

CHAIRMAN'S SPEECH IN 53RD ANNUAL GENERAL MEETING

Dear Shareholders, very good morning to all of you!

It gives me immense pleasure in welcoming you all to this 53rd Annual General Meeting of your Company held through Video Conferencing and Other Audio-Visual Means in pursuance to the General Circular no. 9/2023 dated 25th September, 2023 of Ministry of Corporate Affairs, Government of India. I would have happy to meet you personally in physical meeting but virtual meeting enables greater participation of the shareholders from any geographical locations also save time and cost of attending in the meeting.

On behalf of Board of Directors of Assam Petro-Chemicals Limited, I thank each one of you for joining us in this 53rd AGM also for your continued trust, encouragement and unequivocal support to the Company as well as management.

The Annual Report for the financial year ended on 31st March, 2024 containing the Notice of 53rd AGM, Directors' Report alongwith its annexures and the Audited Financial Statements of the Company, have already been circulated amongst you and with your kind permission I take them as read.

Dear Shareholders, like the previous financial year, the financial performance of your Company was not good during the year ending on 31st March, 2024 due to the high production cost of methanol. Your Company purchased 90% of Natural Gas used as feedstock at APM gas price USD 6.5 MMBTU and balance 10% at Non APM average price of USD 8.19 per MMBTU. This feedstock price was very high and due to which the cost of material consumed was paged at Rs. 9124.00 lakh against the sales turnover of Rs. 8781.25 lakh during the year ending on 31st March, 2024. The Company earned total income of Rs. 8,949.89 lakhs in the financial year ending on 31.03.2024 which was 17.24% lesser than the previous financial year. The employees benefit cost and other expenses of the Company reduced marginally compared to previous year. The high input cost couple with lower price realization of methanol resulted financial loss of Rs. 7,863.74 lakhs during the financial year 2023-24.

As I mentioned that the increase of feedstock cost is the main reason for the dismal financial performance of the company, we are persuading the appropriate authorities to provide fiscal supports in the form of feedstock subsidy and other supports for its sustenance. We are hopeful to get supports from both Central and State Governments.

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 Rs. 8,781.25 lakhs from operations during the year. The revenue share of Formalin and Methanol sale in the Financial Year 2023-24 were 86.77% and 13.23% respectively.

You are aware that methanol is the main product that the Company produced in its 100 TPD Methanol and 500 TPD Methanol Plants and Formalin is a downstream product of Methanol. The Company produced 1,22,240 MT of Methanol during the Financial Year 2023-24 against 30,910 MT in the previous year. The price of Methanol in India depends on its import price at Kandla Port, Gujarat as India imports about 96% of its domestic demand mostly from Iran, Saudi Arabia and other Middle East Asian Countries. The average price realization of methanol during the Financial Year 2023-24 was lesser than the previous year due to lower methanol import price at ex-tank at Kandla Port.

The year 2023-24 was significant as your Company commissioned the 500 TPD Methanol Plant on 8th April, 2023 and started producing marketable grade of Methanol w.e.f. 16th May, 2023. During the Financial Year 2023-24, the new plant produced 92,480 MT of methanol in the newly commissioned Methanol Plant. Although this plant was not declared as Commercial Operation as per the requirements of Bank and accounting purposes but the Company kept on producing Methanol during the stabilization period and sold them in the market. The Company sold 91,319 MT of Methanol produced at the 500 TPD Methanol Plant during the year.

Dear Shareholders, formalin is the downstream value-added product of the Company which has been producing in its plants located at Namrup. The Company has produced 50,932 MT formalin during the FY 2023-24 in its both the plants. The Company operated its 125 TPD Formalin plant and

Raninagar plant at 105.54% and 89.28% respectively during the FY 2023-24.

Your Company remained in its same business of manufacturing and marketing of Methanol and Formalin during the Financial Year 2023-24 and there was no diversification. Your Board of Directors are considering to diversify and produce more value-added products to remain competitive.

Dear Shareholders, your Company has been marketing its products i.e., Methanol and Formalin in the North Eastern region, West Bengal, Bihar, Jharkhand, Odisha, Uttar Pradesh, and several other North Indian states and exporting to our three neighbouring countries viz., Bangladesh, Nepal and Bhutan. The Company has also started marketing its products in the Western and Southern India region. The Company sold 94,596MT methanol during the FY 2023-24 compared to 6,402.61MT in the previous Financial Year. The quantity of methanol sold during the FY 2023-24 was substantially higher due to availability of additional quantity on commissioning of the new 500 TPD Methanol plant.

Dear Shareholders, you are aware that the 500 TPD Methanol project of the Company commissioned in April, 2023 and it was dedicated to the service of the nation by Shri Narendra Modiji. The Company has been implementing a greenfield 200 TPD Formalin project at Boitamari, Bongaigaon and this project will be ready for commissioning in December, 2024. The Company is also implementing a transshipment facility works project at Boitamari adjacent to the 200 TPD Formalin project site on LSTK basis. This project will commission in later part of this financial year. 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.

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. Your company has conducted Health Safety and Environment awareness drive among all levels of the employees of the Company and carried out periodic health check-up of the industrial employees. The Company has been working on complete elimination of accidents and reduction of personal injuries in workplace. Your Company has been complying with all the applicable statutory requirements on HSE.

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 2023-24, the Company made contribution to APL Vasundhara Jatiya Vidyalaya, Namrup and participated in the Ni-kshay Mitra of the Pradhan Mantri TB Mukh Bharat Abhiyan.

Dear Shareholders, I am pleased to state that the industrial relations scenario of the Company during Financial Year 2023-24 was harmonious and cordial. All the issues raised by the APL Workers' Union as well as APL Officers' Association were resolved amicably through discussions.

The Board of Directors of the Company unable to recommend any dividend to the shareholders for the Financial Year 2023-24 due to loss incurred by the Company.

Pursuant to Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India appointed M/s Parik & Co., Chartered Accountants as independent auditors for FY 2023-24. They have audited the Financial Statements of the Company and the Financial statements along with the audit report are placed for your consideration and to adopt in this General Meeting.

At the end, I along with my fellow colleagues on the Board would like to convey sincere thanks and gratitude to each one of the Company's employees and their family members

I sincerely extend thanks to each of the members of the Board of Directors of the company who were holding the office of directors during the Financial Year 2023-24 for their valuable contributions.

I would also like to express our sincere and profound gratitude to the Government of Assam, Government of India, Oil India Ltd., Assam Gas Company Ltd. and Assam Industrial Development Corporation Ltd., for helping the company in all possible way during the financial year 2023-24. I also like to thank Assam Power Distribution Company Ltd. for supplying required electricity for continuous operation of its plants.

I also like to express sincere thanks to each and every shareholder of the company for reposing confidence and extending fullest support to the company's Board and the Management.

At last, but not the least I convey my sincere gratitude to my colleagues on the Board of Directors of the Company for their contributions and sincerity towards the company.

I also like to convey thanks and gratitude to the media personnel and local social organisations for their continuous support and advise given to us.

As I conclude, I sincerely thank each and every one of you, our stakeholders for confidence and trust bestowed upon us. We remain committed to sustain and continuously improve the Company's performance and live up to your expectations.

At the end I wish you all happy and healthy life ahead.

Thank you all for your kind attention.

Date: 25th September, 2024

(Bikul Ch. Deka)

Place: Namrup

Chairman