



**THE ANDHRA
PETROCHEMICALS LIMITED**

Regd. Office :
VENKATARAYAPURAM
(Tanuku) - 534 215
West Godavari Dist. (A.P.)
Tel : 08819-224075, 224755, 224911 (7 Lines)
Fax : 08819-224168
E-mail : info.tnk@andhrapetrochemicals.com
CIN : L23209AP1984PLC004635
Website : www.andhrapetrochemicals.com

NO.APL/SEC/AGM/34

1 October 2018

The Relationship Manager,
Corporate Relationship Department
The Bombay Stock Exchange Ltd,
1st Floor, New Trading Ring
Rotunda Building
Phiroze Jeejeebhoy Towers
Dalal Street, FORT,
MUMBAI 400 001

Dear Sir,

Ref: **Company's Equity Code: 500012**

We attach herewith 34th Annual Report of the Company for the Financial Year 2017-18 as approved and adopted by the Members at the Annual General Meeting held on 28th September, 2018 as required under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
for **THE ANDHRA PETROCHEMICALS LIMITED**,


(Y V Krishna Rao)
Special Grade Officer (Secretarial)

Encls: As above.

**THE
ANDHRA PETROCHEMICALS
LIMITED**



**34th Annual Report
2017 - 18**

THE ANDHRA PETROCHEMICALS LIMITED

Board of Directors

Sri M R B Punja (Chairman)
(upto 4.8.2018)
Dr. B B Ramaiah (Managing Director)
(upto 14.2.2018)
Sri P Narendranath Chowdary, Managing Director
(from 5.8.2018)
Sri A A Krishnan
Sri Surinder Kumar Kapoor
(upto 7.6.2018)
Sri Mullapudi Thimmaraja
Dr. (Smt.) D Manjulatha
Sri Karthikeya Misra, I.A.S.,
(Nominee of APIDC upto 4.7.2017)
Sri Siddharth Jain, I.A.S.,
(Nominee of APIDC from 5.8.2017 to 7.2.2018)
Sri Solomon Arokia Raj, I.A.S.,
(Nominee of APIDC from 9.2.2018)
Smt. Y V Anuradha, I.A.S.,
(Nominee of APIDC)
Sri Animesh Kumar Sinha
(Nominee of IDBI Bank Ltd.,)
Sri Ravi Pendyala
Dr. V N Rao

Key Managerial Personnel

Sri K Narasappa
President (from 23.5.2017)
Sri P Ratna Rao
Sr. General Manager (Finance)

Statutory Auditors

M/s. C.V. Ramana Rao & Co.,
Chartered Accountants
D.No. 1-88-19, Plot No. 135/4
Sector-4, MVP Colony
Visakhapatnam - 530 017

Cost Auditors

M/s. Narasimha Murthy & Co.,
Cost Accountants
104, Pavani Estate
3-6-365, Himayatnagar
Hyderabad - 500 029

Secretarial Auditors

M/s. Nekkanti S.R.V.V.S. Narayana & Co.,
Company Secretaries
407, Malik Chambers
Hyderguda
Hyderabad - 500 029

Bankers

State Bank of India
State Bank of Hyderabad
Andhra Bank
IDBI Bank Ltd.

Registered Office

Venkatarayapuram
Tanuku - 534 215
West Godavari District
Andhra Pradesh
Tel : 08819 - 224075 / 220975
Fax : 08819-224168
CIN : L23209AP1984PLC004635
E-mail: info.tnk@andhrapetrochemicals.com
investors@andhrapetrochemicals.com
Website: www.andhrapetrochemicals.com

Factory

Opp. Naval Dockyard
Post Box No. 1401
Visakhapatnam - 530 014
Andhra Pradesh

Registrar & Share Transfer Agent

M/s. XL Softech Systems Ltd.,
#3, Sagar Society, Road No. 2,
Banjara Hills, Hyderabad - 500 034
Telangana
Tel : 040-23545913 / 914 / 915
E-mail: xlfield@gmail.com

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HOMAGE



09-07-1926

14-02-2018

Dr. B B RAMAIAH GARU

Managing Director - 12-11-2011 to 14-02-2018



THE ANDHRA PETROCHEMICALS LIMITED

CIN: L23209AP1984PLC004635

Regd. Office: Venkatarayapuram, TANUKU - 534215

W.G. District, Andhra Pradesh

Phone: 08819-224075 & 22097, Fax: 08819-224168

E-mail: info.tnk@andhrapetrochemicals.com Website:www.andhrapetrochemicals.com

NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of THE ANDHRA PETROCHEMICALS LIMITED will be held at the Registered Office of the Company, Venkatarayapuram, Tanuku - 534215, West Godavari District, Andhra Pradesh on Friday, the 28th day of September, 2018 at 3 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri Ravi Pendyala (DIN 03375555) who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr V N Rao (DIN 00861884) who retires by rotation and being eligible offers himself for reappointment.
4. To fix remuneration of Statutory Auditors M/s C V Ramana Rao & Co., (Firm Regn. No. 002917S) Chartered Accountants, Visakhapatnam, for the year 2018-19.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to Section 196 and other applicable provisions, if any, of the Companies Act, 2013, or any statutory modification thereof or any re-enactment of the said Act, consent of the Members be and is hereby accorded to the appointment of Sri P Narendranath Chowdary (DIN 00015764) as Managing Director of the Company, not liable to retire by rotation, for a period of 5 years with effect from 5.8.2018 without any remuneration."
6. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.1,25,000/- (Rupees one lakh twenty five thousand only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year 2018-19 to be paid to M/s Narasimha Murthy & Co., (Regn. No. 000042), Cost Accountants, Hyderabad, for the conduct of the cost audit of the Company as approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."
7. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Sri Solomon Arokiaraj, I.A.S., (DIN 06802660) who was appointed by the Board of Directors as Additional Director of the Company with effect from 9th February, 2018 pursuant to Article 97 of the Articles of Association of the Company, holds office upto the date of the 34th Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") or any statutory modification thereof or any re-enactment of the said Act, be and is hereby appointed as Director of the Company liable to retire by rotation."
8. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:
"RESOLVED THAT Dr. P Kotaiah (DIN 00038420) who was appointed by the Board of Directors as Additional Director of the Company with effect from 4th August, 2018 pursuant to Article 97 of the Articles of Association of the Company, holds office upto the date of the 34th Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") or any statutory modification thereof or any re-enactment of the said Act, be and is hereby appointed as Director of the Company.
RESOLVED FURTHER THAT pursuant to Sections 149 & 152 and other applicable provisions of the Act and the Rules made thereunder, read with Schedule IV of the said Act, Dr P Kotaiah be and is hereby appointed as Independent Director of the Company for a term of 5 consecutive years commencing from the conclusion of 34th Annual General Meeting till the conclusion of 39th Annual General Meeting, not liable to retire by rotation."

Hyderabad
4.8.2018

By Order of the Board
P Narendranath Chowdary
Director

Registered Office:
Venkatarayapuram
TANUKU - 534 215
Andhra Pradesh

NOTES:

1. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Item Nos.5, 6,7 and 8 is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy and such person cannot act as a Proxy for any other person or shareholder.

The Andhra Petrochemicals Limited

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable. A Proxy Form is sent herewith.

- Your Company provides Electronic Voting facility and its particulars and instructions are enclosed and form part of this Notice.
- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 17th September, 2018 to Friday, the 28th September, 2018 (both days inclusive).
- Documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company from 9 a.m. and 11 a.m. and from 3 p.m. to 5 p.m. on any working day prior to the date of the Annual General Meeting.
- Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers on the Attendance Slip for easy identification of attendance at the Meeting.
- Shareholders holding shares in Physical Mode are requested to intimate their change of address, if any, to the RTA viz., XL Softech Systems Ltd., Hyderabad and the shareholders holding shares in Demat Mode are requested to notify their change of address, if any, to the DP (and not to the Company / RTA) with whom they have Demat Account.
- Any person who acquires shares of the Company and become member of the Company after the despatch of the Notice of AGM and holding shares as of the cut-off date, i.e., 21st September, 2018 can vote by entering the particulars as specified in instructions for e-voting. If they are already registered with CDSL for remote e-voting then they can use their existing user ID and password / PIN for casting their vote. If they forgot their password they can reset their password by using "Forgot User Details / Password" option available on www.evoting.cdslindia.com.
- Pursuant to provisions of Section 124 (5) of the Companies Act, 2013, any dividend which remains unpaid or unclaimed for a period of seven years is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividend for the Financial Year 2006-07 amounting to Rs.36,81,588/- has been transferred to IEPF on 22 October, 2014. Details of unclaimed dividend and due dates for transfer to the Fund are as follows:

Sl. No.	Dividend for the Financial Year	Due date for transfer to IEPF
1	2010-11	21 October, 2018
2	2011-12	27 October, 2019

Shareholders who have not encashed their Dividend Warrants issued in respect of dividend declared for the years 2010-11 and 2011-12 are requested to write to the Regd. Office of the Company in order to enable the Company to proceed with their requests in case the Dividend Warrants remain unencashed.

SPECIFIC ATTENTION OF SHAREHOLDERS

Sub: Furnishing of e-mail ID

Members are requested to provide their e-mail IDs so as to enable the Company to send documents like notice calling general meetings, audited financial statements, Directors' Report, Auditors' Report etc., by way of e-mail.

Shareholders in

Physical Mode: E-mail ID be furnished to the RTA i.e., XL Softech Systems Ltd

Electronic / Demat Mode: E-mail ID be furnished to the DP with whom demat account has been opened and not to the Company / RTA. The Company / RTA cannot act on e-mail IDs received directly from the members holding shares in Demat Mode for registration of e-mail IDs.

Particulars of Directors proposed to be reappointed at this Meeting as required under Regulation 36 (3) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

ITEM NO.2

Sri Ravi Pendyala has been the Director of the Company since 12.11.2011. He is a Graduate in Commerce and an M.B.A., from Central Queensland University, Australia.

Other Directorships held:

Managing Director - Vibhaas Polymers Pvt. Ltd.

Other Committeeships held: Nil

He holds 1,020 Equity Shares in the Company.

He is not debarred from holding office of Director by virtue of any SEBI order or any other such authority.

ITEM NO.3

Dr. V N Rao has been the Director of the Company since 26.10.2016. He holds M.Tech (Chemical Engineering) and Ph.D. (Chemical Engineering) both from IIT, Madras. Earlier he worked in Coromandel Fertilisers Ltd., Visakhapatnam; Zuari Agrochemicals Ltd., Goa and Tata Chemicals Ltd., Mithapur, Gujarat.

He also worked as Consultant and carried out various consultancy assignments both technical and managerial areas in the fields of chemicals, petrochemicals, cement and refractories etc.

Other Directorships held:

The Andhra Petrochemicals Limited

Director - Andhra Pradesh Gas Power Corporation Ltd., (APGPCL)

Other Committeeships held:

Member - Audit Committee of APGPCL

He is not debarred from holding office of Director by virtue of any SEBI order or any other such authority.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

ITEM NO.5:

Sri P Narendranath Chowdary has been the Director of the Company since 1996. He is a Graduate in Faculty of Science. He joined The Andhra Sugars Limited (Promoter Company) as a Director in the year 1968 and was subsequently elevated as Whole-time Director in 1976, Joint Managing Director in 1983, Managing Director in 2012 and Chairman & Managing Director in 2018. As Managing Director he was looking after day-to-day affairs of chemical complexes at Tanuku, Kovvur and Saggonda. The Andhra Sugars Limited received an award for Best Energy Conservation in the Chloro-Alkali Industry instituted by Department of Power, Government of India. As Chairman & Managing Director he is in overall charge of the affairs of The Andhra Sugars Limited

Other Directorships held:

Chairman & Managing Director - The Andhra Sugars Ltd.; Chairman - Sree Akkamamba Textiles Ltd., JOCIL Ltd., The Andhra Farm Chemicals Corpn. Ltd., and Hindustan Allied Chemicals Ltd.; Director - Sree Satyanarayana Spinning Mills Ltd., and A.P. Gas Power Corpn. Ltd.

Other Committeeships held:

Member - Stakeholders Relationship Committee & Corporate Social Responsibility (CSR) Committee - The Andhra Sugars Ltd.; Nomination and Remuneration Committee - JOCIL Ltd.

Chairman - Stakeholders Relationship Committee & Corporate Social Responsibility (CSR) Committee - JOCIL Ltd.; Shareholders / Investors Grievance Committee - Sree Akkamamba Textiles Ltd.

He holds 4,216 Equity Shares in the Company.

He is not debarred from holding office of Director by virtue of any SEBI order or any other such authority.

In view of his vast industrial experience and expertise the appointment of Sri P Narendranath Chowdary as Managing Director would immensely benefit the Company. Your Board therefore, on the recommendation of Nomination and Remuneration Committee, recommends necessary Resolution for your approval.

Except Sri P Narendranath Chowdary, no other Director, Key Managerial Personnel and their relatives is or are deemed to be interested / concerned in the Resolution.

ITEM NO.6:

The Board at its Meeting held on 24.5.2018 considered and approved the appointment of M/s Narasimha Murthy & Co., Cost Accountants, for the conduct of the cost audit of the Company at a remuneration of Rs. 1,25,000/- plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year 2018-19.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2018-19. Your Board recommends necessary Resolution for your approval.

None of the Directors, Key Managerial Personnel and their relatives is or are interested in the said Resolution.

ITEM NO.7:

Sri Solomon Arokiaraj, I.A.S., did his Graduation in Agriculture and Post Graduation in Business Management. Earlier he worked as Collector and District Magistrate - Chittoor, Visakhapatnam and Anantapur Districts; Chief Executive Officer - Society for Elimination of Rural Poverty, Employment Generation and Marketing Mission. Presently he is Secretary, Dept. of Industries and Commerce, Govt. of Andhra Pradesh.

Other Directorships held:

Chairman and Managing Director - Andhra Pradesh Industrial Development Corporation Ltd., (APIDC)

Nominee Director - Krishnapatnam International Leather Complex Pvt. Ltd., ; Amaravati Development Corporation Ltd.,; Andhra Pradesh Industrial Infrastructure Corporation Ltd.

Director - Andhra Pradesh State Skill Development Corporation.

Board of Directors appointed him as Additional Director from 9.2.2018. He holds office upto the date of 34th Annual General Meeting.

He is not debarred from holding office of Director by virtue of any SEBI order or any other such authority.

His appointment would be beneficial to the Company. Your Board, therefore, recommends necessary Resolution for your approval.

Except Sri Solomon Arokiaraj, I.A.S., no other Director, Key Managerial Personnel and their relatives is or are deemed to be interested or concerned in the Resolution.

ITEM NO.8:

Dr P Kotaiah is a Post Graduate in Economics and a Doctorate from Andhra University. He joined Reserve Bank of India (RBI) in 1961 and moved on to National Bank for Agriculture and Rural Development (NABARD). He is former Chairman of NABARD. Dr P Kotaiah has vast and diversified experience spanning over five decades in Banking and Industrial Fields.

Board of Directors, on the recommendation of the Nomination and Remuneration Committee, co-opted him as Additional Director from 4.8.2018. He holds office upto the date of 34th Annual General Meeting. The Board also considered it advisable to appoint him as Independent Director in view of his fulfilling the criteria stipulated in the Companies Act, 2013 with regard to the appointment of Independent Directors. He is independent of the Management.

He is not debarred from holding office of Director by virtue of any SEBI order or any other such authority.

A copy of the draft letter of appointment setting out the terms and conditions of his appointment is available for inspection at the Registered Office of the Company from 9 a.m. to 11 a.m. and from 3 p.m. to 5 p.m. on any working day.

His appointment would be beneficial to the Company. Your Board, therefore, recommends necessary Resolution for your approval.

Other Directorships held:

Director - The Andhra Sugars Ltd., NSL Sugars Ltd., Blossom Industries Ltd., Lanco Anpara Power Ltd., Lanco Kondapalli Power Ltd., Pridhvi Asset Reconstruction And Securitisation Company Ltd., and Nuziveedu Seeds Ltd.

Other Committeeships held:

Member - Audit Committee - The Andhra Sugars Ltd

Except Dr. P Kotaiah, no other Director, Key Managerial Personnel and their relatives is or are deemed to be interested or concerned in the Resolution.

**Hyderabad
4.8.2018**

**By Order of the Board
P Narendranath Chowdary
Director**

Registered Office:
Venkatarayapuram
TANUKU - 534215
Andhra Pradesh

ENCLOSURE TO NOTICE:

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with the Companies Act (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General Meeting ("AGM") to be held on Friday, the 28th September, 2018 at 3 p.m. at the Regd. Office of the Company. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facility.

Sri Nekkanti S R V V S Narayana, Practising Company Secretary (CP No.7839) of M/s Nekkanti S R V V S Narayana & Co., Company Secretaries, Hyderabad, has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The e-voting facility is available at the link <https://www.evotingindia.com>

Please read the instructions which are printed hereunder before exercising the vote. The AGM Notice is also available for download at our website www.andhrapetrochemicals.com

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2018 from 9 a.m. and ends on 27th September, 2018 at 5 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

E-voting particulars are given in the Proxy Form.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

The Andhra Petrochemicals Limited

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's (Zeros) before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant The Andhra Petrochemicals Ltd., on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

The Andhra Petrochemicals Limited

DIRECTORS' REPORT

Dear Shareholders,

At the outset your Directors express profound grief over the sad demise of Managing Director Dr. B B Ramaiah on 14.2.2018 who was instrumental in bringing the Company to the position of what it is today. Also, your Directors express profound grief over the sad demise of Director Sri Surinder Kumar Kapoor on 7.6.2018. Your Directors place on record their warm appreciation of their valuable contribution to the growth and development of the Company.

Your Directors have pleasure in presenting the Thirty Fourth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2018.

CORPORATE OVERVIEW:

Your Company is the sole manufacturer of Oxo-Alcohols in India. The Oxo-Alcohols consist of the products viz., 2 Ethyl Hexanol, Normal Butanol and Iso Butanol. Your Company is an associate of The Andhra Sugars Ltd., and has its Regd. Office at Tanuku.

FINANCIAL RESULTS:

Performance of the Company for the Financial Year ended 31st March, 2018 is summarised below:

(Rs. in Lakhs)

	2017-18	2016-17
Net Sales (excl. Excise Duty)	51820.00	32889.89
Profit / (Loss) before Interest & Depreciation	6861.79	1486.90
Less: Interest	1186.54	1558.07
Depreciation	949.27	903.61
Profit / (Loss) after Interest and Depreciation before Extra-ordinary item	4725.98	(974.78)
Exceptional items	--	(115.69)
Profit / (Loss) before Tax	4725.98	(1090.47)
Provision for:		
Current Tax	1000.28	--
Deferred Tax	(924.37)	(354.39)
Profit / (Loss) after Taxation	4650.07	(736.08)
Other Comprehensive Income	(231.42)	350.49
Total Comprehensive Income for the period	4418.65	(385.59)
Balance brought forward from previous year	(85.82)	299.77
Profit carried forward to next year	4332.83	(85.82)

OPERATIONAL AND FINANCIAL PERFORMANCE:

During the Financial Year 2017-18, the Plant produced 76,257 MTs (previous year 60,021 MTs) total Alcohols which works out to 104.4% (approx.) capacity utilization. Sales during the year were 78,049 MTs (previous year 58,254 MTs). Company posted a Net Profit of Rs.44.19 crores during the Financial Year 2017-18 as compared to Net Loss of Rs.3.86 crores incurred during the previous year.

DIVIDEND:

As the Directors were of the view that there was a need for the Company to conserve its resources and build Reserves, they could not recommend payment of Dividend for the Financial Year 2017-18.

CAPITAL & RESERVES:

Authorised and Paid-up Capital:

The Authorised Capital of the Company is Rs. 125.00 crores and the Paid-up Capital is Rs.84.97 crores.

Reserves:

The total Reserves position as on 31.3.2018 stood at Rs.72.69 crores against Rs. 28.50 crores in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS:

INDUSTRY STRUCTURE AND DEVELOPMENTS:

2017-18 was reasonably a good year as Plant could operate more than 100% capacity and Company could market products at a reasonably good price.

Over and above the imports from the existing destinations, arrival of imports from newer destinations like Taiwan, Brazil, USA and Japan has become a challenge to the Company.

OPPORTUNITIES AND THREATS:

Estimated demand of Oxo-Alcohols at 2,20,000 MTPA, with healthy growth rate of 8% to 10% per annum, in general, is a good opportunity for the Company with existing capacity of 80,000 MTPA, considering the huge demand-supply gap in the country. As such there are no constraints in the Company's production capability with Hindustan Petroleum Corporation Limited (HPCL) able to meet full Propylene requirement. Sales realisation is also expected to improve over time on account of Anti-Dumping Duties imposed by Govt. of India on imports from certain countries.

However commissioning of BPCL Oxo-Alcohols plant at Cochin in 2019/2020, is likely to downturn in product price scenario internationally and dumping of the products and currency fluctuations may impact the Company's performance and recovery process to some extent.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

As required by the provisions of Companies Act, 2013, Internal Control Systems Report has been appended to Independent Auditor's Report

The Andhra Petrochemicals Limited

given by Statutory Auditors regarding Financial Year 2017-18. The Company has internal control systems commensurate with the size of the business operations. A Chartered Accountants firm is engaged to carry out internal audit covering the entire operations. The audit firm submits internal audit report periodically with their suggestions and /or corrections. Audit Committee critically deliberates and reviews such internal audit reports and ensures effectiveness of the control systems through necessary recommendations.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS:

In the area of Human Resources, the employees are being trained to meet the Plant requirements from time to time by motivating them in a positive way. Industrial relations continue to be cordial throughout the year.

The total number of employees employed as on 31.3.2018 is 290.

FUTURE OUTLOOK:

Company's performance capability is expected to be good as the Propylene supply from HPCL got stabilised. However, the Company's performance to a large extent is dependent on international supply and demand for these products and their prices which are influenced by crude prices, exchange fluctuations and dumping from the sources other than that covered by Anti-Dumping Duty.

RISKS AND CONCERNS:

The Company is depending for its major raw material, i.e., Propylene, from a single source - HPCL Visakha refinery. However, the risk is built in the project evaluation. In addition, crude prices, exchange rate fluctuations and unstable situation in the Gulf area are of major concern.

CAUTIONARY STATEMENT:

The statements describing the Company's outlook, estimates or predictions may be forward-looking statements based on certain assumptions of future events. Actual results may differ materially from those expressed or implied, since the Company's operations are influenced by external or internal factors. Your Company closely monitors all major developments likely to affect the operations and will respond to meet the potential threats and to gain from any possible opportunities.

DEPOSITS:

During the year under review, your Company did not accept any deposits within the meaning of provisions of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

SAFETY, HEALTH AND ENVIRONMENT:

Safety:

- Company has completed 12 million accident-free man hours in the last 9 years.
- Total 8000 man-hours used for conducting Safety trainings for employees including contract workmen induction as well as refresher trainings.
- Safety of Human and Plant assets are of top priority to the Company. Continuous training of personnel at various levels on safety and strict compliance of regulations is ensured which resulted in another accident-free year.
- Company has been awarded with Winner (Gold Trophy) for lowest Average Frequency Rate (2013, 2014 and 2015) and in achieving accident-free year - 2015 in National Safety Awards(NSA) presented by the Directorate General Factory Advice Services and Labour Institute (DGFASLI), Govt. of India on 17.9.2017 at New Delhi.

Health:

Health monitoring of all employees including contract labour and canteen workers is done on regular basis.

Environment:

On line emission, ambient air and effluent monitoring systems are in place. Data is being transmitted to CPCB and APPCB for monitoring. Company has installed Energy Conservation Steam Turbine (530 KW) and VFD's on fresh water pumps to recover the waste heat energy and reduce Power respectively. The expected green gas emission reduction (CO₂) is going to be about 4088 MT/annum.

INSURANCE:

All the insurable assets of the Company including Plant and Machinery, Buildings and Inventories are insured on reinstatement value basis.

LISTING:

The Equity Shares of your Company are listed on the Bombay Stock Exchange. Listing fees has been paid.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure - "A"** and forms an integral part of this report.

DIRECTORS:

During the year under review Dr B B Ramaiah ceased to be Managing Director consequent upon his sad demise on 14.2.2018.

Sri Surinder Kumar Kapoor ceased to be Director consequent upon his sad demise on 7.6.2018.

Board of Directors at its Meeting held on 4.8.2018 appointed Sri P Narendranath Chowdary as Managing Director for a period of 5 years i.e., from 5.8.2018 to 4.8.2023. His appointment is being placed for the approval of the shareholders at the ensuing 34th Annual General Meeting.

APIDC withdrew the nomination of Sri Kartikeya Misra, I.A.S., and Sri Siddharth Jain, I.A.S., as its Nominee Directors. Your Directors place on record their warm appreciation for the valuable guidance rendered by them during their tenure as Directors of the Company.

Sri Solomon Arokiaraj, I.A.S., Nominee of APIDC, was co-opted by the Board at the Board Meeting held on 9.2.2018 as Additional Director. His appointment as Director is being placed for the approval of the Shareholders at the ensuing 34th AGM.

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Independent Directors, viz., Sri M R B Punja, Sri A A Krishnan, Sri Surinder Kumar Kapoor (upto 7.6.2018) and Smt. D Manjulatha have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Dr. P Kotaiah was co-opted by the Board at its Meeting held on 4.8.2018 as Additional Director under Independent category. His appointment as Independent Director is being placed for the approval of shareholders at the ensuing 34th AGM.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Directors Sri Ravi Pendyala and Dr. V N Rao retire by rotation at the ensuing 34th AGM and being eligible offer themselves for reappointment.

KEY MANAGERIAL PERSONNEL:

Details of Key Managerial Personnel of the Company are as under:

Sl No.	Name of the person	Designation
1.	Sri K Narasappa (w.e.f., 23.5.2017)	President
2.	Sri P Ratna Rao	Senior General Manager (Finance)

AUDIT COMMITTEE:

Audit Committee comprises of Non-Executive Independent Directors, Sri A A Krishnan, Sri M R B Punja, Sri Surinder Kumar Kapoor (upto 7.6.2018) and Dr (Smt) D Manjulatha (w.e.f., 4.11.2017) and Sri Ravi Pendyala, Non-Executive Non-Independent Director, as its members. Sri A A Krishnan is the Chairman of the Committee.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Nekkanti S R V V S Narayana & Co., Company Secretaries (CP No.7839), Hyderabad, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as **Annexure-"B"** and forms an integral part of this report. Observation in the said Report, which forms part of this report, with regard to filling the vacancy of Company Secretary is self-explanatory.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Board has carried out a formal process of evaluation of the Board, its Committees and the individual Directors.

The performance was evaluated based on the parameters such as effectiveness of Board / Committee process and functioning, contribution of Board / Committee members to overall effectiveness of the Board / Committee, avoiding conflict with Company's interest, bonafide discharge of responsibilities in the interest of the Company and upholding ethical standards, integrity and probity etc.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The evaluation process reflected valuable contribution of members of the Board / Committee thereof.

NUMBER OF MEETINGS OF THE BOARD:

The details of the Number of Meetings of the Board held during the Financial Year 2017-18 are given in the Corporate Governance Report which forms part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

Your Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements.

WHISTLE BLOWER POLICY:

As per the provisions of the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has established a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report genuine concerns on unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct in prescribed manner.

The Policy provides adequate safeguards against victimisation of the complainant and direct access to the Chairman of the Audit Committee. The protected disclosures, if any, reported under this Policy will be appropriately and expeditiously investigated.

The Whistle Blower Policy may be accessed on the Company's website at the link: [http://www.andhrapetrochemicals.com/Whistle Blower Policy.pdf](http://www.andhrapetrochemicals.com/Whistle%20Blower%20Policy.pdf).

RISK MANAGEMENT:

Your Board of Directors at its Meeting held on 27.3.2015 framed and adopted a Risk Management Policy of the Company to identify and mitigate the risks. The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also risk mitigation measures and reporting mechanism of such risks. Risk Management Policy of your Company can be viewed by entering the url [http://www.andhrapetrochemicals.com/POLICY ON CORPORATE RISK MANAGEMENT.pdf](http://www.andhrapetrochemicals.com/POLICY%20ON%20CORPORATE%20RISK%20MANAGEMENT.pdf) in the web browser.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As per the provisions of Schedule VII of the Companies Act, 2013 and Company's CSR Policy, there is no average net profit for the three immediately preceding Financial Years, and as such the Company is not required to incur CSR expenditure for the Financial Year 2017-18. The report on CSR activities as required under Companies (CSR Policy) Rules, 2014 is set out as **Annexure - "C"** forming part of this report.

NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee comprises of Directors Sri Surinder Kumar Kapoor (upto 7.6.2018) as Chairman and Sri M R B Punja and Sri P Narendranath Chowdary as its members.

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NOMINATION AND REMUNERATION POLICY:

The Board of Directors of your Company has, on recommendation of the Nomination & Remuneration Committee, adopted a Nomination & Remuneration Policy which lays down the framework in relation to the criteria for selection and appointment of Board members and remuneration of Directors / Key Managerial Personnel and Senior Management of the Company. This Policy can be accessed on the Company's website at the link: http://www.andhrapetrochemicals.com/NOMINATION_REMUNERATION_POLICY.pdf.

AUDITORS:

M/s C V Ramana Rao & Co., Chartered Accountants, Visakhapatnam, were appointed as Statutory Auditors of the Company for the five Financial Years from 2017-18 to 2021-22. Fixation of their remuneration payable for the Year 2018-19 is being placed at the ensuing 34th AGM for the approval of Members.

COST AUDITORS:

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad, were appointed as Cost Auditors of the Company for the year ended 31st March, 2018. Cost Auditors' Report in respect of Financial Year 2016-17 has been filed with the Ministry of Corporate Affairs on 14th August, 2017, i.e., within the stipulated time.

COST RECORDS:

Company has complied with the requirement with regard to maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8 (3) of Companies (Accounts) Rules, 2014 are given below:

I) CONSERVATION OF ENERGY

1. Steps taken or impact on conservation of energy:

(a) Energy Conservation Steam Turbine installation:

Steam distribution analysed in the Plant and found that nearly 13 MT of HP Steam (24 kg/cm²) was being throttled through control valves to get L.P. Steam (5kg/cm²). As the energy was wasting through the control valves, decided to go for installation of Energy Conservation Steam Turbine of 530 KW. Accordingly 530 KW saturated Steam Turbine Project executed and commissioned in the month of March, 2018. Company is going to save 4235760 units per annum (Rs.2.6 crores/annum).

Above turbine is likely to reduce green gas emission (Co2) to the extent of 3980016 kg (3980 MT) per annum.

(b) VFD (Variable Frequency Device) installed on Fresh Water Cooling Pump reduced the energy to the extent of 115200 units/annum equivalent to savings of Rs.7 lakhs/annum. Equivalent green gas reduction (Co2) will be around 108 MT/annum.

2. Steps taken by the Company for utilising alternative sources of energy: --

Capital Investment on energy conservation equipments: Rs.1.7 crores

II) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

a) Efforts made & Benefits: Technology has been fully absorbed and various innovative ideas enable the Company to operate the Plant even above 100% load

b) Imported Technology: NIL

c) Expenditure incurred on R & D: NIL

III) Foreign Exchange earning and outgo: (On cash basis)

(Rs. in lakhs)

	For the year ended 31.3.2018	For the year ended 31.3.2017
i. Earnings	--	--
ii. Outgo	433.74	425.51

PARTICULARS OF EMPLOYEES:

There is no employee of your Company drawing a remuneration requiring disclosure under Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

None of the employees holds (by himself or along with his spouse and dependent children) more than 2% of the Equity Shares of the Company.

DEMATERIALISATION OF SHARES:

As on 31st March, 2018, out of the total number of 8,49,71,600 Equity Shares, 7,73,39,165 Equity Shares constituting 91.11% stand dematerialised.

RELATED PARTY TRANSACTIONS:

As per the provisions of Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has established a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

The Policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company. The weblink of the same is http://www.andhrapetrochemicals.com/POLICY_ON_RELATED_PARTY_TRANSACTIONS.pdf.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Omnibus approval is granted by the Audit

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Committee on yearly basis for transactions which are repetitive in nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and ratification on a quarterly basis.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has in place a Prevention of Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. In compliance with the provisions of the said Act, an Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment. During the year 2017-18, there were no complaints received by the ICC.

PARTICULARS OF REMUNERATION:

The information required under Section 197 of the Act and the Rules made thereunder in respect of employees of the Company, is as follows:-

- (a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:
Our Directors draw remuneration only by way of sitting fees. The details of the same are provided in Corporate Governance which forms an Annexure to this report. No other remuneration is drawn by them. Managing Director does not draw any remuneration. Hence, the ratio of remuneration of each Director to the median remuneration is not required to be given.

- (b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year:

There is no change in sitting fee during the current Financial Year. Other details are as follows:

Name of the Person	% increase in remuneration
Sri K Narasappa, President	14.62%
Sri P Ratna Rao, Senior General Manager (Finance)	9.84%

- (c) the percentage increase in the median remuneration of employees in the Financial Year: 18.72%
- (d) the number of permanent employees on the rolls of Company: 290
- (e) the explanation on the relationship between average increase in remuneration and Company performance;
On an average, employees received an increase of 18.72%. The increase in remuneration is in line with the market trends. The increased percentage in the median remuneration compared to previous year is due to pay revision to non-executive cadre employees during the Financial Year 2017-18. A direct co-relation of employee remuneration and Company performance as envisaged in the rules is not feasible considering the qualitative factors involved in measuring performance.
- (f) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	Rs. in lakhs
Remuneration of Key Managerial Personnel (KMP) during Financial Year 2017-18 (aggregated)	94.00
Revenue from operations	53517.46
Remuneration (as % of revenue)	0.18%

- (g) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the networth of the Company as at the close of the current Financial Year and previous Financial Year:

Particulars	Unit	As at 31 st March, 2018	As at 31 st March, 2017	Variation
Closing rate of share at BSE	Rs.	57.40	25.45	125.54%
EPS (Consolidated)	Rs.	5.47	(0.87)	537.93%
Market capitalisation	Rs./lakh	48773.70	21625.27	125.54%
Price Earnings ratio	Ratio	10.49	(29.25)	64.14%

Percentage in bracket represents negative percentage.

- (h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in salaries of employees other than managerial personnel in 2017-18 was 18.72%. Percentage increase in the managerial remuneration for the year was NIL.

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- (i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	President	Chief Financial Officer
	Rs. in lakhs	Rs. in lakhs
Remuneration	55.91	38.09
Revenue	53517.46	53517.46
Remuneration (as % of revenue)	0.10%	0.07%

- (j) the key parameters for any variable component of remuneration availed by the Directors: Not applicable as Directors do not draw any remuneration except by way of sitting fees. No remuneration is drawn by Managing Director
- (k) the ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year:
Not applicable as Directors' remuneration consists of only sitting fees. No remuneration is drawn by Managing Director
- (l) affirmation that the remuneration is as per the remuneration Policy of the Company:
The Company's Remuneration Policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the Remuneration Policy of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- i) that in the preparation of the Annual Accounts for the year ended 31st March, 2018, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- ii) that Accounting Policies have been selected and applied consistently and that judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis;
- v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REPORT ON CORPORATE GOVERNANCE:

As required under Regulation 34(3) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report on Corporate Governance and the Auditors' Certificate on the compliance of Corporate Governance are annexed and form part of the Directors' Report (**Annexure "D"**).

ACKNOWLEDGEMENTS:

Your Directors acknowledge the co-operation and continued valuable support received from Central and State Government authorities, the Promoters - The Andhra Sugars Limited and Andhra Pradesh Industrial Development Corporation Ltd., (APIDC), Financial Institutions, Banks, Shareholders, Customers, Hindustan Petroleum Corporation Ltd., (HPCL), Gas Authority of India Ltd., (GAIL) and other Suppliers. Your Directors also wish to place on record their deep sense of appreciation of the valuable contribution made by the employees at all levels.

Hyderabad
4.8.2018

On behalf of the Board
M R B Punja
Chairman

**ANNEXURE - "A"
Form No. MGT-9**

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2018 of THE ANDHRA PETROCHEMICALS LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

1	CIN	:	L23209AP1984PLC004635
2	Registration Date	:	18/04/1984
3	Name of the Company	:	The Andhra Petrochemicals Ltd
4	Category / sub category of the Company	:	Company limited by shares / Indian Non-govt. Company
5	Address of the Regd Office and contact details	:	VENKATARAYAPURAM, TANUKU 534215 West Godavari District, Andhra Pradesh Tel: 08819-224075
6	Whether listed Company	:	Yes
7	Name, address & contact details of the Register and Transfer Agent, if any	:	XL Softech Systems Ltd., 3, Sagar Society, Road No.2 Banjara Hills, HYDERABAD 500034 Tel: 040-23545913 / 914 / 915

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	2 Ethyl Hexanol	20116	77%
2	Butanols	20116	23%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

[No. of Companies for which information is being filled]

Sl.No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
	NIL				

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1.4.2017				No. of Shares held at the end of the year 31.3.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	38274594	5800	38280394	45.05	38274594	5800	38280394	45.05	0
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Sub Total (A)(1)	38274594	5800	38280394	45.05	38274594	5800	38280394	45.05	0
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--
Sub Total (A)(2)	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	38274594	5800	38280394	45.05	38274594	5800	38280394	45.05	0

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Category of Shareholders	No. of Shares held at the beginning of the year 1.4.2017				No. of Shares held at the end of the year 31.3.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds UTI includes	--	33200	33200	0.04	--	33200	33200	0.04	0
b) Banks / FI	--	437	437	0	400	437	837	0	0
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	1000	--	1000	0	1000	--	1000	0	0
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII's	--	11500	11500	0.01	--	11500	11500	0.01	0
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	1000	45137	46137	0.05	1400	45137	46537	0.05	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5002452	71025	5073477	5.97	4330096	69225	4399321	5.18	-0.79
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	15186753	7275203	22461956	26.43	14771047	7056312	21827359	25.69	-0.74
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	14149648	51963	14201611	16.71	15088438	51963	15140401	17.82	1.11
NRI	432537	4800	437337	0.51	1074408	4800	1079208	1.27	0.76
Clearing Members	53360	--	53360	0.06	126956	--	126956	0.15	0.09
HUF	1326550	5191	1331741	1.57	1003633	5004	1008637	1.19	-0.38
Trusts	5301	200	5501	0.01	5001	200	5201	0.01	0
Directors & their relatives	2769043	311043	3080086	3.62	2746543	311043	3057586	3.60	-0.02
c) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	38925644	7719425	46645069	54.89	39146122	7498547	46644469	54.89	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	38926644	7764562	46691206	54.95	39147522	7543684	46691206	54.95	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	77201238	7770362	84971600	100	77422116	7549484	84971600	100	

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ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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	The Andhra Sugars Ltd	28086613	33.05	--	28086613	33.05	NIL	0
2	Andhra Pradesh Industrial Development Corporation Ltd	9180000	10.80	--	9180000	10.80	NIL	0
3	JOCIL Ltd.	1007981	1.19	--	1007981	1.19	NIL	0
4	APIDC Venture Capital Ltd.	5800	0.01	--	5800	0.01	NIL	0

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Shareholder's Name	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	THE ANDHRA SUGARS LTD.				
	At the beginning of the year	28086613	33.05	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	28086613	33.05	0	0
2	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPN. LTD.				
	At the beginning of the year	9180000	10.80	0	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	9180000	10.80	0	0.00
3	JOCIL LTD.				
	At the beginning of the year	1007981	1.19	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	1007981	1.19	0	0
4	APIDC Venture Capital Ltd.				
	At the beginning of the year	5800	0.01	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	5800	0.01	0	0

iv. **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No.	Name of the top 10 shareholders	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	K L J Plasticizers Ltd	1985511	2.34	1475879	1.74
2	Sri Bolla Ramesh Kumar	1615708	1.90	1593208	1.87
3 *	Sri Chakor Navinchandra Shah	--	--	561101	0.66
4	Sri Kanhaiya Lal Jain	1130938	1.33	963586	1.13
5	Ms Pushp Jain	826340	0.97	826340	0.97
6 #	Bhadani Financers (p) Ltd	561920	0.66	--	--
7 *	Sri Jwala Narsimha Swamy Akuthota	--	--	351000	0.41
8	Subhbijay Trade comm Pvt Ltd	497293	0.59	497293	0.59
9	Sri Uday Ananth Nayak	667286	0.79	927042	1.09
10 #	Sri Mangi lal Sethia	364370	0.43	--	--
11	Sri Lakshminarayanan T	5003948	5.89	5920078	6.97
12	Arpana Niteen Jadhav	500000	0.59	500000	0.59

Ceased to be top ten shareholder at the end of the year

* Became top ten shareholder at the end of the year

v. **Shareholding of Directors and Key Managerial Personnel:**

Sl No.	For Each of the Directors and KMP	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	Sri M R B Punja, Chairman				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 0	0 0.00	0 0	0 0.00
2	Dr B B Ramaiah, Managing Director (upto 14.2.2018)				
	At the beginning of the year	1222810	1.44	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 1222810	0 1.44	0 0	0 0.00
3	Sri P Narendranath Chowdary, Director				
	At the beginning of the year	4216	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 4216	0 0.00	0 0	0 0.00
4	Sri A A Krishnan, Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 0	0 0	0 0	0 0
5	Sri Surinder Kumar Kapoor, Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 0	0 0	0 0	0 0

The Andhra Petrochemicals Limited

Sl No.	For Each of the Directors and KMP	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
6	Sri Mullapudi Thimmaraja, Director				
	At the beginning of the year	1630	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 1630	0 0.00	0 0	0 0.00
7	Smt Y V Anuradha, I.A.S., Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 0	0 0	0 0	0 0
8	Dr. (Smt.) D Manjulatha, Director				
	At the beginning of the year	612	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 612	0 0.00	0 0	0 0.00
9	Sri Karthikeya Misra, I.A.S., Director (Upto 5.7.2017)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 0	0 0.00	0 0	0 0.00
10	Sri Siddharth Jain, I.A.S., (from 5.8.2017 to 7.2.2018)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 0	0 0.00	0 0	0 0.00
11	Sri Solomon Arokia Raj, I.A.S. (from 9.2.2018)				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 0	0 0	0 0	0 0
12	Sri Ravi Pendyala, Director				
	At the beginning of the year	1020	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 1020	0 0.00	0 0	0 0.00
13	Dr. V N Rao				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 0	0 0	0 0	0 0
14	Sri Animesh Kumar Sinha, Director				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	0 0	0 0.00	0 0	0 0.00

The Andhra Petrochemicals Limited

Sl No.	For Each of the Directors and KMP	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
15	Sri K Narasappa, President, KMP (from 23.5.2017)				
	At the beginning of the year (On 23.5.2017)	387	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Sale on 19.1.2018	287	0	0	0
	At the End of the year	100	0	0	0
16	Sri P Ratna Rao, Senior General Manager (Finance), KMP				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0

V. INDEBTEDNESS

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

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7113.82	4000	--	11113.82
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	12.14	--	--	12.14
Total (i+ii+iii)	7125.96	4000	--	11125.96
Change in Indebtedness during the financial year				
* Addition	1408.02	--	--	1408.02
* Reduction	4390.28	1000	--	5390.28
Net Change	-2982.26	-1000	--	-3982.26
Indebtedness at the end of the financial year				
i) Principal Amount	4142.48	3000	--	7142.48
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	1.22	--	--	1.22
Total (i+ii+iii)	4143.7	3000	--	7143.70

The Andhra Petrochemicals Limited

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs.)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Dr B B Ramaiah, Managing Director	--	--	--	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL				NIL
	(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					
3	Sweat Equity					
4	"Commission"- as % of profit"- others, specify..."					
5	Others, please specify					
	Total (A)	NIL				NIL
	Ceiling as per the Act					4200000

B. Remuneration to other Directors:

(Rs.)

Sl No.	Particulars of Remuneration	Name of Director						Total Amount
		Sri M R B Punja	Sri A A Krishnan	Sri S K Kapoor	Dr (Smt) D Manjulatha			
1	Independent Directors							
	Fee for attending board / committee meetings	80000	70000	20000	60000			230000
	Commission	0	0	0	0			0
	Others, please specify	0	0	0	0			0
	Total (1)	80000	70000	20000	60000			230000
2	Other Non-Executive Directors	Smt Y V Anuradha	Sri Animesh Kumar Sinha	Sri Ravi Pendyala	Sri P Narendranath Chowdary	Sri Mullapudi Thimmaraja	Dr V N Rao	
	Fee for attending board / committee meetings	30000	40000	90000	0	0	40000	200000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	30000	40000	90000	0	0	40000	200000
	Total (B)=(1+2)							0
	Total Managerial Remuneration							430000
	Overall Ceiling as per the Act							4200000

The Andhra Petrochemicals Limited

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

(Rs.)

Sl No.	Particulars of Remuneration	Key Managerial Personnel			
		President	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5557949	0	3809095	9367044
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	33113	0	0	33113
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total	5591062	0	3809095	9400157

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(Rs.)

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)
A. COMPANY		NIL			
Penalty					
Punishment					
Compounding					
B. DIRECTORS		NIL			
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT		NIL			
Penalty					
Punishment					
Compounding					

Annexure - 'B'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To
The Members,
The Andhra Petrochemicals Limited,
Venkatarayapuram,
Tanuku - 534215,
West Godavari District,
Andhra Pradesh.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. The Andhra Petrochemicals Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of M/s The Andhra Petrochemicals Limited'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, agents 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 31st March, 2018 ("Audit Period") 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 M/s. The Andhra Petrochemicals Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings
- ii) Listing Agreement entered into by the Company with the Bombay Stock Exchange Ltd., (BSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above except filling up of vacancy of "Company Secretary" and the "Compliance Officer" as required under Section 203(1) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6(1) of SEBI (LODR) Regulations, 2015. However, we have been given to understand that the Company has issued advertisement in Newspapers 'Eenadu' and 'The Hindu' and also in the Monthly Journal of the Institute of Company Secretaries of India (ICSI) "Chartered Secretary" inviting applications for the position of Company Secretary and none of the applications received found suitable by the Company for filling up the vacant position.

We further report that, having regard to the compliance system prevailing in the company and on 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 Hazardous Wastes (Management, Handling and Transboundary Movement) Rule, 2008
- b) The Legal Metrology Act, 2009 and rules made thereunder

The Andhra Petrochemicals Limited

- c) The Andhra Pradesh Electricity Act
- d) The Environmental Protection Act, 1986
- e) The Indian Electricity Act
- f) The Indian Explosives Act
- g) The Petroleum Act
- h) The Indian Telegraph Act
- i) The Andhra Pradesh Petroleum Products Order, 1980
- j) The Andhra Pradesh Panchayat Raj Act, 1994

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that, as per the explanations given to us and the representations made by the Management and relied upon by us, 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, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having major bearing on the Company's affairs.

for NEKKANTI S.R.V.V.S. NARAYANA & CO.
Company Secretaries
(NEKKANTI S.R.V.V.S. NARAYANA)
Proprietor
M.No.F7157, C.P.No.7839

Date : 16th July, 2018
Place : Hyderabad

Note:

This report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of this report.

ANNEXURE - A

To
The Members,
The Andhra Petrochemicals Limited,
Venkatarayapuram,
Tanuku - 534215,
West Godavari District,
Andhra Pradesh.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for NEKKANTI S.R.V.V.S. NARAYANA & CO.
Company Secretaries
(NEKKANTI S.R.V.V.S. NARAYANA)
Proprietor
M.No.F7157, C.P.No.7839

Date : 16th July, 2018
Place : Hyderabad

ANNEXURE - "C"

CSR Activities:

1. A brief outline of the Company's CSR Policy including over view of the projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:
The CSR Policy was approved by the Board of Directors at its Meeting held on 20.7.2014 and has been uploaded on the Company's website. The web-link is <http://www.andhrapetrochemicals.com/csr policy.pdf>
2. The Composition of the CSR Committee:
Corporate Social Responsibility (CSR) Committee comprises the following Directors viz., Dr. B B Ramaiah, Managing Director, as Chairman of the Committee (upto 14.2.2018) with Sri A A Krishnan and Sri P Narendranath Chowdary as its Members
3. Average Net Profit of the Company for the last three Financial Years:
There is no average net profit for the last 3 years.
4. Prescribed CSR expenditure (2% of the amount as in Item No. 3 above)
The Company is not required to incur CSR expenditure for the Financial Year 2017-18
5. Details of CSR expenditure incurred during the Financial Year
 - a) Total amount to be spent for the Financial Year: NIL
 - b) Amount unspent if any: Not Applicable
 - c) Manner in which the amount was spent during the Financial Year:
Not Applicable

Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects programs sub-heads: (1) Direct expenditure on projects (2) overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
TOTAL							
Not Applicable							

6. **Reasons for Unspent:** Not Applicable
7. **Responsibility Statement:** The Responsibility Statement of the CSR Committee of the Board of Directors of the Company is reproduced below:

Date: 4.8.2018		
RESPONSIBILITY STATEMENT		
We confirm that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and Policy of the Company.		
<table style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> Sd/- (P Ratna Rao) Senior General Manager (Finance) </td> <td style="width: 50%; text-align: center;"> Sd/- (P Narendranath Chowdary) Member - CSR Committee </td> </tr> </table>	Sd/- (P Ratna Rao) Senior General Manager (Finance)	Sd/- (P Narendranath Chowdary) Member - CSR Committee
Sd/- (P Ratna Rao) Senior General Manager (Finance)	Sd/- (P Narendranath Chowdary) Member - CSR Committee	

**Annexure - "D" to the Directors' Report:
REPORT ON CORPORATE GOVERNANCE**

A) MANDATORY REQUIREMENTS:

1. Company's philosophy on Corporate Governance:

Your Company affirms that adoption of the good Corporate Governance practices in all its dealings, operations and actions is sine qua non for enhancement of overall shareholder value and protection of interests of all its stakeholders including customers, employees, lenders, suppliers, government and the community in which it operates.

2. Board of Directors:

a) As on 31.3.2018 the Board consisted of 11 Directors.

Composition and category of Directors is as follows:

Non-Executive and Independent Directors	Promoter and Executive Directors	Promoters, Non-Executive & Non-Independent Directors
Sri M R B Punja Chairman Sri A A Krishnan Sri Surinder Kumar Kapoor Dr.(Smt.) D Manjulatha	Dr. B B Ramaiah Managing Director (upto 14.2.2018) (Sri P Narendranath Chowdary sister's husband) *	Sri P Narendranath Chowdary (Dr. B B Ramaiah daughter's husband) * Sri Mullapudi Thimmaraja Smt. Y V Anuradha, I.A.S. Sri Solomon Arokia Raj, I.A.S. (from 9.2.2018) Sri Animesh Kumar Sinha Sri Ravi Pendyala Dr. V N Rao

*Indicates inter se relationship between the Directors as per Section 2 (77) of the Companies Act, 2013.

b) Non-Executive Directors' Remuneration: Please refer to Point No.6.

c) During the Financial Year 2017-18, four Board Meetings were held.

Dates on which they were held:

(i) 23.5.2017, (ii) 5.8.2017, (iii) 4.11.2017 and (iv) 9.2.2018

d) Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships / Membership of Committees of each Director in various companies:

Name of the Director	Attendance Particulars		Directorship, Committee Membership and Chairmanship in other companies			
	Board Meetings	Last AGM	Director ship	Chairman ship	Committee Membership*	Committee Chairmanship*
Sri M R B Punja	3	Yes	None	None	None	None
Dr. B B Ramaiah (upto 14.2.2018)	2	Yes	3	1	None	None
Sri P Narendranath Chowdary	4	Yes	7	4	4	1
Sri A A Krishnan	3	No	1	None	None	None
Sri Surinder Kumar Kapoor	1	No	None	None	None	None
Smt Y V Anuradha, I.A.S.	3	No	1	None	None	None
Sri Kartikeya Misra, I.A.S. (w.e.f. 26.10.2016 to 5.7.2017)	Nil	Not applicable	7	None	None	None
Sri Siddharth Jain, I.A.S. (from 5.8.2017 to 8.2.2018)	Nil	No	1	None	None	None
Sri Solomon Arokia Raj, I.A.S. (w.e.f. 9.2.2018)	Nil	Not applicable	4	1	None	None
Dr.(Smt.) D Manjulatha	4	No	2	None	None	None
Sri Animesh Kumar Sinha	4	No	None	None	None	None
Sri Mullapudi Thimmaraja	4	Yes	2	None	3	None
Sri Ravi Pendyala	3	Yes	None	None	None	None
Dr. V N Rao	4	No	1	None	1	None

* Represents Membership / Chairmanship of Audit Committees and Investors Grievance Committees of other public limited companies.

Sri A A Krishnan, Chairman of the Audit Committee, could not attend the Annual General Meeting due to unavoidable circumstances. Sri M R B Punja and Sri Ravi Pendyala, Members of the Audit Committee attended the Annual General Meeting to answer queries of the shareholders.

Information given to the Board:

The Company provides the information as set out in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of agenda papers in advance of the meeting or by way of presentations and disclosures during the meeting.

Post Meeting Mechanism:

The Important decisions taken at the Board / Board Committee Meetings are communicated to the concerned departments.

Familiarisation Programme for Directors:

The newly appointed Director is explained in detail the compliance required under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his / her affirmation is taken with respect to the same. The Managing Director also has one-to-one discussion with the newly appointed Director to familiarise him / her with the Company's operations. The details of the familiarisation programmes undertaken by the Company are provided in the website of the Company at the weblink: <http://www.andhrapetrochemicals.com/FAMILIARISATION%20PROGRAMME.pdf>.

Independent Directors:

The Non-Executive Independent Directors fulfil the conditions of the independence specified in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and meet with requirement of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment as provided in the Companies Act, 2013 and the Regulations has been issued to each Independent Director and placed on the website of the Company. These appointment letters can be accessed at the web link: <http://www.andhrapetrochemicals.com/idal.pdf>

Orientation programme to Independent Directors was organised at the Plant premises to familiarize them about the Plant operations of the Company. All the Directors participated in the programme and acquainted themselves with the entire operations of the Company.

3. Code of Conduct:

The Board of Directors has adopted the Code of Conduct for Board Members and Senior Management Personnel of the Company. The said Code has been communicated to the Directors and the Senior Managers from whom the necessary affirmation has been received with regard to the compliance of the Code. A declaration in this regard by the Managing Director is furnished at the end of the report. The Code has been posted on the Company's website - www.andhrapetrochemicals.com

Code of Conduct for Directors also contains their duties approved by the Board to be in line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been posted on the Company's website at the link: <http://www.andhrapetrochemicals.com/CODE OF CONDUCT FOR DIRECTORS.pdf>

4. Audit Committee:

A qualified and independent Audit Committee, meeting the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, has been constituted.

As on 31.3.2018, the Audit Committee consists of four Non-Executive Independent Directors - (i) Sri A A Krishnan, Chairman (ii) Sri M R B Punja and (iii) Sri Surinder Kumar Kapoor (iv) Dr (Smt) D Manjulatha (w.e.f., 4.11.2017) and one Non-Executive, Non-Independent Director Sri Ravi Pendyala. Members of the Audit Committee have considerable experience and expertise in the field of Industrial, Financial and Corporate Business Management.

Statutory, Internal and Cost Auditors, Key Managerial Personnel and Senior Executives attend the meetings to answer the queries raised by the Committee.

During the Financial Year 2017-18, four Audit Committee Meetings were held on:

(i) 23.5.2017, (ii) 5.8.2017, (iii) 4.11.2017 and (iv) 9.2.2018

The Meeting convened on 5.8.2017 could not be held for want of quorum. All the other three Meetings were held as convened. The necessary quorum was present at these Meetings

Attendance of Directors at the Audit Committee Meetings:

Name of the Director	No. of Meetings attended
Sri A A Krishnan	3
Sri M R B Punja	2
Sri Surinder Kumar Kapoor	1
Sri Ravi Pendyala	2
Dr (Smt) D Manjulatha (w.e.f., 4.11.2017)	2

Broad terms of reference of the Audit Committee are as under:

- i. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. examination of the financial statement and the auditors' report thereon;
- iv. approval or any subsequent modification of transactions of the company with related parties;
- v. scrutiny of inter-corporate loans and investments;
- vi. valuation of undertakings or assets of the company, wherever it is necessary;
- vii. evaluation of internal financial controls and risk management systems;
- viii. monitoring the end use of funds raised through public offers and related matters.

The Andhra Petrochemicals Limited

- ❖ The Audit Committee also reviews the following information as and when required:
 - Management Discussion & Analysis of financial condition and results of operations
 - Statement of significant Related Party Transactions (as defined by the Audit Committee)
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors
 - Internal Audit Reports relating to internal control weaknesses

5. Nomination and Remuneration Committee:

Composition:

The Nomination and Remuneration Committee comprises three Directors. Sri Surinder Kumar Kapoor, Non-Executive Independent Director is the Chairman of the Committee. The other members are Sri M R B Punja and Sri P Narendranath Chowdary. The composition of this Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meeting and attendance:

The Nomination and Remuneration Committee met 3 times during the year 2017-18 on 23.5.2017, 5.8.2017 and 4.11.2017. The necessary quorum was present at all the meetings.

Attendance particulars of Directors at the Nomination and Remuneration Committee meetings:

Sl. No.	Name of the Director	Position	Category	No. of meetings attended
1.	Sri Surinder Kumar Kapoor	Chairman	Non-Executive, Independent	Nil
2.	Sri M R B Punja	Member	-do-	3
3.	Sri P Narendranath Chowdary	Member	Non-Executive, Promoter	3

Broad terms of reference of Nomination and Remuneration Committee are as under:

- i. identify persons who are qualified to be Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- ii. carry out evaluation of every Director's performance
- iii. formulate the criteria for determining qualifications, positive attributes and independence of a Director and
- iv. recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and employees one level below the KMP.

While formulating the said Policy the Committee should ensure that

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- b. relationship of remuneration to performance is clear and meets appropriate performance bench marks and
- c. remuneration to Director, Key Managerial Personnel and employees one level below the KMP involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

6. Remuneration:

Nomination and Remuneration Policy:

Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of sitting fees. They are paid sitting fees for each meeting of the Board or Committee thereof. Details of sitting fees paid to them during the year 2017-18.

Sri M R B Punja - Rs.80,000/-; Sri A A Krishnan - Rs.70,000/-; Smt. Y V Anuradha, I.A.S., - Rs.30,000/- (as she is the nominee of APIDC Ltd., sitting fees payable to her was paid to APIDC Ltd.); Sri Surinder Kumar Kapoor - Rs.20,000/-; Smt D Manjulatha - Rs.60,000/-; Sri Ravi Pendyala - Rs.90,000/-; Sri Animesh Kumar Sinha - Rs.40,000/- (as he is the nominee of IDBI Bank Ltd., sitting fees payable to him was paid to IDBI Bank Ltd); Dr V N Rao - Rs.40,000/-. Sri P Narendranath Chowdary and Sri Mullanpudi Thimmaraja, Directors, did not draw any remuneration including sitting fees from the Company.

There were no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the Financial Year ended 31.3.2018.

Remuneration to Managing Director:

Managing Director does not draw any remuneration from the Company.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of working of its Committees.

The performance evaluation of Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed its satisfaction over its own performance, performance of its Committees and all the Directors individually.

The criteria for nomination of Directors, KMP, Senior Management Personnel and their remuneration including criteria for promotion is described in Nomination and Remuneration Policy of the Company which can be accessed at the weblink: http://www.andhrapetrochemicals.com/NOMINATION_REMUNERATION_POLICY.pdf

7. Subsidiaries:

The Company has no subsidiary.

8. Details of Equity Shares of the Company held by Non-Executive Directors as on 31st March, 2018:

Name of the Non-Executive Director	No. of shares of Rs.10/- each
Sri P Narendranath Chowdary	4216
Sri Mullapudi Thimmaraja	1630
Dr.(Smt.) D Manjulatha	612
Sri Ravi Pendyala	1020

9. MANAGEMENT:

Management Discussion & Analysis forms part of the Annual Report.

10. CEO/CFO CERTIFICATION:

In accordance with the requirements of the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors of the Company, the Audit Committee and the Auditors have been furnished with the requisite Compliance Certificate from President and Chief Financial Officer.

11. Stakeholders Grievance / Relationship Committee:

- a) Stakeholders Grievance / Relationship Committee comprises Sri P Narendranath Chowdary (Chairman of the Committee - Non-Executive Director), Sri Mullapudi Thimmaraja and Sri Ravi Pendyala as Members of the Committee. The Committee looks into the redressal of the shareholders' complaints like transfer of shares, non-receipt of Annual Report and declared Dividend and other matters.
- b) Investor complaints received and redressed during the year ended 31.3.2018:

Sl No.	Nature of Complaint	Complaints received and redressed
1	Non-receipt of dividend	15
2	Non-receipt of shares sent for transfer	4
3	Non-receipt of Annual Report	1
	Total	20

12. Corporate Social Responsibility (CSR) Committee:

Pursuant to Section 135 of the Companies Act, 2013 and the Companies (CSR Rules), 2014, CSR Committee was constituted on 24.5.2014. Presently, it comprises three Directors viz., Dr. B B Ramaiah, Managing Director, is the Chairman of the Committee (upto 14.2.2018) and Sri A A Krishnan and Sri P Narendranath Chowdary are the other members of the Committee.

The terms of reference of the CSR Committee broadly comprises:

- > To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder
- > To recommend the amount of expenditure to be incurred on the CSR activities
- > To monitor the implementation of the CSR Policy of the Company from time to time

Meeting and attendance:

The CSR Committee met one time during the year on 9.2.2018. The necessary quorum was present at the meeting. Dr. B B Ramaiah could not attend this meeting and Sri P Narendranath Chowdary and Sri A A Krishnan, members of the Committee, attended the said meeting.

The Company formulated CSR Policy which is uploaded on the website of the Company (weblink: <http://www.andhrapetrochemicals.com/csr-policy.pdf>)

13. Independent Directors Meeting:

Independent Directors Meeting was held on 4.8.2018 to discuss:

- > Evaluation of performance of Non-Independent Directors and the Board as a whole.
- > Evaluation of performance of the Chairman of the Company, taking into account the view of the Executive and Non-Executive Directors
- > Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. Details of familiarisation programme for Independent Directors is placed at weblink: <http://www.andhrapetrochemicals.com/FAMILIARISATION%20PROGRAMME.pdf>

14. Details of General Body Meetings:

Annual General Meetings:

- i) Particulars of the last three Annual General Meetings held at the Regd. Office, Venkatarayapuram, Tanuku.

Year	Date & Time
2015	29 th September, 2015, 3:00 p.m.
2016	29 th September, 2016, 3:00 p.m.
2017	27 th September, 2017, 3:00 p.m.

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ii) Special Resolutions passed at the last three Annual General Meetings:

Year	Subject Matter
2015	Accordinging consent to the Board of Directors to agree to the terms and conditions of sanction letter of the loans availed / proposed to be availed from the lenders with regard to their right of exercising the option of converting loans into Equity.
2016	<ol style="list-style-type: none"> 1. Accordinging consent to the re-appointment of Dr B B Ramaiah as Managing Director, not liable to retire by rotation, for a period of 5 years with effect from 12.11.2016, without any remuneration. 2. Accordinging consent to the Board of Directors to finalise the scheme for invitation and acceptance of Fixed Deposits from the Public and Members, within limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, for the time being in force or any amendments made from time to time. 3. Amendment to Memorandum & Articles of Association of the Company in connection with the increase of Authorised Capital from Rs.85 crores to Rs.125 crores.
2017	NIL

- iii) No Special Resolution was passed in the last year through Postal Ballot
- iv) No Special Resolution requiring Postal Ballot was passed in the last Annual General Meeting and no Special Resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.
- v) No Special Resolution is proposed to be conducted through Postal Ballot

15. Affirmations and Disclosures:

i) Compliance with governance frame work:

The Company has complied with the applicable mandatory requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii) Related Party Transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year were in the ordinary course of business and on arm's length basis and do not attract the provisions of the Section 188 of the Companies Act, 2013. There were no materially significant transactions with the Related Parties during the Financial Year. Related Party Transactions have been disclosed under the Note No.2.37 of the Financial Statements in accordance with Accounting Standard-18. A statement in summary form of transactions with related parties in the ordinary course of business and on arm's length basis, is periodically placed before the Audit Committee for review and recommendation to the Board for their ratification.

As required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company formulated a Policy for dealing with Related Party Transactions. The Policy is available on the website of the Company (weblink: <http://www.andhrapetrochemicals.com/POLICY ON RELATED PARTY TRANSACTIONS.pdf>)

None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and or carried out on an arm's length basis or fair value.

iii) Details of Non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years:

No penalties or strictures were imposed on the Company for non-compliance by Stock Exchange / SEBI or any authority on any matter related to capital markets during the last 3 years.

iv) Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases.

v) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

vi) Risk Management

Board periodically reviews the compliance of all laws, rules & regulations applicable to, and various risks affecting, the Company. Various Risk Management Systems adopted to mitigate the risks are also reviewed by the Board. Risk Management Policy approved by the Board can be accessed at the weblink: <http://www.andhrapetrochemicals.com/POLICY ON CORPORATE RISK MANAGEMENT.pdf>

16. Means of Communication:

- i) Quarterly financial results are published in "The Hindu Business Line" (English) and "Andhra Bhoomi" (Telugu). Copies of the Results published are forwarded to Stock Exchange and the results are displayed on the Website of the Company, i.e., www.andhrapetrochemicals.com

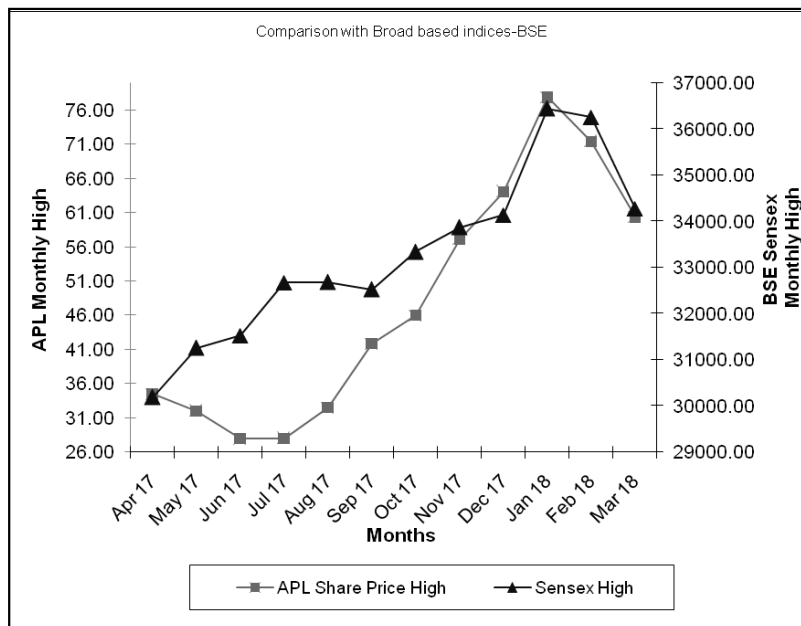
- ii) The Company has not issued any press release or made any presentations to the institutional investors or analysts about its financial results during the year.

17. General Shareholder Information:

- i) Annual General Meeting
 - Date and Time : Friday, 28th September, 2018 at 3 p.m.
 - Venue : Regd. Office: Venkatarayapuram, TANUKU - 534215, West Godavari Dist., Andhra Pradesh
- ii) Financial Year : 1st April to 31st March
- iii) Dates of Book Closure : Monday, 17th September, 2018 to Friday, 28th September, 2018 (both days inclusive)
- iv) Listing on Stock Exchange and Stock Code: : The Bombay Stock Exchange Ltd.
Physical Stock Code: 12
Demat Stock Code: 500012
ISIN: INE714B01016
- v) Market Price Data : High / low price of Company's Equity Shares quoted on The Bombay Stock Exchange Ltd., Mumbai during each month of the Financial Year 2017-18.

Month	High		Low	
	Rs.	Ps.	Rs.	Ps.
April, 2017	34.50		24.25	
May, 2017	32.00		24.20	
June, 2017	27.95		23.75	
July, 2017	28.00		23.50	
August, 2017	32.50		22.90	
September, 2017	41.85		28.85	
October, 2017	46.00		35.15	
November, 2017	57.10		42.90	
December, 2017	64.05		49.00	
January, 2018	77.90		57.15	
February, 2018	71.40		54.60	
March, 2018	60.40		49.65	

- vi) Performance in comparison to BSE sensex :



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- vii) Registrars and Share Transfer Agent : XL Softech Systems Ltd.
No.3, Sagar Society, Road No.2
Banjara Hills, Hyderabad - 500 034
Tel: 040-23545 913 / 914 / 915
E-mail: xlfield@gmail.com,
- viii) Share Transfer System : Transfers of Equity Shares in physical mode are effected within the statutory time limit from the date of receipt subject to documents being valid and complete in all respects. The Company obtains through its Registrars and Share Transfer Agent from a Practising Company Secretary half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files through electronic filing a copy of the said certificate with the Stock Exchange.
- ix) a) Shareholding pattern as on 31st March, 2018:

Sl No.	Category	No. of shares	% of holding
1	Promoters, Directors, Relatives and Associate Companies	41337980	48.65
2	Financial Institutions	20600	0.02
3	Mutual Funds	12600	0.02
4	Banks	837	0.00
5	Foreign Institutional Investors	11500	0.01
6	Non-Resident Indians	1079208	1.27
7	Bodies Corporate	4399321	5.18
8	Indian Public	38109554	44.85
Total		84971600	100.00

- b) Distribution of shareholding as on 31st March, 2018 :

Shareholding of Nominal value of Rs.	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 5000	66785	90.71	9274071	10.91
5001 to 10000	3592	4.88	3008884	3.54
10001 to 20000	1513	2.05	2375906	2.80
20001 to 30000	508	0.69	1324235	1.56
30001 to 40000	221	0.30	807793	0.95
40001 to 50000	274	0.37	1314479	1.55
50001 to 100000	389	0.53	2883480	3.39
100001 onwards	347	0.47	63982752	75.30
Total	73629	100.00	84971600	100.00

- x) As of 31st March, 2018, 7,74,22,116 shares constituting 91.11% of paid-up capital have been dematerialised.

	No. of shares	% of paid-up capital
National Securities Depository Ltd. :	4,48,92,708	52.83
Central Depository Services (India) Ltd. :	3,25,29,408	38.28
Total	<u>7,74,22,116</u>	<u>91.11</u>

Dematerialisation of shares is attended by M/s XL Softech Systems Ltd., Hyderabad.

Reconciliation of Share Capital Audit Report:

As stipulated by SEBI, a qualified Practising Chartered Accountant carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository (NSDL) and Central Depository Services (India) Ltd., (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

- xi) Plant location : Opp: Naval Dockyard
VISAKHAPATNAM - 530014
Andhra Pradesh

xii) Address for correspondence : The Andhra Petrochemicals Limited
Venkatarayapuram, TANUKU - 534215
West Godavari District, Andhra Pradesh
Phone Nos. 08819-224075
08819-220975 (Shares Dept.)
Fax: 08819-224168
CIN: L23209AP1984PLC004635
Website: www.andhrapetrochemicals.com
E-mail: info.trnk@andhrapetrochemicals.com
investors@andhrapetrochemicals.com

B) NON-MANDATORY / DISCRETIONARY REQUIREMENTS:

The Company has complied with the following non-mandatory / discretionary requirements of Regulation 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations:

i) Separate posts of Chairman and CEO

Sri M R B Punja is the Chairman and Dr. B B Ramaiah is the Managing Director (upto 14.2.2018).

ii) Reporting of Internal Auditor

Internal Auditors directly report to the Audit Committee.

iii) Audit qualification

The Financial Statements of the Company are free from any qualification by the Auditors.

The other non-mandatory / discretionary requirements will be adopted as and when considered necessary.

**CEO'S DECLARATION ON COMPLIANCE
WITH THE COMPANY'S CODE OF CONDUCT**

As provided in Regulation 34(3) of and Para D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed the compliance of the Company's Code of Conduct for the Board Members and Senior Management Personnel, as applicable, for the year ended 31st March, 2018.

**Place: Hyderabad
Date: 4.8.2018**

**P Narendranath Chowdary
Director**

AUDITORS' CERTIFICATE

To
The Members of
The Andhra Petrochemicals Limited,
Tanuku

We have examined the compliance of conditions of Corporate Governance by The Andhra Petrochemicals Limited, Tanuku for the year ended 31st March, 2018 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the "Listing Agreement" of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Camp: Hyderabad
Date: 4th August, 2018**

**for C V RAMANA RAO & CO.,
Chartered Accountants
Firm Regn No.002917S
(Katyayani K)
Partner
Membership No.225030**

INDEPENDENT AUDITORS' REPORT

To
The Members of
The Andhra Petrochemicals Limited,
Tanuku.

Report on the Ind AS Financial Statements:

We have audited the accompanying Ind AS financial statements of **The Andhra Petrochemicals Limited, Tanuku**, which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

1. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
2. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statement.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 the best of our knowledge and belief were necessary for the purposes 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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- 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 B**".
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations that would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For C V RAMANA RAO & CO.,
Chartered Accountants
Firm Regn No. 002917S
(KATYAYANI K)
Partner
Membership No.225030**

**Camp: Hyderabad
Date: 24.05.2018**

Annexure A to the Independent Auditor's Report:

The **Annexure A** referred to in our Independent Auditor's report of even date, to the members of THE ANDHRA PETROCHEMICALS LIMITED, TANUKU, for the year ended 31 March 2018. We report that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management during the year. According to the information furnished to us, no material discrepancies have been noticed on such verification.
 - c) The title deeds in respect of all immovable properties are held in the name of the company.
- ii) Physical verification of inventory has been conducted during the year by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.
- iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv) The company has neither given any loans to the directors or any other persons in whom the director(s) is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013. The investment made by the company in an earlier year does not exceed the limits prescribed under section 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits from the public. Consequently, the clause 3(v) of the order is not applicable to the Company.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii)
 - a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
 - b) As at 31st March 2018, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess, except the following:

Sr. No.	Name of the Statute	Nature of the Dues	Amount * (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	The Income Tax Act, 1961.	Tax Deduction at Source	1.72	Assessment Year 2006-07	Income Tax Appellate Tribunal, Visakhapatnam.
2.	The Income Tax Act, 1961.	Income Tax	23.67	Assessment Year 2012-13	Commissioner of Income Tax (Appeals), Rajahmundry.
3.	The Income Tax Act, 1961	Income Tax	54.92	Assessment Year 2015-16	Commissioner of Income Tax (Appeals), Rajahmundry.
4.	The Income Tax Act, 1961	Tax Deduction at Source	19.44	Assessment Years 2006-07 & 2008-09	Commissioner of Income Tax (Appeals), Visakhapatnam.

*Net of Pre deposits made.

- viii) The Company has not defaulted in repayment of any loan installments in respect of term loans from financial institutions and banks.
- ix) In our opinion, the Term Loans obtained in earlier years have been applied for the purposes for which they were raised.
- x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi) The company has neither paid nor provided for any managerial remuneration during the financial year under report. Consequently the clause 3(xi) of the order is not applicable.
- xii) In our opinion, the company is not a Nidhi Company. Consequently the clause 3(xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Indian Accounting Standards are disclosed in the financial statements.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review. Consequently the clause 3(xiv) of the order is not applicable.
- xv) The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently the clause 3(xv) of the order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently the clause 3(xvi) of the order is not applicable.

Camp : Hyderabad
Date : 24.05.2018

For C V RAMANA RAO & CO
Chartered Accountants
Firm's Registration Number: 002917S
(KATYAYANIK)
Partner
Membership Number: 225030

The **Annexure B** referred to in our Independent Auditor's report of even date on the financial statements of THE ANDHRA PETROCHEMICALS LIMITED, TANUKU.

Report on the Internal Financial Controls over Financial Reporting 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 **The Andhra Petrochemicals Limited, Tanuku** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's 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 issued by the Institute of Chartered Accountants of India". These 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 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

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and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including Indian Accounting Standards prescribed under section 133 of the Act. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provides reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provides 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 Ind AS 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 issued by the Institute of Chartered Accountants of India".

Camp : Hyderabad
Date : 24.05.2018

For C V RAMANA RAO & CO
Chartered Accountants
Firm's Registration Number: 002917S
(KATYAYANIK)
Partner
Membership Number: 225030

Notes to the Financial Statements

1. Company Overview and Significant Accounting Policies

1.1 Company overview

The Andhra Petrochemicals Limited (APL) is a leading manufacturer of Oxo Alcohols employing the state-of-the-art technology "Selector-30" provided by M/s Davy Process Technology, London, United Kingdom. The Government of Andhra Pradesh with an investment through Andhra Pradesh Industrial Development Corporation Limited (APIDC) along with The Andhra Sugars Limited (ASL) promoted APL, under Joint Sector Project and at present is under Assisted Sector Project.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Venkatarayapuram P.O., Tanuku Mandal, West Godavari District, Andhra Pradesh. The Company has its primary listings on the BSE Limited. The Company is having its manufacturing facilities at opposite to Naval Dockyard, Naval Base P.O., Visakhapatnam.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on May 24, 2018.

1.2 Basis of preparation of financial statements

1.2.1 Statement of Compliance with Ind AS

These financial statements are the standalone financial statements prepared by the Company complying in all material aspects with the Indian Accounting Standards (Ind AS) notified under the provisions of the Companies Act, 2013 (Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017.

1.2.2 Recent Accounting Pronouncements -Standards issued but not yet effective

On 28 March 2018, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) (Amendments) Rules, 2018. The key amendments to the Ind AS Rules are:

- 1 Introduction of new revenue standard Ind AS 115 "Revenue from contracts with customers" and omitted Ind AS 11 "Construction contracts" and Ind AS 18 "Revenue".
- 1 Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21 "The Effect of Changes in Foreign Exchange Rates".
- 1 Amendment to Ind AS 40 "Investment property",
- 1 Amendments to Ind AS 12 "Income Taxes",
- 1 Amendment to Ind AS 28 "Investments in Associates and Joint ventures" and
- 1 Amendment to Ind AS 112 "Disclosure of interests in other entities"
- 1 Consequential amendments to other Ind AS due to notification of Ind AS 115 and other amendments referred above.

These amendment rules are effective from the reporting periods beginning on or after 1st April, 2018.

Amendment to Ind AS 40:

The amendment lays down the principles regarding when a company should transfer asset to, or from, investment property. As the Company does not have any investment property, this amendment does not have any impact on the financial statements of the Company.

Amendment to Ind AS 21:

The appendix clarifies that the date of transaction, for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. The effect of this amendment on the financial statements of the Company will be evaluated.

Amendment to Ind AS 12:

The amendment clarifies the requirements for recognising deferred tax asset on unrealised losses. The effect of this amendment on the financial statements of the Company will be evaluated.

Amendment to Ind AS 28:

The amendment provides clarification requiring to measure investments separately for each associate or joint venture. As the Company does not have any investments in associates and joint ventures, this amendment does not have any impact on the financial statements of the Company.

Amendment to Ind AS 112:

The amendment clarifies that disclosure requirement for interests in other entities also apply to interests that are classified as held for sale or as discontinued operations in accordance with Ind AS 105 "Non-current Assets held for sale and Discontinued operations". As the Company does not have any interests in other entities this amendment does not have any impact on the financial statements of the Company.

The Company will adopt these amendments from their applicability date.

1.2.3 Basis of Preparation

These financial statements are prepared under historical cost convention on accrual basis except for the following -

- 1 Certain financial instruments which are measured at fair values,
- 1 Assets held for sale measured at fair value less cost to be incurred to sell, and
- 1 Defined benefit plans - plan assets measured at fair value.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

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1.3 Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in **Note 4**. Accounting estimates could change from period to period. Actual results could differ from the estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Current versus Non-current classification

All assets and liabilities in the balance sheet are presented based on current/ non-current classification.

An asset is treated as current when it is:

- 1 expected to be realised or intended to be sold or consumed in normal operating cycle
- 1 held primarily for the purpose of trading
- 1 expected to be realised within twelve months after the reporting period, or
- 1 Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- 1 expected to be settled in normal operating cycle
- 1 held primarily for the purpose of trading
- 1 due to be settled within twelve months after the reporting period, or
- 1 there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

1.5 Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise and duties, but exclusive of Goods and Service tax (GST), which the company pays as principal and net of returns, trade allowances, rebates, and taxes collected on behalf of the government.

1.6 Property, Plant and Equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes all costs directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimation of dismantling and site restoration costs. Subsequent costs relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection.

Property, Plant and Equipment are componentized and are depreciated separately over their estimated useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on buildings and plant and machinery is charged under straight line method and on the remaining assets under the diminishing balance method. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

1.7 Inventories:

Inventories are valued at the lower of the cost (net of eligible input tax credits) or net realisable value (except by-products, waste and scrap which are valued at estimated net realisable value).

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- 1 Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- 1 Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on monthly weighted average basis.
- 1 Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and

condition. Cost is determined on monthly weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.8 Non Derivative Financial Instruments:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

1.8.1 Initial Recognition-

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added/ deducted to/from the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.8.2 Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in four categories:

- 1 Debt instruments at amortised cost
- 1 Debt instruments at fair value through other comprehensive income (FVTOCI)
- 1 Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 1 Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(i) Debt instruments at amortised cost

A debt instrument is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation of EIR is included in finance income in the profit or loss. The impairment losses and gain/loss on derecognition are recognised in the profit or loss.

(ii) Debt instruments at fair value through other comprehensive income

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments under this category are measured at fair value at each reporting date. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit & loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL (residual category).

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

All equity instruments in scope of Ind AS 109 are measured at fair value by the Company. Equity investments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrecoverable.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(iv) Equity instruments measured at fair value through other comprehensive income

The Company has made an irrevocable election to present the subsequent fair value changes in 'other comprehensive income' for its investments in equity instruments that are not held for trading. Fair value changes on the instrument, impairment losses & reversals and foreign exchange gain or loss are recognized in the OCI. Dividends are recognised in the Profit & Loss. There is no recycling of the amounts from OCI to Profit & Loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Financial liabilities are classified in two measurement categories:

- 1 Financial liability measured at amortised cost
- 1 Financial liability measured at fair value through profit or loss

(i) Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

(ii) Financial liability measured at amortised cost

All other financial liabilities are subsequently carried at amortized cost using effective interest rate (EIR) method, thereby resulting in amortisation of transaction costs and interest expenses through Profit & Loss over the life of the instrument. The EIR amortisation is included as finance costs in the statement of profit and loss.

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1.8.3 Reclassification of financial assets-

The company reclassifies its financial assets only when there is a change in entity's business model for managing its financial assets.

1.8.4 Derecognition of financial instruments-

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind. AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

1.8.5 Impairment of financial assets-

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- a. Trade receivables
- b. Financial assets measured at amortized cost (other than trade receivables)
- c. Financial assets measured at fair value through other comprehensive income.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

1.8.6 Offsetting of financial instruments-

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.8.7 Fair Value of Financial instruments-

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For trade and other receivables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.9 Employee Benefits include:

(i) Short term employee benefits-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly 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.

The company recognises a liability and an expense for bonus only when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of obligation can be made.

(ii) Long term employee benefits -

Liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post employment benefits-

The company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity: and
- (b) Defined contribution plans such as provident and pension funds.

Defined Benefit Plans - The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement 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.

Defined Contribution Plans - The Company pays provident fund contributions to publicly administered provident funds as per local regulations. It has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation

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to compensate for the lessor's expected inflationary cost increases.

1.11 Non-Current Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

1.12 Foreign Currency Transactions:

The functional currency of the company is the Indian rupee and the financial statements are presented in Indian rupee rounded off to the nearest lakhs except where otherwise indicated.

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the year.

At each Balance Sheet date

- i. Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.
- ii. Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognized.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in statement of profit and loss.

1.13 Provisions:

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably.

When there is a possible obligation or a present obligation in respect of which, in the likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

1.14 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments. Equity investments and bank borrowings are excluded from cash equivalents. However, bank overdrafts which are repayable on demand are included as a component of cash and cash equivalents.

1.15 Impairment of assets:

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.16 Income Taxes:

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.17 Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects all dilutive potential equity shares.

Balance Sheet as at 31st March, 2018

(Rs. in lakhs)

Sr. No.	Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
	1	2	3	4
	ASSETS			
	Non-current assets			
1	a Property, plant and equipment	2.01	18110.04	18353.58
	b Capital work-in-progress		93.37	2.27
	c Financial assets			
	i - Investments	2.02	536.91	750.00
	ii - Others	2.03	363.46	363.75
	d Deferred tax Assets (Net)	2.04	48.73	--
	e Other non-current assets	2.05	5.52	5.52
2	Current assets			
	a Inventories	2.06	1610.21	3505.22
	b Financial assets			
	i - Trade receivables	2.07	3418.10	2180.25
	ii - Cash and cash equivalents	2.08	228.41	100.28
	iii - Bank balances other than above		--	--
	iv - Others	2.09	21.04	35.01
	c Current Tax Assets (net)	2.10	--	4.85
	d Other current assets	2.11	241.61	1080.04
	Total Assets		24677.40	26380.77
	EQUITY AND LIABILITIES			
	Equity			
	a Equity Share capital	2.12	8497.16	8497.16
	b Other equity	2.13	7268.83	2850.17
	LIABILITIES			
1	Non-current liabilities			
	a Financial liabilities			
	i - Borrowings	2.14	1360.19	7442.01
	ii - Other financial liabilities	2.15	5.00	5.00
	b Provisions	2.16	203.49	215.25
	c Deferred tax liabilities (Net)	2.17	--	885.48
2	Current liabilities			
	a Financial liabilities			
	i - Borrowings	2.18	1424.59	1224.12
	ii - Trade payables	2.19	569.48	514.46
	iii - Other financial liabilities	2.20	4401.88	2479.77
	b Current Tax Liabilities (Net)	2.21	16.69	--
	c Other current liabilities	2.22	640.78	2060.47
	d Provisions	2.23	289.31	206.88
	Total Equity and Liabilities		24677.40	26380.77

See accompanying Notes to the Financial Statements.

<p>Per our report of even date</p> <p>For C V Ramana Rao & Co., Chartered Accountants Firm Regn No.002917S Katyayani K Partner Membership No.: 225030</p> <p>Place: Hyderabad Date : 24.05.2018</p>	<p>For and on behalf of the Board</p> <p>P Narendranath Chowdary Director Dr. D Manjulatha Director P Ratna Rao Senior General Manager (Finance)</p> <p>Hyderabad 24.05.2018</p>
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Statement of Profit and Loss for the year ended 31st March, 2018

(Rs. in lakhs)

Sr. No.	Particulars	Note No.	This Year	Previous Year
1	2	3	4	5
I	Revenue from operations	2.24	53275.25	37043.04
II	Other income	2.25	242.21	206.46
III	Total Income (I + II)		53517.46	37249.50
IV	Expenses			
	Cost of materials consumed	2.26	35838.77	25983.62
	Changes in inventories of finished goods and work in progress	2.27	1269.51	(1241.39)
	Employee benefit expense	2.28	1812.31	1677.39
	Finance cost	2.29	1186.54	1558.07
	Depreciation and amortisation expense	2.01	949.27	903.61
	Other expense	2.30	7735.08	9342.98
	Total expenses (IV)		48791.48	38224.28
V	Profit/ (loss) before exceptional items and tax (III-IV)		4725.98	(974.78)
VI	Exceptional items	2.31	--	(115.69)
VII	Profit/ (loss) before tax (V-VI)		4725.98	(1090.47)
VIII	Tax expense			
	(1) Current Tax		1000.28	--
	(2) Adjustment of Tax expense for earlier years		--	--
	(3) Deferred tax		(924.37)	(354.39)
IX	Profit/ (loss) for the period from continuing operations (VII-VIII)		4650.07	(736.08)
X	Profit/ (loss) from discontinued operations		--	--
XI	Tax expense of discontinued operations		--	--
XII	Profit/ (loss) from discontinuing operations (after tax)		--	--
XIII	Profit/ (loss) for the period		4650.07	(736.08)
XIV	Other comprehensive income			
	A Items that will not be reclassified to profit or loss			
	(i) Remeasurement gains/(losses) on the defined benefit plans		(28.17)	(0.44)
	Income tax effect on the above		9.84	0.15
	(ii) Gains/(losses) on sale of Equity Instruments measured at FVTOCI		--	200.76
	(iii) Gains/(losses) on restatement of Equity Instruments measured at FVTOCI		(213.09)	150.02
	Income tax effect on above		--	--
	B Items that will be reclassified to profit or loss		--	--
	Income tax relating to items that will be reclassified to profit or loss		--	--
XV	Total comprehensive income for the period (XIII+XIV) (Comprising Profit/ loss + other comprehensive income for the period)		4418.65	(385.59)
XVI	Earnings per equity share (for continuing operations)	2.38		
	a) Basic		5.47	(0.87)
	b) Diluted		5.47	(0.87)
XVII	Earnings per equity share (for discontinued operations)			
	a) Basic		--	--
	b) Diluted		--	--
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	a) Basic		5.47	(0.87)
	b) Diluted		5.47	(0.87)

See accompanying Notes to the Financial Statements.

<p>Per our report of even date</p> <p>For C V Ramana Rao & Co., Chartered Accountants Firm Regn No.002917S Katyayani K Partner Membership No.: 225030</p> <p>Place: Hyderabad Date : 24.05.2018</p>	<p>For and on behalf of the Board</p> <p>P Narendranath Chowdary Director Dr. D Manjulatha Director P Ratna Rao Senior General Manager (Finance)</p> <p>Hyderabad 24.05.2018</p>
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Note 2.01: Property, Plant & Equipment

₹ in lakhs

Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 1.4.2017	Additions	(Disposals)	Balance as at 31.3.2018	Upto 1.4.2017	For the year	On disposals	Total upto 31.3.2018	Balance as at 31.3.2018	Balance as at 31.3.2017
Tangible Assets										
Land	9.07	--	--	9.07	--	--	--	--	9.07	9.07
Buildings *	1695.15	--	--	1695.15	986.78	29.71	--	1016.49	678.66	708.36
Plant and Equipment	44940.27	901.21	780.06	45061.42	27332.92	911.56	580.43	27664.05	17397.37	17607.35
Furniture and Fixtures	70.65	--	4.81	65.84	66.12	0.68	4.68	62.12	3.72	4.53
Office equipment	119.63	5.59	41.24	83.98	111.36	2.70	39.26	74.80	9.18	8.27
Vehicles	67.87	0.67	0.45	68.09	51.87	4.62	0.44	56.05	12.04	16.00
Total	46902.64	907.47	826.56	46983.55	28549.05	949.27	624.81	28873.51	18110.04	18353.58
Previous year	46884.12	18.94	0.42	46902.64	27645.84	903.61	0.40	28549.05	18353.58	19238.28

* Buildings of the value of Rs.1677.64 lakhs constructed on Leasehold Land.

Note 2.02: Non-current Financial Assets -Investments

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Investments at Fair Value through Other Comprehensive Income				
Unquoted Equity instruments				
4,02,000 Equity Shares of Rs.10/- each fully paid-up in Andhra Pradesh Gas Power Corporation Ltd.		536.91		750.00
Total		536.91		750.00

Reasons for Investments designated to measure at FVTOCI:

The Company has elected an irrevocable option of classifying at fair value through Other Comprehensive Income as they are not held primarily for trading.

Note 2.03: Non-current Financial Assets -Others

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Security Deposits Recoverable (Unsecured, considered good)		363.46		363.75
Total		363.46		363.75

The Andhra Petrochemicals Limited

Note 2.04: Deferred Tax Assets (Net)

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Major components of Deferred Tax Liabilities and Assets arising on account of timing difference are:				
Assets:				
Expenditure charged to Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis	169.04		137.32	
Provision for decommissioning cost	12.54		11.06	
Unamortised Interest costs	0.11		0.50	
Unabsorbed depreciation under Income Tax Act	2124.47	2306.16	2008.92	2157.80
Liabilities:				
Difference between tax and book depreciation	4061.45		3839.47	
Unamortised transaction costs	8.37	4069.82	15.93	3855.40
MAT credit entitlement		(1763.66)		(1697.60)
		1812.39		812.12
Total		48.73		(885.48)

Note 2.04(a): Deferred Tax Expense/ (Income)

Expense/ (Income) recognised for the year ended	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Deferred tax (liability)/ Asset recognised in statement of profit or loss		(924.37)		(354.39)
Deferred tax (liability)/ Asset recognised in Other Comprehensive Income		(9.84)		(0.15)
Deferred tax recognised in Total Comprehensive Income		(934.21)		(354.54)

Note 2.05: Other Non-current Assets

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Security Deposits Recoverable (Unsecured, considered good)		5.52		5.52
Total		5.52		5.52

Note 2.06: Inventories

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
a. Raw Materials	237.31		492.86	
Goods-in transit	33.30	270.61	7.30	500.16
b. Work-in-process		95.39		120.56
c. Finished goods		312.21		1556.55
d. Stores and spares		932.00		1327.95
Method of valuation is stated in Accounting Policies vide Note No. 1.7				
Total		1610.21		3505.22

The Andhra Petrochemicals Limited

Note 2.07: Trade Receivables

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Trade receivables				
Unsecured, considered good and due for less than six months		3418.10		2180.25
Total		3418.10		2180.25

Note 2.08: Cash and Cash Equivalents

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
a. Balances with banks	90.05	90.05	95.73	95.73
This includes:				
Earmarked Balances (e.g. Unpaid Dividend accounts - less than seven years)	66.61		66.62	
b. Margin money deposits		2.68		1.97
c. Cheques, drafts in transit		134.42		0.73
d. Cash on hand		1.26		1.85
Total		228.41		100.28

Note 2.09: Other Current Financial Assets

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Interest receivable		19.82		20.52
Others		1.22		14.49
Total		21.04		35.01

Note 2.10: Current Tax Assets (Net)

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Prepaid Taxes (Net of Provision)		--		4.85
Total		--		4.85

Note 2.11: Other Current Assets

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Unsecured, considered good				
Prepaid Expenses		24.98		30.75
Advances to Suppliers		182.10		394.91
Advances to staff		0.04		1.07
Income tax Refund Receivable		18.72		15.96
VAT Refund Receivable		1.45		609.03
AP Vat Paid Under Protest		--		1.31
CST Paid Under Protest		13.83		6.29
Service Tax Paid Under Protest		--		0.78
Excise Duty / IGST paid-in-Advance		0.49		19.94
Total		241.61		1080.04

Note 2.12: Equity

a. Equity Share Capital

Particulars	As at 31-03-2018		As at 31-03-2017	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised Equity Shares of ₹10 each	125000000	12500.00	125000000	12500.00
Issued Equity Shares of ₹10 each	84971600	8497.16	84971600	8497.16
Subscribed & Paid up Equity Shares of ₹10 each fully paid	84971600	8497.16	84971600	8497.16
Total	84971600	8497.16	84971600	8497.16

Terms/ rights attached to equity shares

Equity shares have a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

b. Equity Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Particulars	As at 31-03-2018		As at 31-03-2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The Andhra Sugars Limited	28086613	33.05%	28086613	33.05%
Andhra Pradesh Industrial Development Corporation Ltd.,	9180000	10.80%	9180000	10.80%

Note 2.13: Other Equity

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
a) Capital Reserve		23.37		23.37
b) Securities Premium		412.63		412.63
c) General Reserve		2500.00		2500.00
d) Retained Earnings		4346.49		181.84
e) Other Comprehensive Income		--		--
Equity Instruments through Other Comprehensive Income		10.60		(261.74)
Re-measurement of Defined benefit plans		(24.26)		(5.93)
Total		7268.83		2850.17

Nature of reserves:

- a) **Capital Reserve** : Capital reserve represents incentives given by the FFIs for onetime settlement of the foreign currency loan.
- b) **Securities premium** : Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
- c) **General reserve** : The general reserve is created by way of transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- d) **Retained earnings** : Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.
- e) **Other Comprehensive Income:**
Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of:
items that will not be reclassified to profit and loss
 - i. The Company has made an irrevocable election to present the subsequent fair value changes of investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value including tax effects. The company transfers restated fair value amounts from this reserve to retained earnings when the relevant financial instruments are disposed.
 - ii. The actuarial gains and losses along with tax effects arising on defined benefit obligations have been recognised in OCI.

The Andhra Petrochemicals Limited

Note 2.14: Non-current Financial Liabilities - Borrowings

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Secured				
(a) Term loans:				
Rupee term loans for optimisation & modernisation of plant from:				
State Bank of India		--		310.39
Andhra Bank		--		346.20
(Secured by pari passu charge, by mortgage of the Company's immovable properties and hypothecation of movable plant and machinery, present and future. The loans are further secured by a Second Charge on all the remaining movable assets, subject to a charge in favour of Company's bankers towards working capital facilities).				
Terms of Repayment of Balance of loan amounts: Repayable in 5 equal quarterly installments commencing from October 1, 2017.				
(b) Working Capital Term Loans				
IDBI Bank Limited		692.78		1038.65
State Bank of India*		333.58		1188.87
Andhra Bank		333.83		556.38
(Secured By the hypothecation of raw materials, work in process, finished goods, stores and spares and book debts by paripassu charge with Working Capital Lenders and further secured by paripassu charge, by mortgage of the Company's immovable properties and hypothecation of movable plant and machinery, present and future. Further, The Andhra Sugars Limited, promoter of the company has given an undertaking to the bankers to pledge to them its investment in the equity of the company, in the event of default by the company).				
Terms of Repayment: Repayable in 16 equal quarterly instalments commencing from April 1, 2017.				
Unsecured				
Loan from a Promoter Corporate Body		--		4001.52
Total		1360.19		7442.01

* State Bank of Hyderabad (SBH) has been merged with State Bank of India (SBI) with effect from 1st April 2017. Accordingly the dues to erstwhile SBH as at 31.03.2017 amounting to Rs. 555.99 Lakhs have been included in the dues to SBI.

Note 2.15: Non-current Financial Liabilities - Others

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Deposits Refundable		5.00		5.00
Total		5.00		5.00

Note 2.16: Non-current Provisions

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
(a) Provision for employee benefits:				
Compensated Absences		167.60		181.80
(b) Provision for Decommissioning Liability		35.89		33.45
Total		203.49		215.25

Note 2.17: Deferred Tax Liability (Net)

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Major components of Deferred Tax Liabilities and Assets arising on account of timing difference are:				
Liabilities:				
Difference between tax and book depreciation	--	--	3839.47	
Unamortised transaction costs	--	--	15.93	3855.40
Assets:				
Expenditure charged to Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis	--	--	137.32	
Provision for decommissioning cost	--	--	11.06	
Unamortised Interest costs	--	--	0.50	
Unabsorbed depreciation under Income Tax Act	--	--	2008.92	2157.80
Deferred Tax Liability		--		1697.60
MAT credit entitlement		--		812.12
Total		--		885.48

Note 2.18: Current Financial Liabilities - Borrowings

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Secured				
Loans repayable on demand:				
From banks		1424.59		1224.12
(Secured By the hypothecation of raw materials, work in process, finished goods, stores and spares and book debts and collaterally secured by Second Charge on the fixed assets, both present and future, of the Company).				
Total		1424.59		1224.12

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 2.31

Note 2.19: Current Financial Liabilities - Trade Payables

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
(A) Total outstanding dues of Micro and Small Enterprises		--		--
(B) Total outstanding dues of creditors other than Micro and Small Enterprises		569.48		514.46
Total		569.48		514.46

Dues to Small and Medium Enterprises:

(a) Principal amount and interest due thereon remaining unpaid	NIL	NIL
(b) Interest paid in terms of Section 16 of MSMED Act, 2006		
(c) Interest due and payable for the period of delay excluding interest specified under MSMED Act, 2006		
(d) Interest accrued and remaining unpaid at the end of the year		
(e) Further interest due and payable in terms of section 23 of MSMED Act, 2006		

The Andhra Petrochemicals Limited

Note 2.20: Current Financial Liabilities - Others

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
(a) Current maturities of long-term debt		4334.05		2401.01
(b) Interest accrued but not due on borrowings		1.22		12.14
(c) Unpaid dividends		66.61		66.62
Total		4401.88		2479.77

Note 2.21: Current Tax Liabilities (Net)

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
Provision for Income Tax		16.69		--
Total		16.69		--

Note 2.22: Other Current Liabilities

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
(a) Advances received against sales		200.56		1604.33
(b) Other Liabilities		440.22		456.14
Total		640.78		2060.47

Note 2.23: Current Provisions

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	₹ in lakhs	Details	₹ in lakhs
(a) Provision for employee benefits				
Gratuity (Funded)		156.86		135.96
Compensated Absences		132.45		68.77
(b) Provision for Income Tax for earlier years		--		2.15
Total		289.31		206.88

Note 2.24: Revenue From Operations

Particulars	This Year		Previous Year	
	Details	₹ in lakhs	Details	₹ in lakhs
Sale of products (Oxo Alcohols) including excise duty upto 30th June 2017 and exclusive of GST from 1st July, 2017 onwards		53275.25		37043.04
Total		53275.25		37043.04

Note 2.25: Other Income

Particulars	This Year		Previous Year	
	Details	₹ in lakhs	Details	₹ in lakhs
Interest income from:				
Financial assets at amortised cost	21.98		22.67	
Financial assets measured at fair value	189.08		150.95	
Others	--	211.06	10.71	184.33
Other non operating income:				
Net gains (losses) on sale of financial assets measured at FVTPL		2.99		
Miscellaneous Receipts		21.23		9.32
Unclaimed credit balance & excess provisions made in earlier years written back		6.81		12.81
Net gain on disposal of property, plant and equipment		0.12		--
Total		242.21		206.46

Note 2.26: Cost of Materials Consumed

Particulars	This Year		Previous Year	
	Details	₹ in lakhs	Details	₹ in lakhs
Raw Materials Consumed		492.86		394.66
Opening Stock		35583.22		26081.82
Add: Purchases				
		36076.08		26476.48
Less: Closing Stock		237.31		492.86
Total		35838.77		25983.62

Details of Raw materials consumed and derated

Particulars	This Year		Previous Year	
	Details	₹ in lakhs	Details	₹ in lakhs
i) Propylene- consumed		24976.15		17111.34
Propylene- (reversal of deration of previous year)		(8.70)		8.70
ii) Naphtha- consumed		10875.32		8859.58
Naphtha- (reversal of deration of previous year)		(4.00)		4.00
Total		35838.77		25983.62

Note 2.27: Change in Inventories of Finished Goods and Work-in-Process

Particulars	This Year		Previous Year	
	Details	₹ in lakhs	Details	₹ in lakhs
A) Closing Stock				
Finished Goods		312.21		1556.55
Work-in-process		95.39		120.56
Total (A)		407.60		1677.11
B) Opening Stock				
Finished Goods		1556.55		282.39
Work-in-process		120.56		153.33
Total (B)		1677.11		435.72
(Increase)/Decrease in stocks (B-A)		1269.51		(1241.39)
Total		1269.51		(1241.39)

Note 2.28: Employee Benefit Expense

Particulars	This Year		Previous Year	
	Details	₹ in lakhs	Details	₹ in lakhs
Salaries and Allowances		1563.13		1445.78
Company's Contribution to PF and other Funds		97.06		92.01
Contribution to Gratuity Fund		26.37		28.25
Workmen and Staff Welfare Expenses		125.75		111.35
Total		1812.31		1677.39

Employee benefit plans:

As per Indian Accounting Standard 19 "Employees' Benefits" the disclosure of Employee Benefits as defined in the Standard are given hereunder:

Defined Contributions Plans:

Contributions to Defined Contribution plans, recognized as expense for the year, are as under:

Particulars	₹ in lakhs	
	2017-18	2016-17
Employer's Contributions to Provident and Pension Funds	97.06	92.01

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Defined Benefit Plans:

- A. The company provides for gratuity to the employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity is payable on retirement/resignation. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

- B. The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognized in the same manner as gratuity.

I. Reconciliation of opening and closing balances of Defined Benefit obligations (₹ in lakhs)

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	This year	Previous year	This year	Previous year
Defined Benefit obligation at beginning of the year	371.61	345.58	250.56	206.48
Interest Cost	29.27	27.65	19.30	14.96
Current Service Cost	20.25	17.59	41.56	40.89
Benefits paid	(11.47)	(19.65)	(18.58)	(29.27)
Actuarial loss / (gain) on obligation	16.47	0.44	7.21	17.50
Defined Benefit obligation at year end	426.13	371.61	300.05	250.56

II. Reconciliation of opening and closing balances of fair value of plan assets (₹ in lakhs)

Particulars	Gratuity (Funded)	
	This year	Previous year
Fair value of plan assets at beginning of the year	235.65	211.47
Interest Income	23.15	16.99
Contributions	26.44	26.84
Benefits paid	(11.47)	(19.65)
Remeasurements - Return on Assets (Excluding Interest Income)	(4.49)	--
Fair value of plan assets as at the end of the year	269.28	235.65

III. Reconciliation of fair value of assets and obligations as at 31.3.2018 (₹ in lakhs)

Particulars	Gratuity (Funded)	
	31 March, 2018	31 March, 2017
Fair value of plan assets	269.28	235.65
Present value of obligation	426.13	371.61
Amount recognized as liability in Balance sheet	156.85	135.96

(₹ in lakhs)

Particulars	Compensated absences (Unfunded)	
	31 March, 2018	31 March, 2017
Fair value of plan assets	--	--
Present value of obligation	300.05	250.56
Amount recognized as liability in Balance sheet	300.05	250.56

Company is maintaining the planned assets through a group policy with LIC

IV. Expenses recognized during the year in the Statement of Profit & Loss under employee benefit expenses

(₹ in lakhs)

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	This year	Previous year	This year	Previous year
Current Service Cost	20.25	17.59	41.56	40.89
Interest Cost	29.27	27.65	19.30	32.46
Expected return on plan assets	(23.15)	(16.99)	--	--
Actuarial (gain)/ loss	--	--	--	--
Expenses recognized in the statement of Profit & Loss	26.37	28.25	60.86	73.35

V. Amount to be recognized in statement of other comprehensive income

(₹ in lakhs)

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	This year	Previous year	This year	Previous year
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	16.47	0.44	7.21	--
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	4.49	--	--	--
Expenses recognized in the statement of Other Comprehensive Income	20.96	0.44	7.21	--

(₹ in lakhs)

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	This year	Previous year	This year	Previous year
(Gain)/loss from change in demographic assumptions	--	--	--	--
(Gain)/loss from change in financial assumptions	4.49	0.44	9.19	--
(Gain)/loss from change in experience adjustments	16.47	--	(1.99)	--

VI. Significant estimates: actuarial assumptions

Particulars	Gratuity (Funded)	
	31 March, 2018	31 March, 2017
<i>Discount Rate:</i>		
Gratuity (Funded)	8.00%	8.00%
Compensated absences (Unfunded)	8.00%	8.00%
<i>Salary Escalation Rate:</i>		
Gratuity (Funded)	7.00%	7.00%
Compensated absences (Unfunded)	7.00%	7.00%
<i>Withdrawal / Attrition Rate:</i>		
Gratuity (Funded)	5% to 15%	5% to 15%
Compensated absences (Unfunded)	5% to 15%	5% to 15%

VII. Maturity Profile of Defined Benefit Obligations:

(₹ in lakhs)

Particulars	Gratuity (Funded)		Compensated absences	
	This year	Previous year	This year	Previous year
Expected outflow in year1	59.22	28.47	132.45	42.07
Expected outflow in year2	33.73	50.02	49.25	29.68
Expected outflow in year3	43.27	32.15	32.34	24.72
Expected outflow in year4	73.71	39.75	40.49	22.21
Expected outflow in year5	44.52	57.82	19.88	23.31
Expected outflow in year6	70.85	43.53	21.28	15.09
Expected outflow in year7	53.84	61.78	16.09	14.05
Expected outflow in year8	41.30	47.75	10.90	11.14
Expected outflow in year9	52.57	39.75	10.91	8.98
Expected outflow in year10	27.64	45.27	6.53	8.51

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VIII. Significant estimates : Sensitivity analysis

Discount rate, Salary Escalation Rate and Attrition/Withdrawl rate are significant actuarial assumptions. The change in Present value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

(₹ in lakhs)

Particulars	Effect on gratuity valuation	
	This year	Previous year
Impact on present value of defined benefit obligation if discount rate increase by	404.23	351.01
Impact on present value of defined benefit obligation if discount rate decrease by	450.39	394.42
Impact on present value of defined benefit obligation if salary increase by	446.12	387.73
Impact on present value of defined benefit obligation if salary decrease by	406.49	355.45
Impact on present value of defined benefit obligation if withdrawl/attrition increase by	428.00	374.95
Impact on present value of defined benefit obligation if withdrawl/attrition decrease by	424.08	367.94

(₹ in lakhs)

Particulars	Effect on Compensated Absences			
	Leave Encashment		Sick leave benefit	
	This year	Previous year	This year	Previous year
Impact on present value of defined benefit obligation if discount rate increase by	188.98	142.96	104.70	98.41
Impact on present value of defined benefit obligation if discount rate decrease by	201.65	152.52	105.26	108.09
Impact on present value of defined benefit obligation if salary increase by	202.85	169.56	106.17	108.65
Impact on present value of defined benefit obligation if salary decrease by	187.72	156.72	103.78	97.81
Impact on present value of defined benefit obligation if withdrawl/attrition increase by	195.41	148.49	104.41	98.00
Impact on present value of defined benefit obligation if withdrawl/attrition decrease by	194.73	146.57	105.55	108.52

IX. Other Disclosures

(₹ in lakhs)

Particulars	Gratuity	
	This year	Previous year
a) Best Estimate Contribution during the next year	78.43	67.98
b) Discontinuance liability	471.74	442.94

(₹ in lakhs)

Particulars	Effect on Compensated Absences			
	Leave Encashment		Sick leave benefit	
	This year	Previous year	This year	Previous year
a) Best Estimate Contribution during the next year	97.54	73.78	52.49	51.50
b) Discontinuance liability	204.83	63.88	--	--

As per the enterprise's accounting policy actuarial gains and losses are recognized immediately during the same year itself. The above information is certified by the Actuary.

Note 2.29: Finance Charges

(₹ in lakhs)

Particulars	This year		Previous year	
	Details	₹ in lakhs	Details	₹ in lakhs
Interest expense		642.94		1321.61
Amortisation of Interest/transaction costs using Effective Interest Rate		502.68		197.00
Unwinding of discount on provisions		2.44		2.27
Bank charges		38.48		37.19
Total		1186.54		1558.07

Note 2.30: Other Expenses

Particulars	This year		Previous year	
	Details	₹ in lakhs	Details	₹ in lakhs
Consumption of stores and spares		1200.92		962.41
Excise duty paid		1455.25		4153.15
Adjustment of excise duty on stocks		(172.50)		140.83
Fuel, Power and Lighting		4237.12		3399.13
Repairs to Building		24.60		27.61
Repairs to Machinery		411.51		268.85
Rent		34.09		30.50
Rates and Taxes		22.02		23.00
Insurance		52.05		45.89
Directors' Sitting Fees		4.30		5.30
Auditors' Remuneration				
for Audit Fees	2.89		2.87	
for Taxation Matters	0.62		0.94	
for Other Services	2.27		2.13	
for Out of Pocket Expenses	--	5.78	0.02	5.96
Cost Auditors' Remuneration		1.10		1.10
Loss on sale of assets		23.80		--
Loss on sale of equity instruments		--		0.74
Miscellaneous Expenses		287.00		278.51
Assets written off		148.04		--
Total		7735.08		9342.98

Note 2.31: Exceptional items

Particulars	This year		Previous year	
	Details	₹ in lakhs	Details	₹ in lakhs
Electricity duty on captive power generation		--		(115.69)
Total		--		(115.69)

Note 2.32: Income Tax Expense

Particulars	This year		Previous year	
	Details	₹ in lakhs	Details	₹ in lakhs
Income				
Current tax		1000.28		--
Current tax on profits for the year-Based on MAT		1000.28		--
Deferred tax				
Decrease /(increase) in Deferred Tax Assets		(1138.80)		(400.75)
Increase /(decrease) in Deferred Tax Liability		214.43		46.36
		(924.37)		(354.39)
Total Income Tax Expense		75.91		(354.39)

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Note 2.32(a): Reconciliation of tax expense and the accounting profit multiplied by tax rate

Particulars	This year		Previous year	
	Details	₹ in lakhs	Details	₹ in lakhs
Profit from continuing operation before income tax expense		4725.98		(1090.48)
Profit from discontinuing operation before income tax expense		--		--
Total		4725.98		(1090.48)
Tax @34.608% (for FY 16-17 @33.063%)		1635.57		(360.54)
Tax effect of amount which are not deductible (taxable) in calculating taxable income:				
Goodwill impairment		--		--
Amortization of intangibles		--		--
Weighted deduction on research and development expenditure		--		--
Corporate social responsibility expenditure		--		--
Employee share based payment expense		--		--
Contingent consideration		--		--
Other Items		0.01		0.27
Differences in Domestic tax rates		100.25		--
Adjustments of current tax of prior periods		--		--
Tax losses for which no deferred income tax was recognised		--		5.88
Previously unrecognised tax losses now recouped to reduce current tax expense		(1658.66)		--
Previously unrecognised tax losses used to reduce deferred tax expenses		(1.26)		--
Income Tax expense		75.91		(354.39)

Note 2.32(b): Components of Tax expense

Particulars	This year		Previous year	
	Details	₹ in lakhs	Details	₹ in lakhs
a) Current tax expense		1000.28		--
b) Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences (i.e., @33.063%)		(28.87)		(354.54)
c) Amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes (i.e., 34.944%-33.063%)		94.94		--
d) Amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense		1658.66		--
e) Amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense		(1.26)		--

Note 2.32(c): Change in applicable Tax Rate

The applicable tax rate for the Company has been increased from 33.063% to 34.944%. This is due to increase in the applicable surcharge rate from 7% to 12% as the net income of the Company exceeds Rs. 10 Crores. Further, an increase in education cess rate from 3% to 4% have been announced and will be effective from 01 April, 2018. Accordingly, the relevant deferred tax balances have been remeasured using the effective tax rate of 34.944%.

Note 2.32(d): Tax losses not recognised as Deferred Tax Asset

(₹ in lakhs)

Particulars	This year	Previous year
Unused tax losses - Carried forward business losses	2490.65	7283.36
Potential tax benefit	870.33	2408.10

Unrecognised carried forward business losses expires, if unutilised, based on the year of origination as follows:
(₹ in lakhs)

Year of Expiry	This year	Previous year
Financial year ending March 31,		
2022	--	1614.74
2023	648.02	3825.99
2024	1705.68	1705.68
2025	136.95	136.95
Total	2490.65	7283.36

Note 2.32(e): Unused Tax losses recognised as Deferred Tax Asset

(₹ in lakhs)

Particulars	This year	Previous year
Unused tax losses	6079.65	6076.03
Unused tax credits	1812.39	812.12

The unused tax losses recognised as deferred tax asset represents the unabsorbed depreciation which can be carried forward indefinitely and does not have expiry time. The unused tax credits represents the MAT credit entitlements and the same can be carried forward upto 15th assessment year, immediately succeeding the assessment years in which such tax credit becomes allowable.

The Company's future profitability depends on the external factors like international supply and demand for the products, crude prices, exchange fluctuations, dumping from sources other than that covered by Anti dumping duty. The company has made profits during the current financial year as the aforesaid factors are favourable to the company, though it has incurred loss during the preceding financial year. Thus, the improved trading conditions made it more probable that the Company will be able to generate sufficient future taxable profit.

Note 2.33: Contingent Liabilities and Commitments

Particulars	This year		Previous year	
	Details	₹ in lakhs	Details	₹ in lakhs
(i) Contingent Liabilities				
Claims against the company not acknowledged as debt				
(a) Claim by a contractor amounting to		12.00		12.00
(b) Claims by HPCL towards supply of raw materials, contested by Company amounts to		45.67		45.67
(c) Outstanding Guarantees to Banks including Letters of Credit opened with Banks for supplier payments		27.16		13.00
(d) Claims made by EPDC of A.P.Ltd., contested by Company towards:				
i) Grid Support charges		115.97		115.97
ii) Disputed demand charges against APGPCL Demand allocation		10.47		10.47
iii) Demand against excess incentive recovery		13.19		13.19
iv) Demand raised by APEPDCL against Stage-II supply from APGPCL		13.28		13.28
(e) Others:				
i) Disputed Income Tax demands for the Asst. Years 2006-07, 2008-09, 2009-10, 2012-13 & 2015-16		99.75		26.88
ii) Disputed CST amount on Interest collected from Debtors during the FY 2014-15, 2015-16, 2016-17 and 2017-18 upto 30th June 2017. (Rs.13.83 Lakhs paid under protest - grouped under Short Term Loans & Advances)		16.72		6.29
iii) Disputed Service Tax Demands for the period from December, 2011 to March, 2016 (Rs.0.77 lakh paid under protest - grouped under Short Term Loans & Advances)		--		10.38
iv) Disputed Service Tax Demands for the period from April, 2014 to March, 2017		0.84		--
v) Disputed Cenvat Demand & Penalty on Structural Steel		--		89.61
vi) Differential Rent payable to APGPCL under dispute		0.96		0.31
(ii) Commitments				
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		--		--
(b) Bills discounted		--		471.40

Note 2.34: Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

(Amount in ₹)

Particulars	Notes	March 31, 2018	March 31, 2017
Current assets			
Financial assets			
Trade receivables	2.07	341809916.20	218025266.00
Non-financial assets			
Inventories	2.06	161021202.76	350521976.88
Non-current assets			
Land	2.01	907082.80	907082.80
Buildings	2.01	67866044.00	70825109.00
Plant and Equipment	2.01	1739736957.00	1760735356.00
Furniture and Fixtures	2.01	372294.00	452488.00
Office equipment	2.01	918587.88	839292.00
Vehicles	2.01	1202738.00	1599119.00

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Note 2.35: Movements in provisions

(Amount in ₹)

Particulars	Decommissioning liability
Balance as at 01-04-2017	3345208
Charged/ (credited) to profit/loss account	
Additional provision recognised	
Unused amounts reversed	--
unwinding of discount on provisions	243532
Amounts used during the year	--
Balance as at 31-03-2018	3588740

Provision for decommissioning liability:

Decommissioning Liability: This provision has been created for estimated costs of dismantling and removing the item and restoring the site in respect of leased premises on which the plant is super structured. The lease agreement is for a period of 30 years which is valid upto 26th June, 2019. The company has an intention to extend the same for a further period of 30 years, i.e., upto 26th June, 2049.

Note 2.36: Segment information

The Company operates only in one business segment being the manufacture of Oxo-Alcohols and there are no geographical segments to be reported.

Note 2.37: As per Indian Accounting Standard 24 "Related parties disclosure" the disclosure of Related parties as defined in the Standard are given hereunder:

I. List of Related Parties:

Sl. No.	Name of the Related Party	Relationship
1.	The Andhra Sugars Limited	Promoter
2.	Andhra Pradesh Industrial Development Corporation Limited	Promoter
3.	JOCIL Limited	A Subsidiary Company of The Andhra Sugars Limited, Promoter
4.	Jayalakshmi Fertilisers, Tanuku (upto 14.02.2018)	Firm in which Key Managerial Personnel (Dr. BB.Ramaiah) is a partner
5.	Dr. B.B. Ramaiah (upto 14.02.2018)	Managing Director
6.	Sri K Narasappa (from 23.05.2017)	President
7.	Sri P Ratna Rao	Key Managerial Personnel [Senior General Manager (Finance)]

II. Transactions with the Related Parties:

(₹ in lakhs)

Particulars	The Andhra Sugars Limited (Promoter)		JOCIL Limited (A Subsidiary Company of The Andhra Sugars Limited, Promoter)		Jayalakshmi Fertilisers, Tanuku (Firm in which KMP is a partner)	
	This year	Previous year	This year	Previous year	This year	Previous year
Purchase of goods from	99.93	67.23	NIL	NIL	NIL	NIL
Services received from	0.89	0.81	NIL	NIL	NIL	NIL
Sales of goods to	NIL	NIL	NIL	NIL	NIL	0.42
Sale of shares of APGPCL	NIL	1000.00	NIL	NIL	NIL	NIL
Interest paid on Inter-Corporate Loan taken during the year	479.67	393.70	NIL	64.18	NIL	NIL
Principal amount repaid on Inter-Corporate Loan	1000.00	NIL	NIL	2500.00	NIL	NIL
Inter-Corporate Loan from	--	2500.00	NIL	2500.00	NIL	NIL

III. Details of amount due to or due from related parties as at March 31, 2018 and March 31, 2017 (₹ in lakhs)

Particulars	As at	
	March 31, 2018	March 31, 2017
Trade Receivables		
The Andhra Sugars Limited (Promoter)	NIL	NIL
JOCIL Limited (A Subsidiary Company of The Andhra Sugars Limited, Promoter)	NIL	NIL
Jayalakshmi Fertilisers, Tanuku (Firm in which KMP is a partner)	NIL	NIL
Trade Payables		
The Andhra Sugars Limited (Promoter)	NIL	NIL
JOCIL Limited (A Subsidiary Company of The Andhra Sugars Limited, Promoter)	NIL	NIL
Loans		
The Andhra Sugars Limited (Promoter)	3000.00	4000.00
JOCIL Limited (A Subsidiary Company of The Andhra Sugars Limited, Promoter)	NIL	NIL

The above loans carries an interest rate of 12% per annum

IV. Loans and advances in the nature of loans taken from related parties (₹ in lakhs)

Particulars	Maximum amount outstanding	
	This year	Previous year
The Andhra Sugars Limited (Promoter)	3000.00	4000.00
JOCIL Limited (A Subsidiary Company of The Andhra Sugars Limited, Promoter)	NIL	2500.00

IV. Transactions with Key Managerial Personnel (₹ in lakhs)

Particulars	This year		Previous year	
	Sri K.Narasappa	Sri P Ratna Rao	Dr.VN Rao	Sri P Ratna Rao
Short-term employee benefits	55.91	38.09	88.01	25.24
Post-employment gratuity and medical benefits	--	--	--	--
Termination benefits	--	--	--	--
Share-based payment transactions	--	--	--	--
Total compensation paid to Key Managerial Personnel	55.91	38.09	88.01	25.24

Note : All the aforesaid related party transactions were carried on arms' length basis

Note 2.38: Particulars of earnings per share

Particulars	This year	Previous year
Profit attributable to equity holders:		
Continuing operations	465007376	(73607491)
Discontinued operation	--	--
Profit attributable to equity holders of the parent for basic earnings	465007376	(73607491)
Interest on convertible preference shares	--	--
Profit attributable to equity holders of the parent adjusted for the effect of dilution	465007376	(73607491)

Particulars	This year	Previous year
Weighted average number of Equity shares for basic EPS*	84971600	84971600
Effect of dilution	--	--
Share options	--	--
Convertible preference shares	--	--
Weighted average number of Equity shares adjusted for the effect of dilution	84971600	84971600

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements

Earnings per equity share (for continuing operations)	This year	Previous year
a) Basic	5.47	(0.87)
b) Diluted	5.47	(0.87)

Note:2.39: Operating Lease

The Company's plant is super structured on leased premises. The term of the lease arrangement is 30 years which is valid upto 26th June, 2019. The leases have escalation clauses of (annual rentals fixed by the Port Trust Board on the valuation made by the District Revenue Authorities on quinquennium basis) and renewal rights. The Company has an intention to renew the lease agreement for a further period of 30 years. On renewal, the terms of the leases will be renegotiated.

(₹ in lakhs)

Particulars	This year	Previous year
Future minimum lease payments under non cancellable operating leases for each of the following periods:		
Within One Year	26681766	1916980
Later than One year but not later than Five years	6359763	1916980
Later than Five Years	--	456924
Total	33041529	4290884

Future Minimum Sublease payments expected to be received under Non-Cancellable Operating leases

(₹ in lakhs)

Particulars	This year	Previous year
Sublease payments receivable	239826	16526

Rental expenses relating to Operating Leases

(₹ in lakhs)

Particulars	FY 2017-18	Previous year
Minimum Lease Payments	1826542	1826542
Sublease payments	90438	90438
Total Rental expenses relating to Operating leases	1916980	1916980

Note 2.40: Impairment of Assets

According to an internal technical assessment carried out by the Company, there is no impairment in the carrying cost of cash generating units of the Company in terms of Indian Accounting Standard 36 'Impairment of Assets'

Note 2.41: CIF value of imports

(₹ in lakhs)

Particulars	This year	Previous year
Capital goods	--	--
Components and spare parts	431.08	499.90

Note 2.42: Details of imported and indigeneous raw materials and spares consumed

Particulars	This year		Previous year	
	(₹ in lakhs)	%	(₹ in lakhs)	%
Raw Materials				
Imported	Nil	Nil	Nil	NIL
Indigenous	35838.77	100	25983.62	100
Stores & Spares				
Imported	852.86	24	454.31	21
Indigenous	2734.34	76	1706.93	79
Total	3587.20	100	2161.24	100

Note 2.43: Foreign Currency disclosures

(₹ in lakhs)

	This year	Previous year
Expenditure in foreign currency on account of: Bank charges, Subscriptions, Foreign Tour expenses and cost of services etc.	4.80	4.03
Earnings in foreign currency:	Nil	Nil

Note: Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with the current year figures.

Per our report of even date	For and on behalf of the Board	
For C V Ramana Rao & Co., Chartered Accountants Firm Regn No.002917S Katyayani K Partner Membership No.: 225030	P Narendranath Chowdary Dr. D Manjulatha P Ratna Rao	Director Director Senior General Manager (Finance)
Place: Hyderabad Date : 24.05.2018	Hyderabad 24.05.2018	

The Andhra Petrochemicals Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

	31-Mar-2018	31-Mar-2017
A) Cash Flow from Operating Activities:		
Profit/(Loss) for the year before exceptional items:		
Profit/(Loss) from continuing operations	4725.98	(1090.48)
Profit/(Loss) from discontinued operations	0.00	0.00
Profit before tax	4725.98	(1090.48)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment and amortisation	949.27	903.61
Finance costs(including fair value change in financial instruments)	1186.54	1558.09
Finance income(including fair value change in financial instruments)	(211.06)	(184.32)
Gain on disposal of property, plant and equipment	(0.12)	0.00
Profit on sale of investments-Mutual fund	(2.99)	0.00
Loss on sale of property, plant and equipment	23.80	0.00
Assets Written off	148.04	0.00
Loss on sale of Equity instruments	0.00	0.74
Unclaimed credit balances written back	(6.81)	(12.81)
Unamortisation transaction costs	23.01	17.01
	-----	-----
Operating Profit before Working Capital changes	6835.66	1191.84
Working capital adjustments:		
Movements in provisions,gratuity and government grants	44.65	47.76
Decrease/ (Increase) in trade and other receivables and Pre payments	(382.40)	(2322.50)
Decrease / (Increase) in inventories	1895.01	(1401.91)
Increase /(Decrease) in trade and other payables	(1368.78)	1006.55
	-----	-----
Cash generated from operations	7024.14	(1478.27)
Income Tax (paid)/refund	(983.65)	52.95
	-----	-----
Net Cash generated in operations before extra-ordinary items	6040.49	(1425.32)
Insurance proceeds received on fire loss of profits claim settlement	0.00	0.00
	-----	-----
Net cash flows from operating activities	6040.49	(1425.32)
B) Cash Flow from Investing Activities:		
Proceeds from sale of property,plant and equipments	30.04	0.02
Purchase of property,plant and equipments	(989.58)	(21.20)
Proceeds from sale of assets held for disposal	0.00	20.20
Sale of investment properties	0.00	0.00
Purchase of financial instruments	(1400.00)	0.00
Proceeds from sale of financial instruments	1402.98	1000.00
Interest received	211.06	184.32
Intangible asset under development	(9.00)	0.00
	-----	-----
Net cash flows used in investing activities	(754.50)	1183.34
C) Cash Flow from Financing Activities:		
Payment of finance lease liabilities	0.00	0.00
Interest paid	(1186.54)	(1558.09)
Proceeds from borrowings	200.47	4390.30
Repayments of borrowings	(4171.79)	(2601.36)
Dividends paid to equity holders	0.00	0.00
Dividend distribution tax	0.00	0.00
Dividends paid to non controlling interest	0.00	0.00
	-----	-----
Net Cash flows/(used in) Financing Activities	(5157.86)	230.86
	-----	-----
Net increase/(decrease) in Cash & Cash equivalents (A + B + C)	128.13	(11.12)
Opening balance of Cash & Cash equivalents	100.28	111.40
Closing balance of Cash & Cash equivalents	228.41	100.28

Reconciliation of cash and cash equivalents as per cash flow statement:

Cash and cash equivalents comprises of the following

Particulars	31-Mar-2018	31-Mar-2017
Cash and cash equivalents	228.41	100.28
Bank Overdrafts	0.00	0.00
Balance as per statement of cash flows	228.41	100.28

Reconciliation of Liabilities arising from Financing activities as at 31.03.2018

(Amount in ₹)

Particulars	Term Loans	Cash Credit Facility	Unsecured Loans	Total
Balance as on 1 st April, 2017	58,41,50,188.00	12,24,12,352.92	40,01,52,225.00	1,10,67,14,765.92
Add : Proceeds from fresh borrowings	--	2,00,46,932.59	--	2,00,46,932.59
Amortised interest / transaction costs using EIR	5,69,55,302.00	46,01,003.00	4,78,46,167.00	10,94,02,472.00
Less: Repayments of the borrowings	31,71,79,196.00	--	10,00,00,000.00	41,71,79,196.00
Interest paid for the period	5,45,33,499.00	46,01,003.00	4,79,67,122.00	10,71,01,624.00
Balance as on 31 st March, 2018	26,93,92,795.00	14,24,59,285.51	30,00,31,270.00	71,18,83,350.51

Reconciliation of Liabilities arising from Financing activities as at 31.03.2017

(Amount in ₹)

Particulars	Term Loans	Cash Credit Facility	Unsecured Loans	Total
Balance as on 1 st April, 2016	69,82,08,545.49	7,76,93,370.03	15,02,16,388.07	92,61,18,303.59
Add : Proceeds from fresh borrowings	--	4,47,18,982.89	50,00,00,000.00	54,47,18,982.89
Amortised interest / transaction costs using EIR	8,92,64,904.00	1,12,92,287.00	4,57,23,234.00	14,62,80,425.00
Less: Repayments of the borrowings	11,58,23,934.00	--	25,00,00,000.00	36,58,23,934.00
Interest paid for the period	8,74,99,327.00	1,12,92,287.00	4,57,87,397.00	14,45,79,011.00
Balance as on 31 st March, 2017	58,41,50,188.49	12,24,12,352.92	40,01,52,225.07	1,10,67,14,766.48

Per our report of even date	For and on behalf of the Board	
For C V Ramana Rao & Co.,	P Narendranath Chowdary	Director
Chartered Accountants	Dr. D Manjulatha	Director
Firm Regn No.002917S	P Ratna Rao	Senior General Manager (Finance)
Katyayani K		
Partner		
Membership No.: 225030		
Place: Hyderabad	Hyderabad	
Date : 24.05.2018	24.05.2018	

Statement of Changes in Equity for the year ended 31st March, 2018

(Amount in ₹)

A.	Equity share capital	As at 31-03-2018	As at 31-03-2017
	Balance at the beginning of the reporting period	849716000.00	849716000.00
	Changes in equity share capital during the year	--	--
	Balance at the end of the reporting period	849716000.00	849716000.00

The Andhra Petrochemicals Limited

B Other Equity

(Amount in ₹)

Particulars	Balance as on 01.04.2017.	Total comprehensive income for the year	Dividends	Transfer to retained earnings	Any other change (to be specified)	Balance as on 31.03.2018
Share application money pending allotment	--	--	--	--	--	--
Equity component of compound financial instruments	--	--	--	--	--	--
Reserves and surplus						
Capital Reserve	2337440.00	--	--	--	--	2337440.00
Securities Premium Reserve	41262798.00	--	--	--	--	41262798.00
General Reserve	250000000.00	--	--	--	--	250000000.00
Retained Earnings	18184209.48	465007375.37	--	(48542490.00)	--	434649094.85
Debt instruments through Other Comprehensive Income	--	--	--	--	--	--
Equity Instruments through Other Comprehensive Income	(26173740.00)	(21309168.00)	--	48542490.00	--	1059582.00
Effective portion of Cash Flow Hedges	--	--	--	--	--	--
Revaluation Surplus	--	--	--	--	--	--
Exchange differences on translating the financial statements of a foreign operation	--	--	--	--	--	--
Remeasurement gains/(losses) on the defined benefit obligations	(593601.33)	(1832453.17)	--	--	--	(2426054.50)
Money received against share warrants	--	--	--	--	--	--
Total	285017106.15	441865754.20	--	--	--	726882860.35

3. FINANCIAL INSTRUMENTS

3.1: Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

(Amount in ₹)

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets at fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	22840595.89	--	--	--	--	22840595.89	22840595.89
Investments:							
Unquoted equity instruments	--	--	--	53690832.00	--	53690832.00	53690832.00
Trade receivables	195638932.20	--	--	--	146170984.00	341809916.20	341809916.20
Loans	--	--	--	--	--	--	--
Other financial assets	35932129.14	--	2517929.00	--	--	38450058.14	38450058.14
Total	254411657.23	--	2517929.00	53690832.00	146170984.00	456791402.23	--
Liabilities:							
Trade payables	56947589.65	--	--	--	--	56947589.65	56947589.65
Other financial liabilities	719166248.01	--	--	--	--	719166248.01	719166248.01
Total	776113837.66	--	--	--	--	776113837.66	--

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

(Amount in ₹)

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets at fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	10028210.55	--	--	--	--	10028210.55	10028210.55
Investments:							
Unquoted equity instruments	--	--	--	75000000.00	--	75000000.00	75000000.00
Trade receivables	--	--	--	--	218025266.00	218025266.00	218025266.00
Loans	--	--	--	--	--	--	--
Other financial assets	36002550.14	--	3873246.00	--	--	39875796.14	39875796.14
Total	46030760.69	--	3873246.00	75000000.00	218025266.00	342929272.69	--
Liabilities:							
Trade payables	51445900.65	--	--	--	--	51445900.65	51445900.65
Other financial liabilities	1115090032.42	--	--	--	--	1115090032.42	1115090032.42
Total	1166535933.07	--	--	--	--	1166535933.07	--

3.2: Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A) The following methods and assumptions were used to estimate the fair values

The fair value of cash and cash equivalents, trade receivables and payables, financial liabilities and assets approximate their carrying amount largely due to the short-term maturities of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. The fair value of unquoted equity investments designated and recognised through Other Comprehensive Income has been determined by using the Income approach through the present value techniques.

B) Fair value hierarchy

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Level 1 hierarchy includes inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs that are observable either directly or indirectly for the asset or liability, other than quoted prices included within Level 1.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

C) Statement showing the fair value hierarchy of the financial assets and liabilities measured at fair value on a recurring basis

Particulars	Fair Values as at		Fair Value Hierarchy
	31-Mar-18	31-Mar-17	
Financial Assets			
Trade receivables	146170984.00	218025266.00	Level 2
Other financial assets	2517929.00	3873246.00	Level 2
Investment in unquoted Equity Instruments	53690832.00	75000000.00	Level 3

During the year ended 31st March 2018, the company transferred the unquoted equity instruments from Level 2 into Level 3 due to non-availability of

- quoted price for similar or identical assets in the markets that are not active to the nearest date to the reporting date or
- inputs other than quoted prices that are observable for the asset.

D) Management's approach and the key assumptions used to determine the fair value under Level 3 hierarchy:

Income approach is the valuation technique used for determination of the fair value of the unquoted equity instruments. It converts the future expected cashflows (savings in costs) to a single discounted amount by using the Present value techniques.

Financial asset	Unobservable inputs	Value assigned to key assumption	Approach to determining key assumption
Unquoted Equity instruments in APGCL	Annual Savings	Rs 2.05 per unit	Estimated based on company's past experience
	No. of units of power	3994560 units	Estimated that the company continues to hold the same no. of equity shares in the foreseeable future
	Cashflow forecast period	5 years	Reviewed the 5 year forecasts prepared by the technical personnel
	Long term growth rate (%)	2	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rate is consistent with forecasts included in industry reports.
	Discount rate(%)	13.87	Based on the company's cost of equity

E) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:

Particulars	(Amount in ₹)
Balance as at 1 April 2017	75000000.00
Re-measurement recognised in OCI	(21309168.00)
Purchases	--
Reclassified in discontinued operations	--
Sales	--
Balance as at 31 March 2018	53690832.00

The Andhra Petrochemicals Limited

3.3: Offsetting financial assets and financial liabilities as on March 31, 2018

(Amount in ₹)

Particulars	Effects of offsetting on the balance sheet			Related amounts not set off		Net amount
	Gross amount	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instruments collateral	
Financial assets						
Cash and cash equivalents	22840595.89	--	22840595.89	--	--	22840595.89
Trade receivables	341809916.20	--	341809916.20	--	341809916.20	--
Other financial assets	92140890.14	--	92140890.14	--	--	92140890.14
Derivative financial instruments	--	--	--	--	--	--
Financial liabilities						
Trade payables	56947589.65	--	56947589.65	--	--	56947589.65
Borrowings	711883350.51	--	711883350.51	--	341809916.20	370073434.31
Other financial liabilities	7282897.50	--	7282897.50	--	--	7282897.50
Derivative financial instruments	--	--	--	--	--	--

Offsetting financial assets and financial liabilities as on March 31, 2017

(Amount in ₹)

Particulars	Effects of offsetting on the balance sheet			Related amounts not set off		Net amount
	Gross amount	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instruments collateral	
Financial assets						
Cash and cash equivalents	10028210.55	--	10028210.55	--	--	10028210.55
Trade receivables	265164989.00	(47139723.00)	218025266.00	--	218025266.00	--
Other financial assets	114875796.14	--	114875796.14	--	--	114875796.14
Derivative financial instruments	--	--	--	--	--	--
Financial liabilities						
Trade payables	51445900.65	--	51445900.65	--	--	51445900.65
Borrowings	866612896.92	--	866612896.92	--	218025266.00	648587630.92
Other financial liabilities	248477135.50	--	248477135.50	--	--	248477135.50
Derivative financial instruments	--	--	--	--	--	--

Under the terms of supply agreements the sales were made against LC . Bills discounted with banks were being offsetted against trade receivables while presenting in the balance sheet.

3.4: Financial risk management framework

A) The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management framework aims at,

- i) Improve financial risk awareness and risk transparency
- ii) Identify, control and monitor key risks
- iii) Identify risk accumulations
- iv) Provide management with reliable information on the Company's risk situation
- v) Improve financial returns

B) The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis, credit ratings	Credit Limits and Letters of Credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – Interest rate	Long term borrowings at fixed rates for one year	Sensitivity analysis	Credit rating
Market risk- Commercial risk	Price variations	Sensitivity analysis	Product manufacturing planning

a) Credit risk:

i) Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), from cash and cash equivalents, deposits with banks. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis

ii) Financial assets that are neither past due nor impaired

Cash and cash equivalents, deposits with banks, security deposits, investments in securities & mutual funds are neither past due nor impaired.

Cash and cash equivalents, deposits are held with banks which are reputed and credit worthy banking institutions. Hence the expected credit loss is negligible.

Investments in securities & mutual funds are actively traded in the stock markets and there is no collateral held against these because the counterparties are entities with high credit ratings assigned by the various credit rating agencies. Hence the expected credit loss is negligible.

iii) Financial assets that are past due but not impaired

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products is less than 45 days. All trade receivables are reviewed and assessed for default on a quarterly basis. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)
Within the Credit Period	0%
Up to 60 days past due	0.25%
60-90 days past due	0.5%
More than 90 days past due	1%

b) Liquidity risk:

i) Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit line to meet obligations. Due to the dynamic nature of underlying business, company maintains flexibility in funding by maintaining availability under committed credit lines.

ii) Maturities of financial liabilities

The table below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities:

As on March 31, 2018

(Amount in ₹)

Current maturities of financial liabilities	Less than 6 months	6 months to 12 months	Greater than 12 months	Total
Non-derivatives				
Borrowings	142459285.51	--	136018634.00	278477919.51
Trade payables	44600831.65	12030438.00	316320.00	56947589.65
Other financial liabilities	81228467.50	358959861.00	500000.00	440688328.50

The Andhra Petrochemicals Limited

As on March 31, 2017

(Amount in ₹)

Current maturities of financial liabilities	Less than 6 months	6 months to 12 months	Greater than 12 months	Total
Non-derivatives				
Borrowings	122412352.92	--	744200544.00	866612896.92
Trade payables	51445900.65	--	--	51445900.65
Other financial liabilities	105875266.50	142101869.00	500000.00	248477135.50

c) Market Risk

i) Interest Rate Risk -

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Sensitivity to changes in interest rates

(Rs in Lakhs)

Particulars	Impact on profit	
	FY 2017-18	FY 2016-17
<u>Sensitivity Analysis of Borrowings</u>		
Rate of Interest Increase by 1%		
Term Loans	(41.53)	(65.64)
Cash Credit Loans	(3.55)	(8.54)
	(45.08)	(74.18)
Rate of Interest Decrease by 1%		
Term Loans	41.53	65.64
Cash Credit Loans	3.55	8.54
	45.08	74.18

ii) Commercial risk -

The commercial risk is the risk due to the change in market prices of raw materials and finished goods and it is measured through sensitivity analysis by taking variance of 5%

1. Selling price risk

(Rs in Lakhs)

Particulars	Impact on profit	
	FY 2017-18	FY 2016-17
Selling Price Increase by 5%		
2-Ethyl Hexanol	1958.67	1316.92
Butanols	632.33	327.57
	2591.00	1644.49
Selling Price Decrease by 5%		
2-Ethyl Hexanol	(1958.67)	(1316.92)
Butanols	(632.33)	(327.57)
	(2591.00)	(1644.49)

2. Raw materials price risk

(Rs in Lakhs)

Particulars	Impact on profit	
	FY 2017-18	FY 2016-17
Propylene Price Increase by 5%	(1248.37)	(855.84)
Naphtha Price Increase by 5%	(543.57)	(443.12)
	(1791.94)	(1298.96)
Propylene Price Decrease by 5%	1248.37	855.84
Naphtha Price Decrease by 5%	543.57	443.12
	1791.94	1298.96

The Andhra Petrochemicals Limited

3.5: Capital management

The company's objectives when managing capital is to safeguard their ability to continue as a going concern, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The company sets the amount of capital required on the basis of annual business and long -term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The company tries to maintain an optimal capital structure to reduce cost of capital and monitors capital on the basis of debt-equity ratio.

Debt Equity Ratio

(Rs in Lakhs)

Particulars	FY 2017-18	FY 2016-17
Debt		
Borrowings - Non-current	1360.19	7442.01
Current maturities of long-term debt	4334.05	2401.02
Total Debt	5694.24	9843.02
Equity Share Capital	8497.16	8497.16
Other Equity	7268.83	2850.17
Total Equity	15765.99	11347.33
Debt to equity Ratio	0.36	0.87

Note. 4: Significant accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

4.1: Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

4.2: Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4.3: Impairment of Financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.4: Operating Lease

The Company has taken on lease a commercial property for its business operations and the lease rentals for the property are subject to escalations during the tenure of lease. However, as these escalations were in the nature of general inflation to compensate for the lessor's expected inflationary cost increase, the company is directly charging the lease payments to the statement of profit and loss instead of following straight line method of charging lease payments.

4.5: Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.6: Employee benefits (gratuity and compensated absences)

The cost of the defined benefit plans and the present value of the gratuity/compensated absences obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for the specific countries.

The Andhra Petrochemicals Limited

Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

4.7: Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.8: Provision for decommissioning

The company has recognised a provision for decommissioning obligations associated with the leased premises on which the plant is super structured. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

4.9: Contingencies

Management judgment is required for estimating the possible inflow/ outflow of resources, if any, in respect of contingencies/ claims/ litigations against the Company/ by the Company as it is not possible to predict the outcome of pending matters with accuracy.



THE ANDHRA PETROCHEMICALS LIMITED

CIN: L23209AP1984PLC004635

Regd. Office: Venkatarayapuram, TANUKU - 534215

W.G. District, Andhra Pradesh

Phone: 08819-224075 & 22097, Fax: 08819-224168

E-mail: info.tnk@andhrapetrochemicals.com Website:www.andhrapetrochemicals.com

Dt. 1.9.2018

Dear Shareholder,

Sub : **Updation of PAN, Bank & e-mail details - reg.**

We draw your kind attention to the Circular issued by Securities and Exchange Board of India (SEBI) No.SEBI/HO/MIRSD/DOP1/2018/73 dated 20.4.2018. Vide that Circular SEBI had directed all the listed companies to send a communication to all its shareholders holding shares in physical form and obtain copy of PANs of all the shareholders and Bank account details of the first / sole shareholder of the Company.

To enable us to update the PAN and Bank account details, we request you to kindly submit the following documents within 21 days of receipt of this letter:

- **Copy of self-attested PAN card of the shareholders, including joint holders, if any, in the attached format**
- **Bank Account details of the first / sole shareholder, as per the Bank Mandate Form attached**
- **Original cancelled cheque leaf with the name of the first / sole shareholder printed on it or copy of bank pass book showing name & account details of the account holder attested by the bank**

In case of dividend declarations by the Company, all dividends including past unpaid dividends, if any, will be directly credited to the bank account furnished by you. It is not out of place to mention here that under Section 124 (6) of the Companies Act, 2013 if dividends remain unpaid / unclaimed for a period of 7 consecutive years, then, the underlying shares are also liable to be transferred to the account of IEPF Authority.

Further, we invite your attention to SEBI Notification No.SEBI/LAD-NRO/GN/2018/24 dated 8.6.2018 amending SEBI (Listing Obligations & Disclosure Requirements) Regulations to the effect that "**No physical transfer of shares with effect from 5 December, 2018**". **All the transfers after the specified date shall be through demat / electronic form only.**

We request you to kindly arrange to **send the first / sole shareholder's e-mail ID**, as per the format attached (for sending future communications).

Duly filled in attached form with enclosures shall be sent to our Registrars and Share Transfer Agents at the following Address:

M/s X L Softech Systems Ltd.,

(Unit: The Andhra Petrochemicals Ltd)

3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034

E-mail ID: xlfield@gmail.com Website: www.xlsoftech.com

Thanking you,

Yours faithfully,

For **The Andhra Petrochemicals Limited**

P Narendranath Chowdary

Managing Director

PAN MANDATE FORM

Name of the Company	THE ANDHRA PETROCHEMICALS LIMITED
Folio No. & Present Address	

First / Sole Shareholder Name	PAN 1																			
First Jt. holder Name	PAN 2																			
Second Jt. holder Name	PAN 3																			

(SELF-ATTESTED COPIES OF PAN CARD ENCLOSED HEREWITH)

BANK MANDATE FORM

Name of the Bank																				
Branch Name & Address																				
Bank A/c. type (SB A/c. / Current A/c)																				
Bank A/c. No.																				
Bank MICR ECS Code No.																				
Bank IFSC Code																				

(ORIGINAL CANCELLED CHEQUE LEAF WITH THE NAME OF SHARE HOLDER PRINTED THEREON IS ATTACHED HEREWITH)

E-MAIL REGISTRATION FORM

E-mail ID																				
Telephone No. / Mobile No.																				

I hereby

- a. State that the particulars of PAN & Bank Account Details are correct and complete
- b. Authorise the Company / RTA to credit my dividend on the shares held by me directly to my bank Account mentioned herein above
- c. Convey my consent to receive all communications, Annual Report / Notice of the meetings from the Company through E-mail rather than hard copy.

Signature of the first / sole shareholder : _____



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Regd. Office: Venkatarayapuram, Tanuku - 534215

W.G.District, Andhra Pradesh

Phone Nos.: 08819-224075 & 220975, Fax: 08819-224168

E-mail: info.tnk@andhrapetrochemicals.com, Website: www.andhrapetrochemicals.com

**34th Annual General Meeting
PROXY FORM**

Name of the Member (s) :
Registered address :

E-mail ID :
Folio No. / DP ID-Client ID No. :

I/We, being the member(s) of shares of the above named Company hereby appoint :

- (1) Name : Address :
E-mail ID Signature or failing him
- (2) Name : Address :
E-mail ID Signature or failing him
- (3) Name : Address :
E-mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 28th September, 2018 at 3:00 p.m. at the Registered Office and at any adjournment thereof in respect of such Resolutions as are indicated below:

Ordinary Business:

- 1. Adoption of Audited Financial Statements for the year ended 31st March, 2018 and reports of Board of Directors and Auditors thereon.
- 2. Reappointment of Sri Ravi Pendyala (DIN 03375555) as Director.
- 3. Reappointment of Dr. V.N. Rao (DIN 0861884) as Director.
- 4. Fixation of remuneration of Statutory Auditors, M/s. C.V. Ramana Rao & Co., Chartered Accountants (Firm Regn. No. 002917S) for the year 2018-19.

Special Business:

- 5. Special Resolution for appointment of Sri P. Narendranath Chowdary (DIN 00015764) as Managing Director for a period of 5 years.
- 6. Ordinary Resolution for ratification of remuneration to be paid to M/s. Narasimha Murthy & Co., Cost Accountants (Regn. No. 000042) as Cost Auditors for the Financial Year 2018-19.
- 7. Ordinary Resolution for appointment of Sri Soloman Arokiyaraj, I.A.S., (DIN 06802660) as Director
- 8. Special Resolution for appointment of Dr. P. Kotaiah (DIN 00038420) as an Independent Director for a period of 5 years.

Signed this day of 2018

Signature of Shareholder (s)

Signature of Proxy holder(s)



Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

E-voting Particulars :

PAN / Sequence No.	User ID (Demat No. / Folio No.)	Bank Account Details as available with the Company or Folio No.



THE ANDHRA PETROCHEMICALS LIMITED

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Regd. Office: Venkatarayapuram, Tanuku - 534215

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Folio No. / DP ID & Client ID No.

Name of the Member

No. of Shares held

Name of Proxy

(to be filled in only when a Proxy attends the Meeting)

I hereby register my presence at the 34th ANNUAL GENERAL MEETING being held on Friday, the 28th September, 2018 at 3:00 p.m.

.....
Signature of Member / Proxy

* This Slip may please be handed over at the entrance of Meeting Hall.

PRINTED MATTER

To

If undelivered, please return to :
The Andhra Petrochemicals Limited,
Venkatarayapuram,
Tanuku - 534 215,
West Godavari Dist.,
Andhra Pradesh.