

Assam Petro Chemicals Limited

CIN-U24116AS1971SGC001339

Registered Office: 5th Floor, Orion Place, Mahapurush Srimanta Sankardev Path,
Bhangagarh Guwahati, Assam PIN-781 005

Chairman's Speech

Very Good Morning and a warm welcome you all to this Extraordinary General Meeting of the Shareholders of Assam Petro Chemicals Limited held through Video Conference and Other Audio Visual Means.

At the very outset, I convey my sincere thanks and heart felt gratitude to all the members of the Board of Directors and the shareholders present in this EGM.

Dear Members, since you have already received the notice of the Extraordinary General Meeting of the Company, with your kind permission, I consider them as read.

As mentioned in the notice, we are assembling today virtually to transact three important businesses set forth in the Notice. I would like to explain these before you.

Item No. 1 is to increase the Authorised Share Capital of the Company from Rs. 750 Crores to Rs. 1250 Crores.

Item No. 2 is to Preferential Allotment of Equity Shares of the Company and

Item No. 3 is to Increase of Borrowing Power of the Company from Rs. 1250 Crores to Rs. 1550 Crores.

The purpose of all the above agenda items for today's meeting is same as the Company requires to raise additional fund to finance the increased project cost of the Company. The members are aware that your Company has implemented and commissioned 500 TPD Methanol and 200 TPD Formalin project at a Cost of Rs. 2267.22 Crores. Production in both the plants are continuing. The cost of the project has overrun by Rs. 558.04 Crores from Rs. 1709.18 Crores primarily due to Interest During Construction (IDC) as the project got delayed in commissioning due to various reasons like bandh against CAA, COVID-19 pandemic etc. and increase of commissioning cost of the 500 TPD Methanol project. The prime reason

for increase of the commissioning cost is steep hike of the natural gas price by the Central Government w.e.f. April 1, 2022.

Since, the cost of the 500 TPD Methanol and a 200 TPD Formalin project has already been increased by Rs. 558.04 Crores, the Board of Directors of the Company informed the same to the project sponsors namely, the Government of Assam, Oil India Ltd. and Assam Gas Company Limited with a request for their approvals. The Hon'ble Cabinet of the Government of Assam on October 23, 2025 accorded approval on the following:

1. revised cost of the 500 TPD Methanol and a 200 TPD Formalin project of the Company Rs. 2267.22 Crores
2. infusion of additional equity capital of Rs. 82.57 Crores by the Government of Assam and Rs. 12.66 Crore by Assam Gas Company Ltd.
3. Increase of authorised share capital from Rs. 750.00 Crores to Rs. 1250 Crores by altering the Memorandum of Association of the Company.

Oil India Ltd. has also acknowledged the increase of project cost and conveyed their decision to subscribe additional shares of Rs. 90.78 Crores by adjusting their outstanding natural gas supply invoiced amount. We therefore decided to allot shares to the Governor of Assam, Oil India Ltd. and Assam Gas Company Limited preferentially as per clause (c) of Subsection (1) of Section 62 of the Companies Act, 2013.

Dear Members, the Company has paid-up and authorised share capital are Rs. 621.00 Crores and Rs. 750 Crores respectively. Now, the Company proposes to raise additional equity capital of Rs. 186.01 Crore through preferential allotment of shares. In order to allot shares, it is required to increase the authorised share capital beyond Rs. 750 crores by creating additional equity shares. Hence, Board of Directors have decided to increase the authorised share capital from Rs. 750 Crores to Rs. 1250 Crore by amending the Memorandum of Association of the Company with the approval of the shareholders.

Dear members, as I have mentioned that the cost of the project has already increased by Rs. 558.04 Crores and the Company arranged this capital in 2:1 debt and equity ratio. The additional cost of the project is also proposed to arrange in the same debt and equity ratio. Hence, the debt and equity amounts Rs 372.03 Crore and Rs 186.01 Crores respectively. It is worth mentioning that the Company

has already tied up Rs. 91.61 Crore of the required debt, therefore the company proposes to take additional loan of Rs. 280.41 Crores to achieve financial closure. In order to avail required additional term loan of Rs. 280.41 Crore from Banks or Financial Institutions, it is required to increase the borrowing power of the Company from Rs. 1250 Crores to Rs. 1550 Crores as per the Section 180(1)(c) of the Companies Act, 2013.

In view of the above, the Board of Directors of the Company has decided to take approval of the shareholders of the Company by passing resolutions as set forth in the Notice of this Extraordinary General Meeting dated January 02, 2026.

Since, the resolutions have already placed for remote e-voting as per the section 108 of the Companies Act, 2013 and the remote e-voting has already concluded at 5:00 PM on February 02, 2026, I hope all the shareholders have cast votes in their favour. If any members attending in this EGM and have not cast votes yet, they can cast votes during this meeting. The EGM voting process will be explained by our Company Secretary after conclusion of my speech.

Dear Shareholders, you are aware that your company is passing through a very challenging time for last three years due to the revised Natural Gas pricing policy adopted by the Central Government. In order to meet the challenges, your Board of Directors has been exploring various alternatives to mitigate challenges. Your company has decided to partner with Deendayal Upadhyai Port Authority, Kandla Gujarat for production of E-Methanol. In this connection an Memorandum of Understanding (MOU) has been signed with DPA on 29th January, 2026 in the august presence of Hon'ble Chief Minister, Assam and Hon'ble Union Minister for Port, Shipping and Waterways, Govt. of India. This partnership is in nascent stage, details will be shared with you in future.

Dear Shareholders, I have already explained the affairs of the Company in my 54th AGM Speech on September 26, 2025, therefore I am abstaining from repeating same today.

Thank you.