formaldhedyde.

**Significant accounting policies:**

## 1.1 Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on 02-05-2023.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

## 1.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### 1.3 Plant, Properties and Equipment

Plant, Properties and Equipment (PPE) are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Plant, Properties and Equipments includes interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date net off of liquidity demange recovered thereof. Trail run/commissioning expenses are capitalised. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to the assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Plant, Properties and Equipment acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Plant, Properties and Equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

### **Capital work-in-progress:**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shutdown and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. It includes professional fees for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs net off liquidity damages if any by whatever name called.

Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

### **Depreciation:**

Depreciation on Property, plant and equipment; except plant & machineries and electrical equipment is provided on written down value method over the useful life as prescribed in Schedule II of the Companies Act, 2013. Depreciation on plant & machineries and electrical equipment is provided on straight line method over the useful life as prescribed in Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during the period is proportionately charged.

## **1.4 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

'Intangible assets are amortised over their estimated useful life. 'The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

## **1.5 Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and its ability and intention to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset, the ability to measure reliably the expenditure during development.

## **1.6 Inventories**

Items of inventories are measured at lower of cost or net realizable value, after providing for obsolescence, if any. Cost of inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Cost of raw-materials, process chemicals, stores and spares, packing materials, and other products are determined on weighted average basis or net realizable value whichever is less. Cost of production of finished stocks is determined on by absorption costing method. In calculating the valuation of unsold finished stock, overhead expenses have been absorbed up to the stage of Production only.

### 1.7 Cash and cash equivalents

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 1.8 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 1.9 Revenue recognition

#### Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover. Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

#### Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is accounted on accrual basis. Other income is accounted for when the right to receive it is established.

### 1.10 Foreign currency transactions and translations

#### Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.



### Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

### **1.11 Government grants, subsidies and export incentives**

Grants from the governments are recognized at their Fair Value where there is reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment and non monetary grants are included in non current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

### **1.12 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Plant, Properties and Equipment. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

### **1.13 Employee benefits**

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

#### **Short-term employee benefits**

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

## **Post-employment benefits**

### **Defined contribution plan**

Employee Benefit under defined contribution plans comprises of Contributory provident fund, Post Retirement benefit scheme etc. is recognized based on the undiscounted amount of obligations of the Company to contribute to the plan. The same is paid to a fund administered through a separate trust.

### **Defined benefit plan**

Defined benefit plans comprising of gratuity and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### **Other long-term employee benefits**

Other long-term employee benefit comprises of leave encashment towards unavailed leave and compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Remeasurements of leave encashment towards unavailed leave and compensated absences are recognized in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

### **Short term employee benefits**

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

#### **1.14 Employee share based payments**

The Company has no Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

#### **1.15 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 1.16 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. Management has identified two reportable business segments namely Methanol & Formalin (both are chemical product) and Namrup & Raninagar has been identified as a geographical segment.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 1.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 1.18 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### 1.19 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### 1.20 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

### 1.21 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

### 1.22 GST input credit

GST input credit is accounted for in the books in the period in which the underlying goods / services received is accounted and when there is no uncertainty in availing / utilising the credits.

### 1.23 Gratuity :

The maximum limit of gratuity payable per employee on retirement is taken at ₹20,00,000/-.

### 1.24 Other Non Current Assets :

The value of Non Current Assets includes value of unamortised catalyst which are amortised on the basis of the utilisation certificates of the Engineering Department.

### 1.25 Goods and Services Tax:

GST is accounted on the basis of supply of goods or services.

## Notes forming part of the financial statements

### Note 2 Plant, Property & Equipements

(Amount in Lakhs)

Sl	Particulars	Gross Block					
		Balance as at 1 April, 2022	Additions New	Additions by Transfer of Standby Asset *	Deletions/ adjustment (On De-capitalisation/ Tranfer)**	Deletions/ adjustment (Others)***	Balance as at 31 March, 2023
		A	B	C	D	E	F=A+B+C-D-E
1	LAND	767.85	-		-		767.85
2	BUILDING FACTORY	658.64	-		-		658.64
3	BUILDING RESIDENCE	580.82	-		-		580.82
4	BUILDING OTHERS	310.18	11.97		-		322.16
5	BUILDING - REGISTERED OFFICE	74.52	-			(0.58)	73.94
6	BUILDING - KOLKATA OFFICE	16.14	-		-		16.14
7	BOUNDARY WALL & FENCE	1.41	-		-		1.41
8	INTERNAL ROAD	183.82	3.64		-		187.46
9	PLANT & MACHINERY U-I	-	-		-		-
10	PLANT & MACHINERY (IND) U-II	2,927.21	159.91	238.89	-		3,326.00
11	PLANT & MACHINERY CO2	179.53	-			(0.07)	179.46
12	PLANT & MACHINERY(IND)125TPD	1,248.93	-		-		1,248.93
13	PLANT & MACHINERY(IMP) U-II	767.29	-		(390.84)		376.45
14	PLANT & MACHINERY(IMP)100TPD	297.29	-		-		297.29
15	ELECTRICAL EQUIPMENT	154.46	-		-		154.46
16	LABORATORY EQUIPMENT	23.30	0.69			(0.07)	23.92
17	FIRE FIGHTING EQUIPMENT	27.27	0.93			(0.02)	28.18
18	HOSPITAL EQUIPMENT	3.19	-			(0.08)	3.11
19	OFFICE EQUIPMENT	13.96	-			(0.39)	13.57
20	GUEST HOUSE EQUIPMENT	0.04	-		-		0.04
21	TELEPHONE EQUIPMENT	7.62	-		-		7.62
22	FURNITURE & FIXTURES	183.54	12.99			(1.62)	194.91
23	MOTOR VEHICLE & CYCLE	55.32	-			(2.73)	52.59
24	E.D.P.EQUIPMENT	88.32	17.16			-	105.48
25	WATER SUPPLY	89.05	-			-	89.05
26	MISC. FIXED ASSETS	91.30	7.76			(0.15)	98.91
27	DISCARDED ASSETS (Held for sale)	-					-
	<b>TOTAL 'A'</b>	<b>8,751.01</b>	<b>215.04</b>	<b>238.89</b>	<b>(390.84)</b>	<b>(5.71)</b>	<b>8,808.39</b>
	<b>STANDBY SERVICING EQUIPEMENT / CAPITAL SPARE</b>						
1	PLANT & MACHINERY (IND) U-II	267.65		-238.89	-		28.76
	<b>TOTAL 'B'</b>	<b>267.65</b>	<b>-</b>	<b>-238.89</b>	<b>-</b>	<b>-</b>	<b>28.76</b>
	<b>Total</b>	<b>9,018.65</b>	<b>215.04</b>	<b>-</b>	<b>(390.84)</b>	<b>(5.71)</b>	<b>8,837.14</b>
	<b>Previous year</b>	<b>9,575.07</b>	<b>228.57</b>		<b>784.98</b>		<b>9,018.65</b>

Notes: \* 42 Nos of Reformer Tubes kept as Capital Spares capitated on installation it to the Plant &amp; Machinery.

\*\* Gross value of old reformer tubes adjusted from the books on its removal from the Plant &amp; Machinery.

\*\*\* The gross value of the assets not found in physical verification during the financial year 2021-22 now written off from the books of accounts.



(Amount in Lakhs)

Sl	Particulars	Depreciation/Impairment						Carrying amount		
		Up to 31st March 2022	Depreciation for the Year	Impairment Expenses/Losses	Addition on Capitalisation of Assets #	Deletions/ adjustment (On De-capitalisation/ Transfer) ##	Deletions/ adjustment (Others) ###	Up to 31st March 2023	As at 31st March 2023	As at 31st March 2022
		G	H	I	J	K	L	M	N	O
1	LAND	-	-	-	-	-	-	-	767.85	767.85
2	BUILDING FACTORY	619.62	1.01	-	-	-	-	620.63	38.01	39.02
3	BUILDING RESIDENCE	472.43	5.31	-	-	-	-	477.74	103.08	108.39
4	BUILDING OTHERS	35.42	5.79	-	-	-	-	41.21	280.95	274.76
5	BUILDING - REGISTERED OFFICE	34.91	1.92	-	-	-	(0.58)	36.25	37.70	39.62
6	BUILDING - KOLKATA OFFICE	9.68	0.31	-	-	-	-	9.99	6.15	6.46
7	BOUNDARY WALL & FENCE	1.35	-	-	-	-	-	1.35	0.07	0.07
8	INTERNAL ROAD	118.27	31.13	-	-	-	-	149.40	38.06	65.55
9	PLANT & MACHINERY U-I	-	-	-	-	-	-	-	-	-
10	PLANT & MACHINERY (IND) U-II	2,763.84	56.03	268.66	71.17	-	-	3,159.70	166.30	163.36
11	PLANT & MACHINERY CO2	170.54	0.03	-	-	-	(0.07)	170.50	8.96	8.99
12	PLANT & MACHINERY(IND)125TPD	1,010.55	15.42	151.03	-	-	-	1,177.00	71.93	238.38
13	PLANT & MACHINERY(IMP) U-II	471.40	4.25	48.45	-	(169.56)	-	354.54	21.91	295.89
14	PLANT & MACHINERY(IMP)100TPD	281.07	2.75	-	-	-	-	283.82	13.47	16.22
15	ELECTRICAL EQUIPMENT	148.30	1.50	-	-	-	-	149.80	4.65	6.15
16	LABORATORY EQUIPMENT	8.92	5.90	-	-	-	(0.07)	14.75	9.17	14.38
17	FIRE FIGHTING EQUIPMENT	25.21	0.75	-	-	-	(0.02)	25.94	2.23	2.05
18	HOSPITAL EQUIPMENT	0.77	1.08	-	-	-	(0.08)	1.77	1.34	2.42
19	OFFICE EQUIPMENT	11.80	0.87	-	-	-	(0.39)	12.28	1.29	2.16
20	GUEST HOUSE EQUIPMENT	0.04	-	-	-	-	-	0.04	-	-
21	TELEPHONE EQUIPMENT	7.26	-	-	-	-	-	7.26	0.36	0.36
22	FURNITURE & FIXTURES	113.69	6.52	-	-	-	(1.62)	118.59	76.32	69.85
23	MOTOR VEHICLE & CYCLE	43.70	3.23	-	-	-	(2.73)	44.20	8.39	11.62
24	E.D.EQUIPMENT	69.41	15.36	-	-	-	-	84.77	20.71	18.91
25	WATER SUPPLY	82.59	0.90	-	-	-	-	83.49	5.56	6.46
26	MISC. FIXED ASSETS	54.34	23.92	-	-	-	(0.15)	78.11	20.80	36.96
27	DISCARDED ASSETS (Held for sale)	-	-	-	-	-	-	-	-	-
	TOTAL 'A'	6,555.13	183.98	468.14	71.17	(169.56)	(5.71)	7,103.15	1,705.24	2,195.88
	STANDBY SERVICING EQUIPEMENT / CAPITAL SPARE	-	-	-	-	-	-	-	-	-
1	PLANT & MACHINERY (IND) U-II	91.03	0.94	-	-71.17	-	-	20.80	7.95	176.61
	TOTAL 'B'	91.03	0.94	-	-71.17	-	-	20.80	7.95	176.61
	Total	6,646.16	184.92	468.14	-	(169.56)	(5.71)	7,123.95	1,713.19	2,372.49
	Previous year	7,202.93	192.18	-	-	-	748.95	6,646.16	2,372.49	2,372.14

Notes: # Accumulated depreciation of the Capital Spare (Capitalised during the year) adjusted with the respective assets.

## Accumulated depreciation on the old reformer tubes (Capital Items) adjusted on removal of it from the Plant & Machinery.

### The accumulated depreciation of the assets not found at the time of physical verification during the financial year 2021-22 now written off from the books of accounts.

Reconciliation of Fixed Assets Schedules		₹ Lakhs
Depreciation for the Year as per Note 2 :		184.92
Depreciation as per Note 30		184.92
Loss on Sale / Discard & Non- Current Assets		
Gross Value of Old Reformer Tube as per Note 2	A	390.84
Accumulated Depreciation of Old Reformer Tube as per Note 2	B	169.56
Diffrence of A-B	C	221.28
Loss on Sale / Discard of PPE as per Note 31	D	102.38
Non Current assets classified as Held for Sale as per Note 14	E	118.89
Total of D & E	F	221.27

**Note 3 Capital Work-In-Progress**

(Amount in Lakhs)

Sl	Particulars	Cost					
		As at 1 April, 2022	Additions during the year	Deletions/ adjustment during the year	Capitalised during the year	Transfer to Profit & Loss during the year	As at 31st March 2023
1	500 TPD Methanol Plant	1,19,950.37	27,058.49	-	-	-	1,47,008.86
2	200 TPD Formalin Plant	842.10	1,445.52	-	-	-	2,287.62
3	DME Plant	20.51	-	-	-	-	20.51
4	HR Module software#	-	7.51	-	-	-	7.51
	<b>Total</b>	<b>1,20,812.98</b>	<b>28,511.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,49,324.50</b>
	<b>Previous year</b>	<b>1,01,283.12</b>	<b>19,661.86</b>	<b>-</b>	<b>111.14</b>	<b>20.86</b>	<b>1,20,812.98</b>

**Capital work In Progress Ageing Schedule (Tangible Assets)**

(Amount in Lakhs)

CWIP	Amount in CWIP for a period of				
As on 31-03-2023	Less than 1 year	1-2 years	02-03 Years	More than 3 years	Total
Projects in progress	28,511.52	19,637.83	30,421.06	70,733.58	1,49,303.99
Projects temporarily suspended	-	-	-	20.51	20.51
	<b>28,511.52</b>	<b>19,637.83</b>	<b>30,421.06</b>	<b>70,754.09</b>	<b>1,49,324.50</b>
As on 31-03-2022					
Projects in progress	19,637.83	30,421.06	40,798.76	29,934.82	1,20,792.47
Projects temporarily suspended	-	-	-	20.51	20.51
	<b>19,637.83</b>	<b>30,421.06</b>	<b>40,798.76</b>	<b>29,955.33</b>	<b>1,20,812.98</b>

**Capital -work- in progress, whose completion is overdue or has exceeded its cost compared to its original plan (Tangible Assets)**

(Amount in Lakhs)

CWIP	Total estimated project cost to be completed in			
As on March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	1,70,918.00			
Projects temporarily suspended				20.51
	1,70,918.00	-	-	20.51
As on March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress		1,70,918.00		
Projects temporarily suspended				20.51
	-	1,70,918.00	-	20.51

#### Note 4 Intangible Assets

(Amount in Lakhs)

Sl	Particulars	Cost				Depreciation				Carrying amount	
		Balance as at 1 April, 2022	Additions	Deletions/ adjustment	Balance as at 31 March, 2023	Up to 31 <sup>st</sup> March 2022	Additions	Deletions/ adjustment	Up to 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
1	Computer Software	31.58		-	31.58	30.00			30.00	1.58	1.58
	<b>Previous year</b>	<b>31.58</b>		<b>-</b>	<b>31.58</b>	<b>29.78</b>	<b>0.22</b>		<b>30.00</b>	<b>1.58</b>	<b>1.80</b>

Note: Carrying amount represents 5% residual value of the assets, hence no depreciation provided for.

#### Intangible Assets under development ageing Schedule

(Amount in Lakhs)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	02-03 Years	More than 3 years	Total
<b>As on 31-03-2023</b>					
Projects in progress	7.51				7.51
Projects temporarily suspended					-
<b>As on 31-03-2022</b>					
Projects in progress					-
Projects temporarily suspended	-	-	-	-	-

#### Note 5 Financial Assets - Investments

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Other than Trade Investment</b>		
Invest in Pragjyotish Fertilizers & Chemicals Ltd. (PFCL) (A subsidiary company)		
100000 Equity Shares of ₹100/-each (55.55% of total Shares)	100.00	100.00
Less: Provision for Diminution in the value of Investment	100.00	100.00
<b>Net Value of Investment in Shares</b>	<b>-</b>	<b>-</b>

#### Note 6 Financial Assets - Loans

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Security deposits	238.37	238.34
(b) Loans and advances to related parties	46.64	46.64
(c) Loans and advances to employees	13.75	20.52
(d) Other loans and advances	32.50	32.50
	331.26	338.00
Less: Provision for other doubtful loans and advances	79.14	79.14
<b>Total</b>	<b>252.12</b>	<b>258.86</b>

**Note 7 Other non current assets**

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Unamortised expenses	35.52	-
(b) Advance income tax	82.51	511.26
(c) MAT Credit Entilementment	533.13	514.53
(d) Capital Advances	1.46	99.60
<b>Total</b>	<b>652.62</b>	<b>1,125.40</b>

**Note 8 Inventories**

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Finished goods	390.24	121.47
(b) Stores and spares	1,352.81	1,293.09
(c) Loose tools	12.58	11.26
(d) Goods In Transit	23.73	-
<b>Total</b>	<b>1,779.36</b>	<b>1,425.82</b>

**Note 9 Trade Receivables**

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Secured, considered good	351.92	165.51
(b) Unsecured, considered good	542.60	548.43
(c) Doubtful	10.75	10.75
Less: Provision for doubtful trade receivables	(10.75)	(10.75)
<b>Total</b>	<b>894.52</b>	<b>713.94</b>

**Trade Receivables ageing Schedule**

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1- 2 Year	2- 3 year	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	351.92	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	535.82	-	-	-	5.88	5.88
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	10.75	10.75
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(v) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>				-	16.63	16.63

The above balances are subject to confirmed from individual customers.

### Trade Receivables classification into Related parties / others

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured and Considered Good		
Form Related Parties		
From Others	351.92	165.51
	-	-
Unsecured and Considered Good		
Form Related Parties	1.17	7.46
From Others	541.43	540.97
	-	-
Doubtful	-	-
Form Related Parties	-	-
From Others	10.75	-
	-	-
Less: Allowance for doubtful debts	(10.75)	-
Total Trade Receivables	894.52	713.94

### Note 10 Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with banks		
Current accounts	130.28	131.72
Term Deposits (maturity upto 12 months or less)#	2,574.21	5,071.31
Cash on hand	1.19	0.38
<b>Total</b>	<b>2,705.68</b>	<b>5,203.41</b>

#Term deposit of ₹600 lacs lien with Assam Gramin Viskash Bank Ltd. as collateral security for the Cash Credit facility of ₹3000 lacs.

### Note 11 Other Bank balances

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Earmarked Balance (500 TPD Methanol Project)	84.01	4,793.37
<b>Total</b>	<b>84.01</b>	<b>4,793.37</b>

### Note 12 Loans

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Loans and advances to employees	22.61	35.61
<b>Total</b>	<b>22.61</b>	<b>35.61</b>



**Note 13 Other current assets**

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Prepaid expenses - Unsecured, considered good	34.75	36.90
(b) Balances with government authorities		-
(i) GST Input Tax Credit	11,452.98	11,665.67
(c) Others (Advance to Suppliers & Contractors, etc)	120.18	191.66
(d) Interest accrued on deposits	20.77	12.04
(e) Other accrued incomes	1.09	-
<b>Total</b>	<b>11,629.77</b>	<b>11,906.27</b>

**Note 14 Non-current assets Classified as Held for Sale**

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>(a) Non-current assets</b>		
Scrap Value of Discarded Property, Plant & Equipements	118.89	-
<b>Total</b>	<b>118.89</b>	<b>-</b>

**Note 15 Share Capital**(Amount in Lakhs)

(Amount in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of ₹10/- each with voting rights	75,00,00,000	75,000.00	75,00,00,000	75,000.00
(b) Issued				
Equity shares of ₹10/- each with voting rights	62,00,40,245	62,004.02	49,71,74,808	49,717.48
(c) Subscribed and fully paid up				
Equity shares of ₹10/- each with voting rights	62,00,25,145	62,001.91	49,71,59,708	49,715.97
(d) Subscribed but not fully paid up				
Amount received and Forfeited	15,100	0.60	15,100	0.60
<b>Total</b>	<b>62,00,40,245</b>	<b>62,002.52</b>	<b>49,71,74,808</b>	<b>49,716.57</b>

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Outstanding at the beginning of the year	49,71,74,808	49,71,74,808
Add.: Bonus issue	-	-
Add.: Fresh issue	12,28,59,412	-
Outstanding at the end of the year	<b>62,00,34,220</b>	<b>49,71,74,808</b>

(ii) Shareholders holding more than 5% of Shares

Name of the Shareholders	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	Amount originally paid up	Number of shares	Amount originally paid up
Governor of Assam	23,22,50,000	37.46%	17,70,00,000	35.60%
Oil India Limited	30,25,00,000	48.79%	24,20,00,000	48.68%
Assam Industrial Development Corporation Limited	4,97,12,190	8.02%	4,97,12,190	10.00%
Assam Gas Company Limited	3,50,00,000	5.64%	2,80,00,000	5.63%

(iii) Shareholding of the Promoters of the Company

Name of the Promoter	Shares held as on 31.03.2023	% of Holding	% change during the year
Governor of Assam	23,22,50,000	37.46%	1.86%
Oil India Limited	30,25,00,000	48.79%	0.11%
Assam Industrial Development Corporation Limited	4,97,12,190	8.02%	-1.98%
Assam Gas Company Limited	3,50,00,000	5.64%	0.01%

(iv) Details of forfeited shares

Class of shares	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	Amount originally paid up	Number of shares	Amount originally paid up
Equity shares with voting rights	15,100	0.60	15,100	0.60

Note 16 Other Equity

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Capital reserve		
Opening balance	0.14	0.14
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	0.14	0.14
(b) Capital redemption reserve		
Opening balance	110.29	110.29
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Closing balance	110.29	110.29
(c) General reserve		
Opening balance	3,309.11	3,309.11
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	3,309.11	3,309.11
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(760.23)	(3,028.00)
Add: Profit / (Loss) for the year	(6,736.07)	2,267.77
Add: Other Comprehensive Income / (Loss) for the year	-	-
Less: Dividends proposed to be distributed to equity shareholders	-	-

Particulars	As at 31 March, 2023	As at 31 March, 2022
Tax on dividend	-	-
Transferred to General Reserve	-	-
Closing balance	(7,496.30)	(760.23)
<b>Total</b>	<b>(4,076.76)</b>	<b>2,659.31</b>

**Note 17 Borrowings**

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured Loan (PNB, Guwahati)*	86,273.32	86,650.11
	86,273.32	86,650.11

\*M/s Punjab National Bank, Fancy Bazar Branch has sanctioned ₹89067 lakhs and ₹ 6976 lakhs (Under GECL Scheme) to the company for setting up of 500 TPD Methanol at Namrup and 200 TPD Formalin Plant at Boitamari. The project is under implementation. The loan is secured by land and building, plant & machinery, etc. of the company.

**Note 18 Other financial liabilities**

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade payable (Project)	2,320.09	1,724.92
	2,320.09	1,724.92

**Aging Schedule of Trade Payable (Project)**

Particulars	Outstanding for following periods from due date of payment# (Amount in lacs)					Total
	Less than 6 months	6 months - 1 year	1- 2 Year	2- 3 year	More than 3 years	
(i) MSME						-
(ii) Others	615.15	1,057.84	94.48	60.71	491.90	2,320.09
(iii) Disputed Dues-MSME						-
(iv) Disputed dues-Others						-

**Note 19 Borrowings**

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash Credit Account (AGVB, Guwahati)	423.29	-
	423.29	-

The above facility is secured by way of hypothecation of stock, inventory, WIP, receivables and all other assets to be created out of the Cash Credit Facility. Further collateral security by way of lien on bank term deposit of ₹600 lacs in the name of the company.

**Note 20 Trade Payable**

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade Payable #	12,785.11	673.79
<b>Total</b>	<b>12,785.11</b>	<b>673.79</b>

# Includes ₹12194.71 Lakhs payable to Oil India Limited as on 31-03-2023. As per the balance confirmation statement dated 28-04-2023 provided by Oil India Limited the due amount as on 31-03-2023 is ₹ 12210.91 lakhs. The difference of ₹ 16.20 lacs pertains to the debit entry passed by Oil India Limited for VAT demand of 2006-07. The Oil India Limited has also raised demand of ₹62.82 lakhs (vide letter dated 26-04-2023) towards interest charged by the Sales Tax Department for short payment of Value Added Tax. The company is under process of examination of legality of the demand of ₹ 79.02 lakhs, therefore no provision has been made in the books of account for this demand of ₹79.02 lakhs by treating the same as contingent liability.

Further to that, above reflected balances w.r.t. M/s Oil India Ltd (in both party's books of accounts) are without provision of delayed payment interest, in view of waiver request placed by the company due to huge cash losses.

The balance trade payable of ₹590.40 lakhs is subject to confirmation from the respective individual parties.

## Trade Payables aging Schedule

Particulars	Outstanding for following periods from due date of payment# (Amount in lacs)					Total
	Less than 6 months	6 months - 1 year	1- 2 Year	2- 3 year	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	12,195.47	566.77	5.62	3.88	13.37	12,785.11
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

## Note 21 Other financial liabilities

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Secured Loan (PNB, Guwahati)	6,191.88	3,531.91
(b) Trade / Security Deposit	896.38	958.18
(c) Earnest Money	41.29	67.90
<b>Total</b>	<b>7,129.55</b>	<b>4,557.99</b>

\*M/s Punjab National Bank, Fancy Bazar Branch has sanctioned term loans to the company for setting up of 500 TPD Methanol at Namrup and 200 TPD Formalin Plant at Boitamari. The project is under implementation. The loan is secured by land and building, plant & machinery, etc. of the company. Installments payable upto 31st March 2024 is considered as Current Borrowings as at 31-03-2023

## Note 22 Other current liabilities

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Unpaid dividends	-	-
(b) Other payables	-	-
(i) Statutory remittances (Contributions to PF, GST, etc.)	409.39	322.99
(ii) Salaries & Wages payables	92.69	244.23
(iii) Advances from customers	203.48	53.72
(iv) Others (Work Bill, Misc. Payable)	53.38	70.35
<b>Total</b>	<b>758.93</b>	<b>691.29</b>

## Note 23 Short-term provisions

(Amount in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Provision for employee benefits:		
(i) Provision for bonus & ex-gratia	60.44	86.50
(ii) Provision for other defined contribution plans (net)	-	82.41
(iii) Provision for other defined benefit plans (net)	822.39	754.72
(iv) Provision for arrear salary	27.35	-
	910.18	923.63
(b) Provision - Others:		
(i) Provision for tax	-	310.30
(ii) Provision for Audit Fee	4.32	4.96
(ii) Provision - others	103.20	-
	107.52	315.27
<b>Total</b>	<b>1,017.70</b>	<b>1,238.90</b>

**Note 24 Revenue from operations**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Sale of products:		
Methanol	1,880.68	2,170.00
Formalin	8,524.48	10,409.80
Other	0.44	13.68
<b>Total</b>	<b>10,405.60</b>	<b>12,593.48</b>

**Note 25 Other Income**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income on Term Deposits	280.58	323.22
Interest income on Loans & Advances	16.95	20.70
Other non-operating income	110.85	113.54
<b>Total</b>	<b>408.37</b>	<b>457.45</b>

**Note 26 Cost of materials consumed**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Natural Gas	9,518.66	2,826.49
Raw Material Chemicals	65.03	45.55
Gas Transmission Charges	30.33	25.05
<b>Total</b>	<b>9,614.01</b>	<b>2,897.09</b>

**Note 27 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventories at the end of the year:		
Finished goods	390.24	121.47
Finished goods-in transit	23.73	-
	413.97	121.47
Inventories at the beginning of the year:		
Finished goods	121.47	131.55
Finished goods-in transit	-	-
Less: Excise duty on Finished Goods	121.47	131.55
<b>Net (increase) / decrease</b>	<b>(292.50)</b>	<b>10.09</b>



**Note 28 Employee benefits expense**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries and wages	3,711.91	3,896.92
Contributions to provident and other funds	644.19	1,183.33
Staff welfare expenses	134.22	146.31
<b>Total</b>	<b>4,490.32</b>	<b>5,226.57</b>

**Note 29 Finance costs**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on Cash Credit Account	0.40	-
<b>Total</b>	<b>0.40</b>	<b>-</b>

**Note 30 Depreciation and Amortisation**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation for the year on Plant, Property & Equipments	184.92	192.18
Less: Utilised in CWIP	5.21	5.90
	179.71	186.28
Depreciation for the year on intangible assets	-	0.22
Assets Witten Off	-	<b>33.91</b>
Amortisation of Catalyst	14.36	-
Depreciation and amortisation relating to continuing operations	194.07	<b>220.41</b>

**Note 31 Other Expenses**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Consumption of stores and spare parts	104.71	127.27
Consumption of loose tools	1.62	2.52
Consumption of Other spares & materials	26.86	27.62
Power and fuel	1,346.32	1,090.63
Water	15.37	23.79
Formalin Conversion Expenses	245.26	207.34
Repairs and maintenance - Buildings	279.08	251.72
Repairs and maintenance - Machinery	170.49	83.98
Repairs and maintenance - Others	32.66	29.42
Insurance	39.64	39.92
Rates and taxes	13.75	0.81
Corporate Social Responsibility Expenses	17.96	14.00
Travelling and conveyance	75.44	50.16
Printing and stationery	9.93	7.61
Freight and forwarding	2.69	2.02
Sales commission & discount	234.01	285.03
Business promotion	7.27	-

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Legal and professional	38.84	18.80
Payments to auditors	2.50	3.50
Loss on Sale / Discard of Property, Plant and Equipment	102.38	-
Provision for Trade Receivable	-	10.76
Miscellaneous expenses	473.28	441.65
<b>Total</b>	<b>3,240.05</b>	<b>2,718.53</b>

**Note 32 Exceptional items**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Refund received for Transmission Charges from Assam Gas Co. Ltd.	-	(173.93)
Misc. Receipts	-	-
<b>Total</b>	<b>-</b>	<b>(173.93)</b>

**Note 33 Additional information to the financial statements**

(Amount in Lakhs)

Note	Particulars	(Amount in lacs)	
33.1	Contingent liabilities and commitments (to the extent not provided for)	As at 31 March, 2023	As at 31 March, 2022
	Contingent liabilities - Quantifiable		
	(a) Central Sales Tax Demand (FY 2015-16)	22.03	22.03
	(b) Income Tax Demand (FY 2021-22)	32.43	-
	(C) Income Tax Demand (FY 2014-15)	0.37	-
	(d) Value Added Tax (FY 2006-07) (Oil India Limited)	79.02	-
	(e) Other claims quantified	86.14	86.14
	<b>Contingent liabilities - Non Quantified</b>		
	<b>Party &amp; Case No.</b>	<b>Matter &amp; Status</b>	
	<b>Title Suit No. 80/2015</b> Sri Biswajit Chutia & Anr - Vs - Assam Petro-Chemicals Ltd. & Ors	The instant case filed by the Plaintiff for declaration and injunction against the APL for restraining from discharging sanitary, toxic wastes through and over the land of the Plaintiff.	
	<b>Arbitration Proceeding</b> Pyramid E&C Project Pvt. Ltd. -Vs- The Assam Petro-Chemicals Ltd. & 03 Ors	<p>The Pyramid E&amp;C Project Pvt. Ltd. filed a case bearing W.P.(C) No. 3242/2020 before the Hon'ble Gauhati High Court against our Company on 18.08.2020 challenging the decision of APL and the Hon'ble Gauhati High Court vide Judgment dated 22.09.2022 directing the Petitioner (Pyramid) that the petitioner can take appropriate steps under the Arbitration and Conciliation Act, 1996 and disposed off the matter.</p> <p>As directed by Hon'ble Gauhati High court, the above arbitration proceeding has been initiated by PYRAMID E &amp; C Project Pvt. Ltd., against APL before the nominated Arbitrator in terms of Clause 28 of ITB under the provision of the Arbitration and Conciliation Act, 1996 regarding the non-payment of amounts due including security deposit Bank Guarantee vide BG No. 48/1 dated 15.07.2019 and the work already undertaken at the project site along with interest.</p>	

	(c) Guarantees	-	-
	(d) Other money for which the Company is contingently liable	-	-
<b>33.2</b>	<b>Expenditure in foreign currency:</b>	<b>For the year ended 31 March, 2023</b>	<b>For the year ended 31 March, 2022</b>
	Royalty	-	-
	Know-how	-	-
	Professional and consultation fees	-	-
	Interest	-	-
	Other matters	-	-
	(Current Year Nil (Previous Year Nil))		
<b>33.3</b>	<b>Details of consumption of imported and indigenous items *</b>	<b>For the year ended 31 March, 2023</b>	
		<b>`</b>	<b>%</b>
	<u>Imported</u>	-	-
		-	-
	<u>Indigenous</u>		
	Raw materials	9,548.98 (2,851.54)	100% 100%
	Chemicals	65.03 (45.55)	100% 100%
	Stores & Spare Parts	133.20 (157.41)	100% 100%
	Catalyst	14.36 -	100% 100%
	<b>Total</b>	9,761.57 (3,054.50)	100% 100%
	Note: Figures / percentages in brackets relates to the previous year		

<b>Note</b>	<b>Particulars</b>
<b>34.1</b>	<b>Employee benefit plans</b>
<b>34.1a</b>	<b>Defined contribution plans</b>
	The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹368.18 lacs (Year ended 31 March, 2022 ₹3,80.90 lacs) for Provident Fund contributions and ₹60.21 lacs (Year ended 31 March, 2022 ₹48.79 lacs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**Note 33 Disclosures under Accounting Standards (contd.)**

34.1b

**Defined benefit plans**

The Company offers the following employee benefit schemes to its employees:

**i. Earned Leave Benefits (EL)**

EL per employee accrual is 33 days per year. Two days of EL is earned after 22 days of continuous service by an employee. Accumulation up to 360 days is allowed, out of which one part is encashable and other part can either be encashed at the time retirement or avail leave during the service period.

**ii. Sick Leave (SL)**

SL per employee accrual is 10 days per year and same can't be encashed during the service tenure. Encashment of 50% of accumulated SL is permitted at the time of retirement.

**iii. Group Gratuity Scheme**

15 days salary for each completed year of service or part thereof in excess of 6 months of continuous service. The eligibility of gratuity falls due on completion of 5 years of continuous service. The company has taken a policy under "Group Gratuity Scheme" of employees with Life Insurance Corporation of India (LIC). The amount payable calculated by LIC based on membership data provided by the company, actuarial assumption & valuation made by LIC & the balance in the Gratuity Fund is charged to the Statement of Profit and loss. The APL Employees Gratuity Fund is maintained by LIC in which interest accrued & payments made by the company are credited and payment of claims made to employees is debited.

**iv. Leave Encashment Scheme**

For the payment of leave encashment at the time of retirement, a policy under "group leave Encashment scheme" of employees has been taken from LIC. The amount payable, calculated by LIC on the basis of membership data provided by the company, actuarial assumption and valuation made by LIC and the balance in the fund maintained by LIC is charged to the Statement of Profit and Loss.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

(Amount in Lakhs)

Particulars	Year ended 31 March, 2023		Year ended 31 March, 2022	
	Gratuity	Group Leave Encashment	Gratuity	Group Leave Encashment
Valuation Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
<b>Actuarial Assumptions</b>				
a) Mortality Rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
b) Withdrawal Rate	1-3% depending on age	1-3% depending on age	1-3% depending on age	1-3% depending on age
c) Discount Rate	7.25 % p.a.	7.25 % p.a.	7% p.a.	7% p.a.
d) Salary Escalation	5% p.a.	5% p.a.	5% p.a.	5% p.a.
<b>Result of Valuation</b>				
PV of Past Service Benefit	2,429.68	1,554.72	2,566.86	1,817.21
Current Service Cost	70.16	156.95	69.49	162.26
Total Service Gratuity	4,546.58		4,413.25	-
Accrued Gratuity	2,851.11		2,993.54	-
LCSA	505.25	280.71	472.25	248.30
LC Premium	2.27	1.91	2.33	1.98
GST	0.41	0.34	0.42	0.36

<b>Recommended Contribution Rate</b>				-	-
Fund as on Renewal Date		2,131.86	1,290.88	2,430.94	1,435.24
Additional Contribution for Existing Fund		297.81	263.84	135.92	381.97
Current Service Cost		70.16	156.95	69.49	162.26
Total Amount Payable		370.64	451.75	208.16	546.57
<b>Expense recognised in the Statement of Profit and Loss</b>					
Current service cost		70.16	156.95	69.49	162.26
Additional Contribution		297.81	263.84	135.92	381.97
LC Premium		2.67	2.26	2.75	2.34
<b>Total expense</b>		<b>370.64</b>	<b>423.05</b>	<b>208.16</b>	<b>546.57</b>



**Note 34 Disclosures under Accounting Standards (contd.)**

Note 34.2	Segment information	Particulars									
		For the year ended 31 March, 2023					For the year ended 31 March, 2022				
		Methanol		Formalin		Total	Methanol		Formalin		Total
		Methanol	Eliminations	Namrup	Raninagar		Methanol	Eliminations	Namrup	Raninagar	
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Revenue		1,881	7,687	7,171	1,353	18,093	2,170.00	8,674.21	9,051.10	954.50	20,849.80
Inter-segment revenue		7,687	-	-	-	7,687	8,674.21	-	-	-	8,674.21
Total		9,568	7,687	7,171	1,353	10,405	10,844.21	8,674.21	9,051.10	954.50	12,175.60
Segment result		(4,433)	2,811	(4,605)	(461)	(6,688)	3,686.28	(4,032.89)	2,173.38	212.93	2,039.70
Unallocable expenses (net)						621					522.52
Operating income						(7,309)					1,517.18
Other income (net)						409					471.13
Profit before taxes & except.						(6,901)					1,988.31
Unallocable exceptional items						-					212.58
Profit before taxes						(6,901)					2,200.90
Tax expense						(164)					(76.97)
Net profit/(Loss) for the year						(6,736)					2,277.86

## Notes forming part of the financial statements

### Note 34 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 March, 2023					For the year ended 31 March, 2022				
		Methanol		Formalin		Total	Methanol		Formalin		Total
		Namrup	Eliminations	Namrup	Raninagar		Namrup	Eliminations	Namrup	Raninagar	
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	Segment assets	1,462.72		1,064.77		2,527.49	1,792.63		1,792.63		2,985.66
	Unallocable assets					166,760.65	-				145,665.75
	Total assets					169,288.54	-				148,651.41
	Segment liabilities	15,246.24		5,427.35		20,673.59	1,570.17		1,570.17		2,391.16
	Unallocable liabilities					148,614.55					146,270.33
	Total liabilities					169,288.14					148,661.49
	<u>Other information</u>										
	Capital expenditure (allocable)	398.79	-	-	-	398.79	-	-	-	-	-
	Capital expenditure (unallocable)	-	-	-	-	55.13	-	-	-	-	-
	Depreciation and amortisation (allocable)	462.09	-	169.20	-	631.29	-	-	-	-	-
	Depreciation and amortisation (unallocable)	-	-	-	-	-437.22	-	-	-	-	220.43

**Note 34.3 Disclosures under Accounting Standards (contd.)**

Note	Particulars		
34.3	<b>Related party transactions</b>		
34.3a	<b>Details of related parties:</b>		
	<b>Description of relationship</b>	<b>Names of related parties</b>	
	Associates	Oil India Limited Assam Industrial Development Corporation Limited Assam Gas Company Limited	
	Subsidiaries	Pragjyotish Fertilisers and Chemicals Limited	
	Key Managerial Personnel	Shri Rajnesh Gogoi (Managing Director) Shri Bikul Chandra Deka (Chairman) Shri Hemanta Gogoi (Vice Chairman) Shri Pramod Kumar Prasad, Director (Finance) & CFO Shri Uttam Bailung (Company Secretary)	
SI No.	Name of Director	Company in which the director is interested	Nature of Interest
1	Bikul Chandra Deka	Nil	NA
2	Hemanta Gogoi	Nil	NA
3	Rajnesh Gogoi	Pragjyotish Fertilizers and Chemicals Ltd.	Director
4	Pramod Kr. Prasad	Nil	NA
5	Prof. Gautam Barua	North East Small Finance Bank Ltd.	Director
6	Manvendra Pratap Singh, IAS	1. Assam Industrial Dev. Crop. Ltd.	Managing Director
		2. Cachar Sugar Mills Ltd.	Director
		3. Industrial Paper (Assam) Ltd.	Director
		4. Bamboo Technology Park	Director
		5. Assam Small Industrial Development Corporation Ltd.	Managing Director
		6. Prag Bosimi Synthetics Ltd.	Director & Chairman
		7. Assam State Fertilizer & Chemicals Ltd.	Director
		8. Calcom Cement India Ltd.	Director
		9. Assam State Weaving & Manufacturing Co. Ltd.	Director & Chairman
		10. Invest Assam Foundation	Director
		11. Assam Trade Promotion Organization	Director
		12. Assam Tea Corporation Ltd.	Director
		13. Assam Syntex Ltd.	Director & Chairman
		14. Ferticem Ltd.	Director & Chairman
		15. Assam State Textile Corporation Ltd.	Chairman
7	Gokul Ch. Swargiyari	1. Assam Gas Co. Ltd.	Managing Director
		2. DNP Ltd.	Director & CEO
		3. Purba Bharati Gas Pvt. Ltd.	Director
		4. Tripura Natural Gas Co. Ltd	Director
8	Tuhin Kanti Bhattacharjee	Nil	NA
9	Neera Daulagupu	1. Assam State Weaving and Manufacturing Co. Ltd.	Director
		2. Ashok Paper Mill (Assam) Ltd.	Director
		3. Industrial Paper (Assam) Ltd.	Director
		4. D N P Ltd.	Director

**Note 33 Disclosures under Accounting Standards (contd.)**

(Amount in ₹)

10	Pritam Roy Choudhury	Nil	NA		
11	Poran Baruah	Nil	NA		
12	Santanu Mazumder	Nil	NA		
13	Ms. Pranati Goswami	Holding shares in few companies but less then the threshold limit of 2% of total shares with voting rights. Details are given in enclosed MBP-1.	NA		
34.3b	Post employment benefit plan entity	APL Employees Provident Fund Trust APL Employees Gratuity Trust			
	<b>Transactions</b>	<b>Transactions during FY 2022-23</b>	<b>Transactions during FY 2021-22</b>	<b>Closing Balance as on 31.03.2023</b>	<b>Closing Balance as on 31.03.2022</b>
	<b>Purchase of Natural Gas</b>				
	Oil India Limited	18,727.89	2,826.49	12194.71**	280.98
	<b>Payment for Gas Transmission</b>				
	Assam Gas Company Limited	46.17	25.48	7.03	2.19
	<b>Refund of Gas Transmission Charges</b>				
	Assam Gas Company Limited	-	173.93		173.93
	<b>Sale to Methanol &amp; Formalin</b>				
	Oil India Limited	25.32	14.38	1.17	7.46
	<b>Reimbursement of Salary</b>				
	Oil India Limited	52.90	9.44	15.08	20.54
	<b>Remuneration Paid</b>				
	Shri Bikul Chandra Deka	6.00	6.00	-	-
	Shri Hemanta Gogoi	4.80	0.95	-	-
	Shri Rajnesh Gogoi	26.32	9.44	-	-
	Shri Pramod Kumar Prasad	26.58	-	-	-
	Shri Uttam Bailung	24.92	23.03	-	-
	Prof. Gautam baruah	0.93	0.68	-	-
Shri Deepakananda Bharali	0.10	1.04	-	-	
<b>Contribution to</b>					
APL Employees Provident Fund Trust	368.19	424.63	30.42	115.25	
APL Employees Gratuity Trust	236.44	211.24	236.43	211.24	
Note: ** The balances are without provision of over delayed payment interest of ₹263.88 lakhs, in view of waiver request placed by the company due to huge cash lossess.					

**Note 34 Disclosures under Accounting Standards (contd.)**

(Amount in ₹)

Note	Particulars	As at 31 March, 2023	As at 31 March, 2022
		₹	₹
34.4	<b>Deferred tax (liability) / asset</b>	(55.18)	(132.14)
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	96.78	(165.28)
	On expenditure deferred in the books but allowable for tax purposes	-	-
	On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
	Others		
	Tax effect of items constituting deferred tax liability	(164.45)	(76.97)
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits		
	Provision for doubtful debts / advances		
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	-	-
	On difference between book balance and tax balance of fixed assets		
	Unabsorbed depreciation carried forward		
	Brought forward business losses		
	On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
	Others		
	Tax effect of items constituting deferred tax assets	-	-
	<b>Net deferred tax (liability) / asset</b>	109.27	(55.18)

Note	Particulars				
35	<b>Details of provisions</b>				
	The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:				
	<b>Particulars</b>	<b>As at 1 April, 2022</b>	<b>Additions</b>	<b>Utilisation</b>	<b>Reversal (withdrawn as no longer required)</b>
		₹	₹	₹	₹
	Investment, Security, Loans & Advances	179.14	-	-	-
		(179.14)	-	-	-
	Debtors	0.99	-	-	-



**Note 34.5 Disclosures under Accounting Standards (contd.)**

**(Amount in ₹)**

	(0.99)	-	-	-	(0.99)
Bonus & Ex-gratia	86.50 (66.88)	60.44 (86.50)	83.26 (66.25)	3.23 (0.63)	60.45 (86.50)
Arrear Salary	- 463.91	27.35 -	- 463.91		27.35 -
Defined Contribution Plan	82.40 (56.84)	- (82.41)	- (56.84)	- -	82.40 (82.40)
Defined Benefit Plan	754.72 (1,239.23)	822.39 (754.72)	754.72 (1,239.23)	- -	822.39 (754.72)
Provision for Tax & Audit Fee	315.27 (144.62)	4.32 (315.27)	315.27 (144.62)	- -	4.32 (315.27)
Provision Others	-	103.20	-	-	103.20

**Note:** - Figures in brackets relate to the previous year.

Note	Particulars
<b>34.6</b>	<b>Capital Work-In-Progress (CWIP)</b> The the company is implementing 500 TPD Methanol Plant at Namrup at revised project cost of ₹1602.95 crores and 200 TPD Formalin Plant at Boitamari at a project cost ₹106.23 crores. The company has raised equity of ₹447.00 crore and M/s Punjab National Bank, Fancy Branch has sanctioned ₹960.43 crores for implementation of the projects. The efforts are going on for achivement of financial closure for the addition project cost of ₹371.51 crores. Govt. of Assam, Oil India Limited and Assam Gas Company Limited has contributed the additional equity of ₹122.75 crores toward the additional project cost.
<b>34.7</b>	<b>Government Grants</b> The Company had been allotted Land parcel of 163 Bigha, 3 Kotha at Village - Dhaknabari under Boitamari Revenue Circle under North Salmara Sub-Division in Bongaigaon, Assam by Govt of Assam in the year 2016-17 and 2018-19 for establishment of Industrial Park. The Company had not paid any revenue deposit for the same. Possession of the land has been obtained and boundary wall have been constructed and other preoperative expenditure to the tune of ₹3.37 Crores incurred for setting up as 200 TPD Formalin Plant. The fair value of the Land as per Ind AS 113 is ₹7,36,20,000/- and accounted for as per Ind AS 20 (Govt Grants).
<b>34.8</b>	<b>Documents in respect of subsidiary company ( M/s Pragjyotish Fertilizer And Chemicals Limited) Under Section 129(3) of Companies Act, 2013.</b> The Consolidated Financial Statement of the company and its subsidiary M/s Pragjyotish Fertilizer and Chemicals Limited has not been prepared due to absence of Audited Financial Statement of the subsidiary company. However, the management is of the opinion that there will be no financial impact on the results of the company as all the investments, loans & advances to its subsidiary has been provided for in the books of accounts of the company.
<b>34.9</b>	<b>Basis for calulation of Depreciation :</b> In absence of proper fixed assets register, rate of depreciation under straight line method & written down value method on remaining usefule life of respective assets is calculated on the basis of audited financial statement of previous years and other financial records.

<b>34.10</b>	<b>Dues to Micro, Small &amp; Medium Enterprise:</b> There is no claim of overdue interest payment from any supplier under Micro, Small and Medium Enterprise Development Act, 2006. The company has neither paid any interest in the terms of section 16 of the MSME Act nor any interest remain unpaid and no payments were beyond the "appointed date" to such identified MSME enterprise during the year ended 31.03.2023.
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Note	Particulars
<b>35.1</b>	The Company has no immovable property whose title deeds are not held in the name of the Company and it also has no such immovable property which is jointly held with others.
<b>35.2</b>	The Company has not revalued its Property, Plant and Equipment accordingly disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable to the Company.
<b>35.3</b>	During the year, the Company has not granted any Loans or Advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
<b>35.4</b>	No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
<b>35.5</b>	The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.
<b>35.6</b>	The Company has not entered into any transactions with companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year ended on 31.03.2023
<b>35.7</b>	During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
<b>35.8</b>	During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
<b>35.9</b>	During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
<b>35.10</b>	The Company has no such transaction which are not recorded in the books of accounts during the year and also there are not such unrecorded income and related assets related to earlier years which have been recorded in the books of account during the year.
<b>35.11</b>	The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
<b>35.12</b>	The Company was not required to incur any expenditure towards Corporate Social Responsibility (CSR) during the financial year 2022-23 as the Company did not meet the threshold limit as prescribed under the provisions of Section 135 of the Companies Act, 2013 during the year. However, the company has incur ₹17.96 lacs in Corporate Social Responsibility Expense.

<b>35.13</b>	<b>Ratio Analysis</b>						
	<b>Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>% change</b>	<b>Reason for variance</b>
	(a) Current Ratio	Current Assets	Current Liabilities	0.77	3.36	-76.98%	Refer Note i) below

(b) Debt-Equity Ratio	Debt= total borrowings	Equity= Issued share capital+ Other equity	1.60	1.72	-7.29%	-
(c) Debt Service Coverage Ratio	Earning for Debt Service	Debt Service	0.00	0.00	0.00%	-
(d) Return on Equity Ratio	Net profit after taxes	Average total equity	-0.12	0.04	-375.98%	Refer Note ii) below
(e) Inventory Turnover Ratio	Net Sales of Stock	Average Inventory	38.87	99.55	-60.96%	Refer Note iii) below
(f) Trade Receivables Turnover Ratio	Revenue from Operations	Average Accounts Receivable	13.45	13.57	-0.89%	-
(g) Trade Payables Turnover Ratio	Net purchase of goods	Average Trade Payables	0.62	0.04	1304.15%	Refer Note iv) below
(h) Net Capital Turnover Ratio	Net Sales of Stock	Average Working Capital	1.75	0.73	140.48%	Refer Note v) below
(i) Net Profit Ratio	Net Profit after Taxes	Net Sales of Stock	-0.65	0.18	-459.49%	Refer Note vi) below
(j) Return on Capital employed	Earning before Interest and Tax	Average Capital Employed	-1.16	0.11	-1115.17%	Refer Note vii) below
(k) Return on Investment	Profit After Tax	Average total Assets	-0.04	0.02	-357.49%	Refer Note viii) below
<p>Notes:</p> <p>(i) The Current Ratio has decreased due to decrease in Cash &amp; Cash equivalent and increase in current liabilities due to increase in trade payables and current maturities of term payables.</p> <p>(ii) Return on Equity Ratio has decrease due to losses incurred in current year.</p> <p>(iii) Inventory Turnover Ratio decreased due to higher average inventory and lower sales as compared to previous year</p> <p>(iv) Trade Payables Turnover Ratio has increased due to increase in trade payables</p> <p>(v) Net Capital Turnover Ratio has increased due to decrease in working capital</p> <p>(vi) Net Profit Ratio has decreased due to losses incurred during the current year</p> <p>(vii) Return on Capital employed Has Decreased due to losses incurred during the current year</p> <p>(viii) Return on Investment has decrease due to losses incurred during the current year</p>						
35.14	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. All the figures in these notes are in '₹ Lakhs' except otherwise stated.					



500 TPD Methanol Plant





## **Assam Petro-Chemicals Limited**

( A Govt. of Assam Undertaking )

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