



**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/32

3 October 2016

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 32nd Annual Report of the Company for the Financial Year 2015-16 as approved and adopted by the Members at the Annual General Meeting held on 29th September, 2016 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**



**32nd Annual Report
2015 - 16**

THE ANDHRA PETROCHEMICALS LIMITED

Board of Directors

Sri M R B Punja (Chairman)
Dr. B B Ramaiah (Managing Director)
Sri P Narendranath Chowdary
Sri A A Krishnan
Sri Surinder Kumar Kapoor
Sri Mullapudi Thimmaraja
Dr. (Smt.) D Manjulatha
Sri Shamsher Singh Rawat, I.A.S.,
(Nominee of APIDC upto 30.5.2016)
Sri B Sreedhar, I.A.S.,
(Nominee of APIDC from 11.8.2016)
Smt. Y V Anuradha, I.A.S.,
(Nominee of APIDC)
Sri Animesh Kumar Sinha
(Nominee of IDBI Bank Ltd., from 5.4.2016)
Sri Ravi Pendyala

Key Managerial Personnel

Dr. V N Rao
Chief Executive & Chief Operating Officer
Sri P Ratna Rao
General Manager (Finance)
Sri K Raghu Ram
Manager (Finance) & Asst. Company Secretary
(upto 2.1.2016)

Statutory Auditors

M/s. Brahmayya & Co.,
Chartered Accountants
D.No. 33-25-33-B
Govindarajulu Naidu Street
Suryarao Peta
Vijayawada - 520 002

Cost Auditors

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

Secretarial Auditors

M/s. D Hanumanta Raju & Co.,
Company Secretaries
B-13, F-2, P S Nagar
Vijayanagar Colony
Hyderabad - 500 057

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 - 500034
Telangana
Tel : 040-23545913/914/915
E-mail : xlfield@gmail.com
xlfield@rediffmail.com

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THE ANDHRA PETROCHEMICALS LIMITED

CIN : L23209AP1984PLC004635

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

NOTICE

NOTICE is hereby given that the Thirty Second 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 Thursday, the 29th day of September, 2016 at 3:00 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, 2016 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 Smt. Y V Anuradha, I.A.S., (DIN 07097311) who retires by rotation and being eligible offers herself for reappointment.
4. To ratify the appointment of M/s Brahmayya & Co., (Regn. No.000513S) Chartered Accountants, Vijayawada, as Statutory Auditors for the year 2016-17 and fix their remuneration.

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 203 and other applicable provisions of the Companies Act, 2013 ("Act") or any statutory modification thereof or any re-enactment of the said Act, consent of the Members be and is hereby accorded to the re-appointment of Dr. B B Ramaiah as Managing Director of the Company, not liable to retire by rotation, for a period of 5 years with effect from 12th November, 2016, 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 Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.1,10,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year 2016-17 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 B. Sreedhar, I.A.S., (DIN 02591298) who was appointed by the Board of Directors as Additional Director of the Company with effect

from 11th August, 2016 pursuant to Article 97 of the Articles of Association of the Company, holds office upto the date of the 32nd 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, and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, 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 pursuant to the provisions of Sections 73 and 76 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to invite and accept 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.

RESOLVED FURTHER THAT the Board of Directors or any person authorised thereof be and is hereby authorised to finalise the scheme for invitation and acceptance of Fixed Deposits from the Members and the Public and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

9. 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 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and Article 56 of the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from the existing Rs.85 crores (Rupees eighty five crores only) divided into 8,50,00,000 Equity Shares of Rs.10/- each to Rs. 125 crores (Rupees one hundred twenty five crores only) divided into 12,50,00,000 Equity Shares of Rs. 10/- each ranking *pari passu* in all respects with the existing Equity Shares."

10. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT in lieu of the first two lines of the existing Clause V of the Memorandum of Association of the Company, the following two lines be substituted:

The Authorised Share Capital of the Company is Rs. 125 crores (Rupees one hundred twenty five crores only) divided into 12,50,00,000 (Twelve crores fifty lakhs only) Equity Shares of Rs.10/- each with power to ___"

"RESOLVED FURTHER THAT the existing Article 4 of the Articles of Association of the Company be and is hereby deleted and substituted with the following Article:

The Authorised Share Capital of the Company is Rs. 125 crores (Rupees one hundred twenty five crores only) divided into 12,50,00,000 (Twelve crores fifty lakhs only) Equity Shares of Rs.10/- each."

**Hyderabad
11.8.2016**

Registered Office:
Venkatarayapuram
TANUKU - 534 215
Andhra Pradesh

**By Order of the Board
Dr. B B Ramaiah
Managing Director**

NOTES:

1. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Item Nos.5,6,7,8,9 and 10 are 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 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.
3. Your Company provides Electronic Voting facility and its particulars and instructions are enclosed and form part of this Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 20th September, 2016 to Thursday, the 29th September, 2016 (both days inclusive).
5. Shareholders seeking any further information on the accounts and operations of the Company at the Annual General Meeting are requested to send their queries to the Company at the Registered Office at least seven days before the date of the Meeting.
6. 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.
7. 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.
8. 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.

9. Any person who acquires shares of the Company and become member of the Company after the dispatch of the Notice of AGM and holding shares as of the cut-off date, i.e., 22nd September, 2016 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.
10. 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 and after such transfer no claims shall lie against the Fund or the Company. 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 :

Sri Ravi Pendyala has been the Director of the Company since 12.11.2011. He is a Graduate in Commerce

The Andhra Petrochemicals Limited

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.

Smt. Y V Anuradha, I.A.S., is a Post Graduate in Science (Botany). Presently she is Commissioner (Endowments). Earlier she worked as Commissioner (Director level) at Department of Public Health and Family Welfare, Andhra Pradesh. Also, earlier, she rendered services in various prestigious positions like Joint Collector- West Godavari District, Deputy Commissioner - Commercial Taxes, Collector - Anantapur District, Director - Administrative Dept. & Training Dept., Director - Ministry of Home Affairs etc.

Other Directorships held:

Director - Andhra Pradesh Brahmin Welfare Corporation Ltd.

Other Committeeships held: NIL

Annexure to Notice

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

ITEM NO.5:

The Board of Directors re-appointed Dr. B B Ramaiah as Managing Director of the Company for a period of five years with effect from 12.11.2016 without any remuneration. He is a B.Sc., (Hons) in Sugar Technology, an M.Sc., (Chemical Technology); M.Sc., (Chemical Engineering - Wisconsin University, U.S.A.), A.M.P (Harvard University) and Doctorate in Public Administration (World University). He has over fifty years of rich experience in industry, trade and finance. He has served on various Industry Associations, Government Bodies and Committees. He led delegations from India to International Society of Sugarcane Technologists (XVI Congress in Brazil and XVII Congress in Manila). He was a Minister of State for Commerce (with independent charge) in the Union Cabinet between June, 1996 to March, 1998. He has been the Director of the Company since its inception in 1984 except during his ministerial tenure.

In view of his vast industrial experience and expertise, the re-appointment of Dr. B B Ramaiah as Managing Director, would immensely benefit the Company. Your Board therefore recommends necessary Resolution for your approval.

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

ITEM NO.6:

On the recommendation of Audit Committee at its meeting held on 20.5.2016, the Board has considered and approved appointment of M/s Narasimha Murthy & Co., Cost Accountants, for the conduct of the cost audit of the Company at a remuneration of Rs.1,10,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year 2016-17.

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 has 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.6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2016-17. 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 B. Sreedhar, I.A.S., is an M.Tech. Presently he is Vice Chairman & Managing Director (FAC) of Andhra Pradesh Industrial Development Corporation Ltd., (APIDC). Earlier he worked as Commissioner (Deputy Secretary level), Municipal Corporation, Greater Visakhapatnam; Vice Chairman (Deputy Secretary level), Visakhapatnam Urban Development Authority (VUDA); Secretary (Joint Secretary level) Electronics Department.

Other Directorships held:

Vice Chairman & Managing Director - Andhra Pradesh Industrial Infrastructure Corporation Ltd., Director - L & T Hitech City Ltd., Bhartiya International SEZ Ltd., Visakhapatnam Industrial Water Supply Company Ltd., Ramky Pharma City (India) Ltd., Andhra Pradesh Gas Distribution Corporation Ltd., Prakasam National Investment & Manufacturing Zone Ltd., and Andhra Pradesh Meditech Zone Ltd.

Other Committeeships held: NIL

Board of Directors appointed him as Additional Director from 11.8.2016. He holds office as such upto the date of 32nd AGM. Company has received a notice in writing from a Member by complying with the provisions of Section 160 of the Companies Act, 2013 signifying its intention to propose Sri B Sreedhar, I.A.S., a candidate for the office of Director. His appointment would be beneficial to the Company. Your Board therefore recommends necessary Resolution for your approval.

Except Sri B Sreedhar, 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:

As per the provisions of the Companies Act, 2013, and Fixed Deposit Rules made thereunder Company can accept/invite Fixed Deposits from Members & Public only with the approval of the Shareholders. As such your Board of Directors considers it advisable to commence acceptance of Fixed Deposits from Members & Public which would enable the Company to augment its financial resources for various requirements.

Your Directors therefore recommend the Resolution for your approval.

Directors and Key Managerial Personnel may be deemed to be interested in the Resolution in the event they place Fixed Deposits with the Company.

ITEM NO.9:

Having regard to the future financial requirements, a need may arise to mobilise funds through Equity. This may entail increase in paid-up equity capital beyond the present authorised capital of Rs.85 crores. As such, it is necessary to increase the authorized capital from existing Rs.85 crores to Rs.125 crores (Rupees one hundred twenty five crores only). For this purpose Memorandum & Articles of Association needs to be amended which requires the approval of the shareholders.

Your Board recommends Resolution for your approval. None of the Directors, Key Managerial Personnel and their relatives is or are deemed to be interested or concerned in the Resolution.

ITEM NO.10:

In order to enable the Company to increase the Authorised Share Capital from the existing Rs.85 crores to Rs.125 crores (Rupees one hundred twenty five crores only). the provisions of Memorandum and Articles of Association of the Company are required to be amended. Your Board recommends necessary Resolution for your approval.

None of the Directors, Key Managerial Personnel and their relatives is or are deemed to be interested or concerned in the Resolution.

**Hyderabad
11.8.2016**

Registered Office:
Venkatarayapuram
TANUKU - 534 215
Andhra Pradesh

**By Order of the Board
Dr. B B Ramaiah
Managing Director**

ENCLOSURE TO NOTICE:

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with the Companies Act (Management and Administration) Rules, 2014, 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 Thursday, the 29th September, 2016 at 3:00 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 26th September, 2016 from 9 a.m. and ends on 28th September, 2016 at 5.00 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 22nd September, 2016 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If 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.

The Andhra Petrochemicals Limited

- (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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodian 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 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.
- (xix) 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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Second Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2016.

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, 2016 is summarised below:

(Rs. in Lakhs)

	2015-16	2014-15
Net Sales (excl. Excise Duty)	33565.83	14026.17
Profit / (Loss) before Interest & Depreciation	(1039.48)	(2879.45)
Less : Interest	1365.73	969.65
Depreciation	982.91	899.95
Profit / (Loss) after Interest and Depreciation before Extra-ordinary item	(3388.12)	(4749.05)
Extra-ordinary items - Insurance Claim received	694.75	---
Profit / (Loss) before Tax	(2693.37)	(4749.05)
Provision for:		
Current Tax for earlier years	2.15	---
Deferred Tax	(287.67)	(297.14)
Profit / (Loss) after Taxation	(2407.85)	(4451.91)
Balance brought forward from previous year	2919.46	7582.76
Adjustment of carrying amount of the assets whose remaining useful life is nil as per Schedule II to the Companies Act, 2013 (net of deferred tax of Rs.101.53 lakhs)	---	(211.39)
Profit carried forward to next year	511.61	2919.46

OPERATIONAL AND FINANCIAL PERFORMANCE :

During the Financial Year 2015-16, the Plant produced 57,348 MTs (previous year 18,766 MTs), total Alcohols which works out to 79% (approx.) capacity utilization. Sales during the year were 57,245 MTs (previous year 19,101 MTs). Company had incurred a Net Loss of Rs.24.08 crores during the current Financial Year 2015-16 as compared to Rs.44.52 crores Net Loss incurred during the previous year. Details are given in Audited, unqualified Financial Statements forming part of this Report.

DIVIDEND:

Due to loss incurred during the year under report, your Directors are unable to recommend any dividend for the Financial Year 2015-16.

CAPITAL & RESERVES:

Authorised and Paid-up Capital:

The Authorised Capital of the Company is Rs.85 crores and the Paid-up Capital is Rs.84.97 crores.

Reserves:

The total Reserves position as on 31.3.2016 stood at Rs.34.48 crores against Rs. 58.55 crores in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS:

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The year 2015-16 was somewhat unfavourable to the Company. The economic slowdown globally and particularly in China has adversely impacted Company's performance. In the light of supply-demand gap for Oxo-Alcohols internationally, product prices were subdued and un-remunerative for the Company. The Company also suffered on account of surge in imports of Oxo-Alcohols at very low prices.

The Company's operations were restricted to minimize losses but at the same time continued to be in the market. Towards the end of the year Company succeeded in getting Govt. of India to impose Anti Dumping Duty on 2-Ethyl Hexanol from certain countries. Anti Dumping Duty on Normal Butanol was levied subsequently in the following year in April, 2016. Further, the Company has taken up with Govt. of India for

levying Anti Dumping Duty on imports from certain other countries that were not covered during the earlier investigation period. Also efforts are on, if possible, to get Anti Dumping Duty on the end-product DOP manufactured out of Company's main product 2-Ethyl Hexanol. The existing Anti Dumping Duties together with those proposed are expected to improve product prices.

During the year under review the Company has received a Loss of Profit Insurance Claim of Rs.694.75 lakhs. Further efforts are on with the Insurance company for settlement of additional amount. For the year the Company has posted a net loss of Rs.2407.84 lakhs, mainly on account of external factors, beyond the control of the Company.

OPPORTUNITIES AND THREATS:

Estimated demand of Oxo-Alcohols at 2,00,000 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's (HPCL) ability to meet full Propylene requirement. Sales realization is also expected to improve over time, firstly on account of Anti Dumping Duties imposed by Govt. of India on imports from certain countries and secondly fructifying Company's efforts of bringing certain other countries and products in this fold, though it may take some time. With these, some positive developments are likely for the Company.

However, 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 given by Statutory Auditors regarding Financial Year 2015-16. The Company has internal control systems commensurate with the size of the business operations. A Chartered Accountancy 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 :

As far as the Human Resources is concerned, the employees are being trained to meet the Plant requirements from time to time by motivating them in a positive way and the industrial relations continue to be cordial throughout the year.

The total number of employees employed as on 31.3.2016 is 286.

FUTURE OUTLOOK:

Company's performance capability is expected to be good as the Propylene supply constraint from HPCL has since been sorted out. 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 by 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 refinery. However, the risk is built in the project evaluation. Crude prices, Exchange rate fluctuations and political instability 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 achieved 10 million accident free Man hours in last 7 years.

Company has received the following Safety Awards during the year:

Silver Trophy (2nd Level) in National Safety Awards (NSA) - 2013 for lowest Average Frequency Rate (2011, 2012, 2013) awarded by Directorate General Factory Advice Services and Labour Institute (DGFASLI), Govt of India, Mumbai.

Certificate of Appreciation (5th level) in National Safety Awards - 2015 for the assessment years 2012, 2013, 2014 by National Safety Council of India (NSCI), Mumbai.

8,500 training man-hours have been organized for employees including contract workman for induction as well as refresher training. Safety of human and Plant assets are of top priority of 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.

Health:

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

Environment:

Installation of online effluent quality monitoring station at a cost of Rs.15 lakhs has been done. The data is transmitted to CPCB and APPCB for monitoring. The Company has installed the necessary monitoring equipment for stacks and ambient air.

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

The Andhra Petrochemicals Limited

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:

Board of Directors at their Meeting held on 11.8.2016, appointed Dr. B B Ramaiah as Managing Director for a period of 5 years i.e., from 12.11.2016 to 11.11.2021. His appointment is being placed for the approval of the shareholders at the ensuing 32nd Annual General Meeting.

APIDC withdrew the nomination of Sri Shamsher Singh Rawat, I.A.S., as its Nominee Director from the Board of the Company w.e.f., 30.5.2016. Further it has nominated Sri B Sreedhar, I.A.S., on the Board of the Company and he has been co-opted as Additional Director on the Board of the Company w.e.f., 11.8.2016 on the recommendation of Nomination and Remuneration Committee at its meeting held on 11.8.2016.

Sri B Sreedhar, I.A.S., holds office upto the date of the ensuing 32nd Annual General Meeting (AGM). Resolution seeking his appointment as Director is being placed for the approval of the shareholders at the ensuing 32nd AGM.

Your Directors place on record their warm appreciation for the valuable guidance rendered by Sri Shamsher Singh Rawat, I.A.S., during his tenure as Director of the Company.

IDBI Bank Ltd., nominated Sri Animesh Kumar Sinha as its Nominee Director on the Board of the Company from 5.4.2016.

All Independent Directors, viz., Sri M R B Punja, Sri A A Krishnan, Sri Surinder Kumar Kapoor and Smt. D Manjulatha have given declarations at the first meeting of the Board of Directors held during the Financial Year 2016-17 (i.e., on 20.5.2016) that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Directors Sri Ravi Pendyala and Smt. Y V Anuradha, I.A.S., retire by rotation at the ensuing 32nd 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.	Dr. V N Rao	Chief Executive & Chief Operating Officer
2.	Sri P Ratna Rao	General Manager (Finance)
3.	Sri K Raghu Ram (Upto 2.1.2016)	Manager (Finance) & Asst. Secretary

AUDIT COMMITTEE:

Audit Committee consists of three Non-Executive Independent Directors Sri A A Krishnan (Chairman) with Sri M R B

Punja and Sri Surinder Kumar Kapoor as its members. Sri Ravi Pendyala, Non-Executive Non-Independent Director was inducted as a Member of the Committee from 6.11.2015.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed D Hanumanta Raju & Co., Practising Company Secretaries (CP No.7824), 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.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Securities & Exchange 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 2015-16 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 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 (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> in the web browser.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

For details of CSR Committee composition, please refer Corporate Governance section of this report.

As per the provisions of Schedule VII of the Companies Act, 2013 and Company's CSR Policy, as there is no average net profit for the three immediately preceding Financial Years, the Company is not required to incur CSR expenditure for the Financial Year 2015-16. The report on CSR activities as required under the Companies (CSR Policy) Rules, 2014 is set out as **Annexure-"C"** forming part of this report.

NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee consists of Sri Surinder Kumar Kapoor as Chairman and Sri M R B Punja and Sri P Narendranath Chowdary as its members.

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 Brahmayya & Co., Chartered Accountants, Vijayawada, have been appointed as Statutory Auditors of the Company for the Financial Years 2014-15, 2015-16 and 2016-17 by the shareholders at the 30th Annual General Meeting held on 12th September, 2014. Now approval of shareholders is sought for ratification of appointment and fixation of remuneration for the Financial Year 2016-17.

COST AUDITORS:

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad, were appointed as Cost Auditors of the Company for the year ended 31st March, 2016. Cost Auditors' Report in respect of Financial Year 2014-15 has been filed with the Ministry of Corporate Affairs on 28th September, 2015 i.e., within the stipulated time.

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 (Ac-

counts) Rules, 2014 are given below:

I) CONSERVATION OF ENERGY

1. Steps taken or impact on conservation of energy:

- Provision of UPS control supply for certain critical motors to prevent spurious trips due to power dips
- Interconnection of Naphtha pre-heater and start-up heater of the two reforming units. Earlier, production had to be stopped for decoking of the Naphtha pre-heater. Now production continues at 40% level and quick come-back is achieved thus saving considerable amount of Naphtha. The cost of the modification is recovered in two decoking operations and has prevented loss of production.

2. Steps taken by the Company for utilising alternative sources of energy: Company could not take-up any steps in this regard due to poor financial position.

3. Capital Investment on energy conservation equipments: Rs.15.3 lakhs

II) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- Efforts made & Benefits:** Technology has been fully absorbed and various innovative ideas enable the Company to operate the Plant even above 100% load.
- Imported Technology:** NIL
- Expenditure incurred on R & D:** NIL

III) Foreign Exchange earning and outgo : (On cash basis) (Rs. in lakhs)

	For the year ended 31.3.2016	For the year ended 31.3.2015
i. Earnings	--	--
ii. Outgo	541.02	225.85

PARTICULARS OF EMPLOYEES:

Statement of particulars of employees of the Company as required under Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of this report is annexed hereto (**Annexure-"D"**).

Employee mentioned in the said Annexure is not a relative of any Director of the Company. 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, 2016, out of the total number of 8,49,71,600 Equity Shares, 7,70,38,241 Equity Shares constituting 90.66% stand dematerialised.

RELATED PARTY TRANSACTIONS:

As per the provisions of Regulation 23 of Securities & Exchange 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 was granted by the Audit 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. An Internal Complaints Committee (ICC) was setup to redress complaints received regarding sexual harassment. During the year 2015-16, 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 including the Managing Director. 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
Dr. V N Rao, Chief Executive & Chief Operating Officer	10.18 %
Sri P Ratna Rao, General Manager (Finance)	10.77%
Sri K Raghu Ram, Manager (Finance) & Asst. Secretary (upto 2.1.2016)	---

- (c) the percentage increase in the median remuneration of employees in the Financial Year: 3.71%
- (d) the number of permanent employees on the rolls of Company: 286
- (e) the explanation on the relationship between average increase in remuneration and Company performance;

On an average, employees received an increase of 3.71%. The increase in remuneration is in line with the

market trends. The increased percentage in the median remuneration compared to previous year is decreased due to increase in number of employees during the Financial Year 2015-16 at lower level. 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 2015-16 (aggregated)	126.51
Revenue from operations	33699.69
Remuneration (as % of revenue)	0.38%

- (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 31st March, 2016	As at 31st March, 2015	Variation
Closing rate of share at BSE	Rs.	11.05	11.64	(5.07%)
EPS (Consolidated)	Rs.	(2.83)	(5.24)	(45.99%)
Market capitalisation	Rs./lakh	9389.36	9890.69	(5.07%)
Price Earnings ratio	Ratio	(3.90)	(2.22)	75.68%

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 2015-16 was 3.71%. Percentage increase in the managerial remuneration for the year was NIL.

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

Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary (Upto 2.1.2016)
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Remuneration	84.25	31.35	10.91
Revenue	33699.69	33699.69	33699.69
Remuneration (as % of revenue)	0.25%	0.09%	0.03%

(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.

(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.

(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, 2016, 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, 2016 and of the loss 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 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 forms part of the Directors' Report (**Annexure "E"**).

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 APIDC, Financial Institutions, Banks, Shareholders, Customers, HPCL, 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
11.8.2016

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 31/03/2016 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]

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

IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 1.4.2015				No. of Shares held at the end of the year 31.3.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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

The Andhra Petrochemicals Limited

(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

B. Public Shareholding									
1. Institutions									
a) Mutual Funds UTI includes	--	33200	33200	0.04	--	33200	33200	0.04	0
b) Banks / FI	400	437	837	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) FIIs	--	11500	11500	0.01	--	11500	11500	0.01	0
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	1400	45137	46537	0.05	1400	45137	46537	0.05	0
2. Non-Institutions									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	5925683	94247	6019930	7.08	5675821	93125	5768946	6.79	-0.29
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	14380757	7452763	21833520	25.70	17538352	7416100	24954452	29.37	3.67
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	13541466	146663	13688129	16.11	10840623	51963	10892586	12.82	-3.29
NRI	359913	4800	364713	0.43	391037	4800	395837	0.47	0.04
Clearing Members	17822	--	17822	0.02	50526	--	50526	0.06	0.04
HUF	1651003	5278	1656281	1.95	1491544	5191	1496735	1.76	-0.19
Trusts	5300	200	5500	0.01	5301	200	5501	0.01	0
Directors & their relatives	2747731	311043	3058774	3.60	2769043	311043	3080086	3.62	0.02

c) Others (specify)									
Sub-total (B)(2):-	38629675	8014994	46644669	54.90	38762247	7882422	46644669	54.90	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	38631075	8060131	46691206	54.95	38763647	7927559	46691206	54.95	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	76905669	8065931	84971600	100	77038241	7933359	84971600	100	

ii. Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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
	Date wise Increase / Decrease in Promoters Shareholding 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

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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	KLJ Plasticizers Ltd.	1906551	2.24	2113206	2.49
2	Sri Bolla Ramesh Kumar	1605208	1.89	1615708	1.9
3	Sri Rajender Prasad Gupta	1162103	1.37	811071	0.95
4	Sri Kanhaiya Lal Jain	1070851	1.26	1130938	1.33
5	Ms. Pushp Jain	826340	0.97	826340	0.97
6	Bhadani Financers (P) Ltd.	561920	0.66	561920	0.66
7	Subhbijay Trade Comm Pvt Ltd.	497293	0.59	497293	0.59
8	Sri Uday Ananth Nayak	453786	0.53	501786	0.59
# 9	Sri T Kumar	460000	0.54	--	--
10	Sri Mangilal Sethia	416055	0.49	376221	0.44
*11	Sri Hemanth Dhandapani	--	--	406762	0.48

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	1400	0.00	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): Transfer dt. 30.6.2015	-1400	0	0	0
	At the End of the year	0	0.00	0	0

2	Dr B B Ramaiah, Managing Director				
	At the beginning of the year	1222810	1.44	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	1222810	1.44	0	0
3	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):	0	0	0	0
	At the End of the year	0	0	0	0
4	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):	0	0	0	0
	At the End of the year	0	0	0	0
5	Sri P Narendranath Chowdary, Director				
	At the beginning of the year	4216	0.00	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	4216	0.00	0	0
6	Sri Mullapudi Thimmaraja, Director				
	At the beginning of the year	1630	0.00	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	1630	0.00	0	0
7	Smt Y V Anuradha, I.A.S., Director (w.e.f. 23.7.2015)				
	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
8	Sri K. Rajendra Prasad, Director (upto 29.5.2015)				
	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

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9 Dr. (Smt.) D Manjulatha, Director					
	At the beginning of the year	612	0.00	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	612	0.00	0	0
10 Sri Shamsheer Singh Rawat, I.A.S., Director (w.e.f. 23.7.2015)					
	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
11 Sri Ravi Pendyala, Director					
	At the beginning of the year	1020	0.00	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	1020	0.00	0	0
12 Dr. V N Rao, Chief Executive & Chief Operating Officer, 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
13 Sri P Ratna Rao, 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
14 Sri K Raghu Ram, Manager (Finance) & Asst. Secretary, KMP (upto 2.1.2016)					
	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	6229.61	2000	--	8229.61
ii) Interest due but not paid	0	0	--	0
iii) Interest accrued but not due	17.44	0	--	17.44
Total (i+ii+iii)	6247.05	2000	--	8247.05
Change in Indebtedness during the financial year				
* Addition	6113.38	800	--	6913.38
* Reduction	4518.76	1300	--	5818.76
Net Change	1594.62	-500	--	1094.62
Indebtedness at the end of the financial year				
i) Principal Amount	7824.85	1500	--	9324.85
ii) Interest due but not paid	0	0	--	0
iii) Interest accrued but not due	16.82	0	--	16.82
Total (i+ii+iii)	7841.67	1500	--	9341.67

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs.)

S.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	

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B. Remuneration to other Directors:

(Rs.)

S. No.	Particulars of Remuneration	Name of Directors					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	120000	80000	120000	30000		350000
	Commission	0	0	0	0		0
	Others, please specify	0	0	0	0		0
	Total (1)	120000	80000	120000	30000		350000
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	10000	10000	80000	0	0	100000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	10000	10000	80000	0	0	100000
	Total (B)=(1+2)						450000
	Total Managerial Remuneration						450000
	Overall Ceiling as per the Act						4200000

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

(Rs.)

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (upto 2.1.2016)	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8272343	1016692	3134808	12423843
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	152400	73942		226342
	(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	8424743	1090634	3134808	12650185

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed (Rs.)	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 31.03.2016

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

To

The Members,

THE ANDHRA PETROCHEMICALS LIMITED

VENKATARAYAPURAM, TANUKU,

WEST GODAVARI DIST.

ANDHRA PRADESH

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, 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 March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, 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.
- (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, 1992 & 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the period of audit);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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 period of audit); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the period of audit)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (vi) Other laws specifically applicable to the company include:
 - A. Water (Prevention and control of Pollution) Act, 1974
 - B. Air (Prevention and control of Pollution) Act, 1981
 - C. Boilers Act, 1923
 - D. Explosives Act, 1884

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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

The casual vacancy of Company Secretary is yet to be filled. However, as per the explanations given by the management and its officers appropriate steps have been taken to fill the vacancy.

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 are carried out unanimously as recorded in the Minutes.

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

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

Place: Hyderabad
Date : 09.08.2016

for D. HANUMANTA RAJU & CO
COMPANY SECRETARIES
CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

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,
WEST GODAVARI DIST.
ANDHRA PRADESH.

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

1. Maintenance of secretarial record 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 and with which the management has conducted the affairs of the company.

Place: Hyderabad
Date : 09.08.2016

for D. HANUMANTA RAJU & CO
COMPANY SECRETARIES
CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

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:
Presently, Corporate Social Responsibility (CSR) Committee comprises the following Directors viz., Dr. B B Ramaiah, Managing Director, as Chairman of the Committee 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 2015-16
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 was 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: 11.8.2016	
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.	
Sd/- (Dr. V N Rao) Chief Executive & Chief Operating Officer	Sd/- (Dr. B B Ramaiah) Chairman of CSR Committee

ANNEXURE - "D" to the Directors' Report

Information as per Section 197(12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2016.

Name of the employee, Designation, Qualification, Experience, Date of commencement of employment in the Company, Nature of employment - whether contractual or otherwise, Gross Remuneration, Age, Particulars of last employment, % of Equity Shares held in the Company, Whether he is relative to Director or Manager of the Company:

Dr. V N Rao, Chief Executive & Chief Operating Officer, B.Tech.(Chemical Engineering), M.Tech.(Chemical Engineering), IIT - Chennai: Ph.D.(Chemical Engineering), IIT - Chennai, 47 years, 4.10.1995, Contractual, Rs.84, 24, 743*, 74 years, Consultant, NIL, No.

*Gross Remuneration includes Salary, rent free accommodation, reimbursement of medical expenses, leave encashment, car with driver and group personal accident insurance premium.

ANNEXURE-"E" 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 31.3.2016 the Board consisted of 10 Directors.

Composition and category of Directors is as follows:

Non-Executive and Independent Directors	Promoter and Executive Directors	Promoter, 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 <i>(Sri P Narendranath Chowdary sister's husband) *</i>	Sri P Narendranath Chowdary <i>(Dr. B B Ramaiah daughter's husband) *</i> Sri Mullapudi Thimmaraja Smt. Y V Anuradha, I.A.S. <i>(from 23.7.2015)</i> Sri Shamsher Singh Rawat, I.A.S. <i>(from 23.7.2015)</i> Sri Ravi Pendyala

*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 2015-16, four Board Meetings were held.
Dates on which they were held:
(i) 22.5.2015, (ii) 23.7.2015, (iii) 6.11.2015 and (iv) 11.2.2016
- 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	Directorship	Chairmanship	Committee Membership*	Committee Chairmanship*
Sri M R B Punja	4	No	1	None	1	None
Dr. B B Ramaiah	4	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	4	No	None	None	None	None
Smt Y V Anuradha, I.A.S. (w.e.f. 23.7.2015)	1	No	1	None	None	None
Sri Shamsher Singh Rawat, I.A.S. (w.e.f. 23.7.2015)	Nil	No	5	None	None	None
Dr.(Smt.) D Manjulatha	3	No	2	None	None	None
Sri Mullapudi Thimmaraja	3	Yes	2	None	3	None
Sri Ravi Pendyala	3	Yes	None	None	None	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.

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 web link: <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 31.3.2016, the Audit Committee consists of three Non-Executive Independent Directors - (i) Sri A A Krishnan, Chairman (ii) Sri M R B Punja and (iii) Sri Surinder Kumar Kapoor 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 2015-16, four Audit Committee Meetings were held on: (i) 22.5.2015, (ii) 23.7.2015, (iii) 6.11.2015 and (iv) 11.2.2016

The Andhra Petrochemicals Limited

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	4
Sri Surinder Kumar Kapoor	4
Sri Ravi Pendyala (w.e.f., 6.11.2015)	1

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

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

Meeting and attendance:

The Nomination and Remuneration Committee met 4 times during the year on 22.5.2015, 23.7.2015, 6.11.2015 and 11.2.2016. 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	4
2.	Sri M R B Punja	Member	-do-	4
3.	Sri P Narendranath Chowdary	Member	Non-Executive, Promoter	4

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

- 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
- carry out evaluation of every Director's performance
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and

- 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

- 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
- relationship of remuneration to performance is clear and meets appropriate performance bench marks and
- 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 2015-16.

Sri M R B Punja - Rs.1,20,000/-; Sri A A Krishnan - Rs.80,000/-; Smt. Y V Anuradha, I.A.S., - Rs.10,000/- and Sri K. Rajendra Prasad - Rs.10,000/- (as these two Directors are nominees of APIDC Ltd., sitting fees payable to them was paid to APIDC Ltd.); Sri Surinder Kumar Kapoor - Rs.1,20,000/-; Smt D Manjulatha - Rs.,30,000/-; Sri Ravi Pendyala - Rs.80,000/- . 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 31.3.2016.

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, 2016:

Name of the Non-Executive Director	No. of shares of Rs.10/- each
Sri P Narendranath Chowdary	4216
Sri Mullanpudi 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 Chief Executive Officer 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 31.3.2016:

Sl No.	Nature of Complaint	Complaints received and redressed
1	Non-receipt of dividend	15
2	Non-receipt of Annual Report	3
	Total	18

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 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 two times during the year on 22.5.2015 & 11.2.2016. The necessary quorum was present at the meetings. All the members of the Committee attended the said meetings.

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 20.5.2016 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
2013	28 th September, 2013, 3:00 p.m.
2014	12 th September, 2014, 3:00 p.m.
2015	29 th September, 2015, 3:00 p.m.

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

Year	Subject Matter
2013	Nil
2014	1. Supersession of Ordinary Resolution passed at the 23rd Annual General Meeting held on 6.9.2007 for according approval to the Board of Directors to borrow upto Rs.500 crores. 2. Supersession of Ordinary Resolution passed at the Extraordinary General Meeting held on 5.4.2008 for according approval to the Board of Directors for mortgaging or charging all movable / immovable properties of the Company upto Rs.192 crores.
2015	According 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.

- iii) 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.

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. 2.28 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:

The Andhra Petrochemicals Limited

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, regulations 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:

- 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.
- 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.

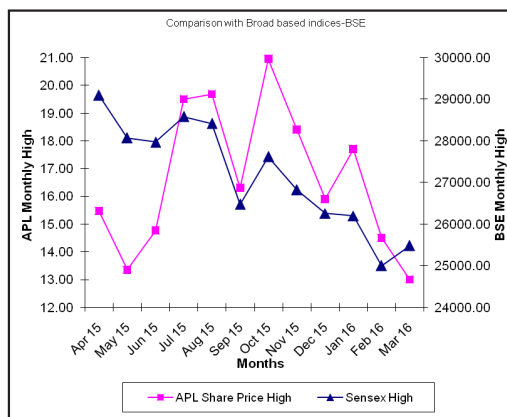
17. General Shareholder Information:

i) Annual General Meeting

- Date and Time : Thursday, 29th September, 2016
at 3:00 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 : Tuesday, 20th September, 2016
to Thursday, 29th September, 2016
(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 2015-16.

Month	High		Low	
	Rs.	Ps.	Rs.	Ps.
April, 2015	15.47		11.35	
May, 2015	13.35		11.00	
June, 2015	14.77		10.50	
July, 2015	19.50		12.50	
August, 2015	19.65		13.05	
September, 2015	16.30		13.50	
October, 2015	20.95		15.65	
November, 2015	18.40		14.00	
December, 2015	15.90		14.00	
January, 2016	17.70		12.65	
February, 2016	14.50		9.90	
March, 2016	13.00		10.27	

vi) Performance in comparison to BSE sensx:



vii) Registrars and Share Transfer Agent:

XL Softech Systems Ltd.
No.3, Sagar Society, Road No.2
Banjara Hills, Hyderabad - 500 034
Tel : 040-23545913/914/915
E-mail : xlfield@gmail.com
xlfield@rediffmail.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, 2016:

Sl. No.	Category	No. of shares	% of holding
1	Promoters, Directors, Relatives and Associate Companies	41360480	48.68
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	395837	0.47
7	Bodies Corporate	5768946	6.79
8	Indian Public	37400800	44.01
	Total	84971600	100.00

b) Distribution of shareholding as on 31st March, 2016:

Shareholding of Nominal value of Rs.	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 5000	69698	89.72	9922713	11.68
5001 to 10000	4209	5.42	3579011	4.21
10001 to 20000	1771	2.28	2780506	3.27
20001 to 30000	592	0.76	1547336	1.82
30001 to 40000	254	0.33	937269	1.10
40001 to 50000	332	0.43	1598784	1.88
50001 to 100000	429	0.55	3270693	3.85
100001 onwards	395	0.51	61335288	72.18
Total	77680	100.00	84971600	100.00

x) As of 31st March, 2016, 7,70,38,241 shares constituting 90.66% of paid-up capital have been dematerialised.

	No. of shares	% of paid-up capital
National Securities Depository Ltd.	4,20,00,875	49.43
Central Depository Services (India) Ltd.	3,50,37,366	41.23
Total	7,70,38,241	90.66

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.

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

xi) 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.tnk@andhrapetrochemicals.com
investors@andhrapetrochemicals.com

B) NON-MANDATORY 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, Dr. B B Ramaiah is the Managing Director and Dr. V N Rao is the Chief Executive & Chief Operating Officer.

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 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, 2016.

Place: Hyderabad
Date : 11.8.2016

Dr. B B Ramaiah
Managing 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, 2016, as stipulated in Chapter-IV 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 : 11.8.2016

for BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No. 000513S
C V Ramana Rao
Partner
Membership No.018545

INDEPENDENT AUDITORS' REPORT

To
The Members of
The Andhra Petrochemicals Limited,
Tanuku.

Report on the Financial Statements:

We have audited the accompanying financial statements of The Andhra Petrochemicals Limited, Tanuku, which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 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 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 there under.
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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statement.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016, and its losses and its cash flows 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, and Cash Flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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.

Camp : Hyderabad
Date : 20.5.2016

for BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No. 000513S
C V Ramana Rao
Partner
Membership No.018545

The Andhra Petrochemicals Limited

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 2016. 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 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 2016 for a period of more than six months from the date they became payable.

- b) As at 31st March 2016, 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	4.39	Assessment Year 2008-09	Deputy Commissioner of Income Tax, Circle - 1, Visakhapatnam.
3.	The Income Tax Act, 1961	Fringe Benefit Tax	2.28	Assessment Year 2008-09	Commissioner of Income Tax (Appeals), Visakhapatnam.
4.	The Income Tax Act, 1961	Tax Deduction at Source	15.68	Assessment Years 2008-09 & 2009-10	Commissioner of Income Tax (Appeals), Visakhapatnam.
5.	Value Added Tax	Disallowance of Input tax credit	10.45	Assessment Year 2009-10	Appellate Deputy Commissioner (CT), Vijayawada
6.	Central Excise Act, 1944	Ineligible cervat credit on Service tax paid on certain services	9.60	Period from Dec., 2011 to Sep., 2015	Commissioner of Central Excise (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 consequent to the rescheduling of term loan installments by IDBI Bank.
- ix) In our opinion, the Term Loans obtained during the financial year under report and 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 Accounting Standards are disclosed in the financial statements.

The Andhra Petrochemicals Limited

- 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.

for **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Regn. No. 000513S
C V Ramana Rao
Partner
Membership No.018545

Camp : Hyderabad
Date : 20.5.2016

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

Report on the Internal Financial Controls over Financial Reporting under Clause (j) 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, 2016 in conjunction with our audit of the 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 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting:

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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, 2016, 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".

for **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Regn. No. 000513S
C V Ramana Rao
Partner
Membership No.018545

Camp : Hyderabad
Date : 20.5.2016

The Andhra Petrochemicals Limited

Accounting Policies

1.1 Accounting Concepts:

Financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) in India under historical cost convention on accrual basis and comply all material aspects with the Accounting Standards and the relevant provisions prescribed in the Companies Act, 2013, besides the pronouncements/ guidelines of the Institute of Chartered Accountants of India and the Securities and Exchange Board of India.

1.2 Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, the actual outcome may be different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

1.3 Fixed Assets:

- a. Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is net of CENVAT / Input VAT Credit and inclusive of freight, duties, taxes, incidental expenses including interest on specific borrowings as apportioned.
- b. Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection.

1.4 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current - non-current classification of assets and liabilities.

1.5 Investments:

Investments are stated at cost, inclusive of all expenses relating to acquisition. Provision for diminution in the market value of long-term investments is made, if in the opinion of the Management such diminution is permanent in nature.

1.6 Inventories:

Inventories are valued at the lower of the cost (net of CENVAT / Input VAT Credit) or net realisable value (except by-products, waste and scrap which are valued at estimated

net realisable value). Cost is computed on monthly weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present condition and location.

1.7 Borrowing Costs:

Borrowing cost is charged to statement of Profit and Loss except cost of specific borrowing for acquisition of qualifying assets which is capitalised till date of commercial use of the said asset.

1.8 Sales:

Sales are inclusive of Excise Duty and net of rebates and Sales Tax.

1.9 Employee Benefits:

(i) Defined Contribution Plans

Employee Benefits in the form of Employee Provident Pension Funds are considered as Defined Contribution plans and the contributions are charged to the statement of Profit & Loss of the year when the contributions to the said fund are due.

(ii) Defined Benefit Plans

Retirement Benefit in the form of Gratuity, is considered as Defined Benefit Obligation and is provided for on the basis of an actuarial valuation using the projected unit credit method as at the date of Balance Sheet.

(iii) Other Long Term Benefits

Long-Term Compensated Absences are provided on the basis of an actuarial valuation using the Projected Unit Credit Method as at the date of Balance Sheet.

Actuarial gains / losses, if any, are immediately recognised in the statement of Profit & Loss.

1.10 Depreciation:

Depreciation on buildings and plant and machinery is charged under straight-line method and on the remaining assets under written down value method at the rates specified in Schedule II of the Companies Act, 2013.

1.11 Foreign Currency Transactions:

Transactions on account of foreign currency are accounted for at the rates prevailing on the date of the transaction. Foreign Currency assets and liabilities are restated at the rates prevailing as on the date of Balance Sheet. Exchange rate differences are dealt with in the statement of Profit and Loss. Premium or discount on forward exchange contracts are amortised and recognised in the statement of Profit & Loss over the period of the contract.

Balance Sheet as at 31st March, 2016

(₹ in lakhs)

Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
1	2	3	4
I. EQUITY AND LIABILITIES:			
1 Shareholders' funds:			
(a) Share capital	2.01	8497.16	8497.16
(b) Reserves and surplus	2.02	3447.61	5855.46
2 Non-current liabilities:			
(a) Long-term borrowings	2.03	7175.12	4144.89
(b) Deferred tax liabilities (Net)	2.04	2033.73	2321.40
(c) Other Long term liabilities	2.05	5.00	5.00
(d) Long-term provisions	2.06	144.73	143.38
3 Current liabilities:			
(a) Short-term borrowings	2.07	776.93	3225.51
(b) Trade payables	2.08	446.68	893.07
(c) Other current liabilities	2.09	2586.08	1174.99
(d) Short-term provisions	2.10	198.02	221.11
TOTAL		25311.06	26481.97
II. ASSETS:			
Non-current assets:			
1 (a) Fixed assets			
(i) Tangible assets	2.11	19214.62	20014.86
(b) Non-current investments	2.12	1527.05	1527.05
(c) Long-term loans and advances	2.13	1056.79	802.87
2 Current assets:			
(a) Inventories	2.14	2246.00	2542.90
(b) Trade receivables	2.15	361.41	75.06
(c) Cash and Bank balances	2.16	111.40	333.19
(d) Short-term loans and advances	2.17	793.79	1186.04
TOTAL		25311.06	26481.97
Significant Accounting Policies and Notes on Accounts	1 & 2	--	--

Per our report of even date

For and on behalf of the Board

For Brahmaya & Co.,
Chartered Accountants
C V Ramana Rao
Partner
Membership No.018545

M R B Punja
Dr. B B Ramaiah
A A Krishnan
P Ratna Rao

Chairman
Managing Director
Director
General Manager (Finance)

Place: Hyderabad
Date : 20.05.2016

Hyderabad
20.05.2016

Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in lakhs)

Particulars	Note No.	This Year	Previous Year
1	2	3	4
I. Revenue from operations	2.18	33565.83	14026.17
II. Other income	2.19	133.86	116.19
III. Total Revenue (I + II)		33699.69	14142.36
IV. Expenses:			
Cost of materials consumed	2.20	27335.01	11551.27
Changes in inventories of finished goods and work-in-process	2.21	36.59	766.69
Employee benefits expenses	2.22	1541.43	1397.57
Finance costs	2.23	1365.73	969.65
Depreciation	2.11	982.91	899.95
Other expenses	2.24	5826.14	3306.28
Total expenses		37087.81	18891.41
V. Profit before tax & Extra-ordinary Items (III-IV)		(3388.12)	(4749.05)
Extra-ordinary Items - Insurance Claim received		694.75	--
Profit before tax		(2693.37)	(4749.05)
VI Tax expense:			
(1) Current Tax: for Earlier Years		2.15	--
(2) Deferred tax		(287.67)	(297.14)
VII Profit after tax (V-VI)		(2407.85)	(4451.91)
VIII Earnings per equity share:			
(1) Basic		(2.83)	(5.24)
(2) Diluted		(2.83)	(5.24)

Significant Accounting Policies and Notes on Accounts 1 & 2

Per our report of even date	For and on behalf of the Board	
For Brahmaya & Co., Chartered Accountants C V Ramana Rao Partner Membership No.018545	M R B Punja Dr. B B Ramaiah A A Krishnan P Ratna Rao	Chairman Managing Director Director General Manager (Finance)
Place: Hyderabad Date : 20.05.2016	Hyderabad 20.05.2016	

Particulars	As at 31-03-2016		As at 31-03-2015	
Note 2.01 : Share Capital				
a. Share Capital				
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised				
Equity Shares of ₹ 10 each	85000000	8500.00	85000000	8500.00
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

b. Equity Shares in the Company held by each shareholder holding more than 5 per cent shares specifying the number of shares held

Particulars	As at 31-03-2016		As at 31-03-2015	
	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%

₹ in lakhs

Note 2.02: Reserves and Surplus

Particulars	As at 31-03-2016	As at 31-03-2015
a. Capital Reserve		
Balance in Capital Reserve	23.37	23.37
b. Securities Premium Account		
Balance in Securities Premium Reserve	412.63	412.63
c. Other Reserves (General Reserve)		
Balance at the beginning of the year	2500.00	2500.00
Balance at the end of the year	2500.00	2500.00
Surplus		
Balance at the beginning of the year	2919.46	7582.76
(-) Adjustment of carrying amount of the assets whose remaining useful life is nil as per schedule II to Companies Act, 2013 (net of deferred tax)	--	(211.39)
(Loss) after tax for the year	(2407.85)	(4451.91)
Balance at the end of the year	511.61	2919.46
Total	3447.61	5855.46

Particulars	As at 31-03-2016	As at 31-03-2015
Note 2.03: Long-Term Borrowings		
Secured		
(a) Term loans:		
Rupee term loans for Optimisation & Modernisation of Plant from:		
IDBI Bank Limited	--	397.80
State Bank of Hyderabad	544.14	424.04
Andhra Bank	582.99	464.05
(Secured by <i>pari passu</i> 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) Term Loan from Axis Bank		
(A subservient charge by way of hypothecation of Company's current assets in favour of the lender)		
	750.00	--
Terms of Repayment: Repayable in 6 equal quarterly installments commencing from September 1, 2016.		
(c) Working Capital Term Loans		
IDBI Bank Limited	1400.00	1059.00
State Bank of India	809.45	--
State Bank of Hyderabad	801.04	900.00
Andhra Bank	787.50	900.00
(Secured by the hypothecation of raw materials, work in process, finished goods, stores and spares and book debts by <i>pari passu</i> Charge with Working Capital Lenders and further secured by <i>pari passu</i> Charge, by mortgage of the Company's immovable properties and hypothecation of movable plant and machinery, present and future).		
Terms of Repayment: Repayable in 16 equal quarterly instalments commencing from April 1, 2017.		
Unsecured		
(d) Loan from a Promoter Corporate Body		
	1500.00	--
	7175.12	4144.89
Note 2.04: Deferred Tax Liabilities (Net)		
Major components of Deferred Tax Liabilities and Assets arising on account of timing difference are:		
Liabilities:		
Difference between tax and book depreciation	3779.61	3596.96
Assets:		
Items covered under Section 43B of Income Tax Act	121.48	118.34
Unabsorbed depreciation under Income Tax Act	1624.40	1157.22
	1745.88	1275.56
Total	2033.73	2321.40

The Andhra Petrochemicals Limited

Particulars	As at 31-03-2016	As at 31-03-2015
	₹ in lakhs	
Note 2.05: Other Long-Term Liabilities		
Deposit from a Distributor	5.00	5.00
Total	5.00	5.00
Note 2.06: Other Long-Term Provisions		
Provision for employee benefits: Compensated Absences	144.73	143.38
Total	144.73	143.38
Note 2.07: Short-Term Borrowings		
Secured		
Loans repayable on demand: from banks	776.93	1725.51
(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).		
Unsecured:		
Loan from a Promoter Corporate Body	--	1500.00
Total	776.93	3225.51
Note 2.08: Trade Payables		
(A) Total outstanding dues of Micro and Small Enterprises	--	--
(B) Total outstanding dues of creditors other than Micro and Small Enterprises	446.68	893.07
Total	446.68	893.07
Dues to Small and Medium Enterprises:		
(a) Principal amount and interest due thereon remaining unpaid	--	--
(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	--	--
Note 2.09: Other Current Liabilities		
(a) Current maturities of long-term debt	1372.80	359.21
(b) Interest accrued but not due on borrowings	16.82	17.44
(c) Unpaid dividends	66.62	66.88
(d) Advances received against sales	1004.98	643.08
(e) Other Liabilities	124.86	88.38
Total	2586.08	1174.99

The Andhra Petrochemicals Limited

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 2.10: Short-Term Provisions		
(a) Provision for employee benefits		
Gratuity (Funded)	134.11	168.29
Compensated Absences	61.76	52.82
(b) Provision for Income Tax for earlier years	2.15	--
Total	198.02	221.11

Note 2.11: Fixed Assets

₹ in lakhs

Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 1.4.2015	Additions	(Disposals)	Balance as at 31.3.2016	Upto 1.4.2015	For the year	On disposals	Total upto 31.3.2016	Balance as at 31.3.2016	Balance as at 31.3.2015
Tangible Assets										
Land	9.07	--	--	9.07	--	--	--	--	9.07	9.07
Buildings *	1692.84	--	--	1692.84	925.18	29.71	--	954.89	737.95	767.66
Plant and Equipment	44772.05	178.13	154.71	44795.47	25558.23	941.52	134.51	26365.24	18430.23	19213.82
Furniture and Fixtures	70.63	--	--	70.63	62.95	2.11	--	65.06	5.57	7.68
Office equipment	118.20	2.86	--	121.06	108.94	3.04	--	111.98	9.08	9.26
Vehicles	59.74	24.62	16.50	67.86	52.37	6.53	13.76	45.14	22.72	7.37
Total	46722.53	205.61	171.21	46756.93	26707.67	982.91	148.27	27542.31	19214.62	20014.86
Previous year	46717.68	4.85	--	46722.53	25494.80	1212.87	--	26707.67	20014.86	21222.88

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

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 2.12: Non-Current Investments		
Long-term at cost (unquoted)		
Investment in Equity instruments		
9,38,000 Equity Shares of Rs.10/- each fully paid-up in Andhra Pradesh Gas Power Corporation Ltd.	1527.05	1527.05
Total	1527.05	1527.05

Note 2.13: Long-Term Loans and Advances

Security Deposits

(Unsecured, considered good)

Prepaid Expenses

MAT credit entitlement

317.98

10.53

728.28

1056.79

313.89

--

488.98

802.87

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 2.14: Inventories		
a. Raw Materials and components	394.66	488.91
Goods-in-transit	21.08	54.41
	-----	-----
b. Work-in-process	153.33	153.06
c. Finished goods	282.39	319.25
d. Stores and spares	1394.54	1527.27
Method of valuation is stated in Accounting Policies vide Note No.1.6		
Total	----- 2246.00 -----	----- 2542.90 -----
Note 2.15: Trade Receivables		
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	361.38	75.06
	-----	-----
	361.38	75.06
	-----	-----
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	0.03	--
	-----	-----
	0.03	--
	-----	-----
Total	----- 361.41 -----	----- 75.06 -----
Note 2.16: Cash and Bank Balances		
a. Balances with banks	83.17	327.75
This includes:		
Earmarked Balances (e.g. Unpaid Dividend accounts - less than seven years of Rs. 66.62 lakhs & previous year of Rs. 66.88 lakhs)		
b. Margin money deposits	1.97	2.07
c. Cheques, drafts in transit	23.50	--
d. Cash on hand	2.76	3.37
	-----	-----
Total	----- 111.40 -----	----- 333.19 -----
Note 2.17: Short-term loans and advances		
Unsecured, considered good		
Prepaid Expenses	27.26	34.14
Advances to Suppliers	145.45	199.42
Advances to staff	0.03	0.03
Income tax Refund Receivable	73.75	71.20
MAT Credit Entitlement	83.84	323.13
Input Tax Credit - VAT	388.90	278.92
AP Vat paid under protest	1.49	1.49
Service Tax paid under protest	0.78	--
Excise Duty paid in advance	51.25	253.98
Interest receivable	21.04	23.73
	-----	-----
Total	----- 793.79 -----	----- 1186.04 -----

The Andhra Petrochemicals Limited

₹ in lakhs

Particulars	This Year	Previous Year
Note 2.18: Revenue From Operations		
Sale of products (Oxo-Alcohols)	37737.90	15763.40
Less: Excise duty collected	4172.07	1737.23
Total	33565.83	14026.17
Note 2.19: Other Income		
Interest received	118.25	56.97
Miscellaneous Receipts	5.87	4.83
Net Credit on Adjustment of Excise Duty on Stocks	3.65	52.38
Unclaimed credit balance & excess provisions made in earlier years written back	4.08	2.01
Profit on Sale of Assets	2.01	--
Total	133.86	116.19
Note 2.20: Cost of Materials Consumed		
Raw Materials Consumed		
Opening Stock	488.91	1171.26
Add: Purchases	27240.76	10868.92
	27729.67	12040.18
Less: Closing Stock	394.66	488.91
Total	27335.01	11551.27
Details of Raw Materials consumed		
i) Propylene	18126.40	6899.68
ii) Naphtha	9208.61	4651.59
Total	27335.01	11551.27
Note 2.21: Changes in Inventories of Finished Goods and Work-in-Process		
A) Closing Stock		
Finished Goods	282.39	319.25
Work-in-process	153.33	153.06
Total (A)	435.72	472.31
B) Opening Stock		
Finished Goods	319.25	797.24
Work-in-process	153.06	441.76
Total (B)	472.31	1,239.00
(Increase)/Decrease in stocks (B-A)	36.59	766.69
Total	36.59	766.69
Note 2.22: Employee Benefit Expenses		
Salaries and Allowances	1324.41	1196.21
Company's Contribution to PF and other Funds	78.02	74.73
Contribution to Gratuity Fund	38.10	40.94
Workmen and Staff Welfare Expenses	100.90	85.69
Total	1541.43	1397.57

₹ in lakhs

Particulars	This Year	Previous Year
Note 2.23: Finance Charges		
Interest expense	1310.06	862.46
Other borrowing costs	55.67	107.19
Total	1365.73	969.65
Note 2.24: Other Expenses		
Stores consumed	982.94	432.08
Fuel, Power and Lighting	3976.38	2193.57
Repairs to Building	47.26	47.23
Repairs to Machinery	311.40	222.68
Rent	30.33	36.02
Rates and Taxes	19.35	13.96
Insurance	69.65	59.33
Directors' Sitting Fees	4.50	5.20
Expenditure on Corporate Social Responsibility	3.87	4.98
Auditors' Remuneration		
for Audit Fees	2.60	2.60
for Taxation Matters	0.63	0.47
for Other Services	2.03	2.30
for Out-of-pocket Expenses	0.24	0.34
Cost Auditors' Remuneration	1.10	1.08
Miscellaneous Expenses	373.86	284.44
Total	5826.14	3306.28

Note 2.25: Contingent Liabilities and Commitments:

Particulars	₹ in lakhs	
	This Year	Previous Year
(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) Amount debited by Andhra Bank towards processing charges contested by the Company	0.66	--
(d) Outstanding Guarantees to Banks including Letters of Credit opened with Banks for supplier payments	13.00	13.75
(e) Claims made by EPDC of A.P.Ltd., contested by Company towards:		
i) Grid Support charges	115.97	115.97
ii) Electricity duty demand on captive power generation	115.63	115.63
iii) Disputed demand charges against APGPCL Demand allocation	10.47	10.47
iv) Demand against excess incentive recovery	13.19	13.19
v) Demand raised by APEPDCL against Stage-II supply from APGPCL	13.28	13.28

Particulars	₹ in lakhs	
	This Year	Previous Year
(f) Others:		
i) Disputed Income Tax demands for the Asst. Years 2006-07, 2008-09 and 2009-10	26.88	22.49
ii) Disputed Input Tax Credit Accounting Year 2009-10 (Rs.1.49 lakhs paid under protest - grouped under Short-term Loans & Advances)	11.94	11.94
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	--
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	--	--
(b) Bills discounted	302.17	451.37

2.26 Employee Benefit Plans :

As per Accounting Standard 15 "Employees Benefits" the disclosure of Employee Benefits as defined in the Accounting Standard are given hereunder:

Defined Contributions Plans:

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

	₹ in lakhs	
	This year	Previous year
Employer's Contributions to Provident and Pension Funds	75.06	70.32

Defined Benefit Plans:

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 recognises 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 recognised in the same manner as gratuity.

I. Reconciliation of opening and closing balances of Defined Benefit obligations

	₹ in lakhs			
	Gratuity (Funded)		Compensated absences (Unfunded)	
	This year	Previous year	This year	Previous year
Defined Benefit obligation at beginning of the year	316.98	311.86	196.21	172.36
Interest Cost	25.36	24.95	13.96	14.69
Current Service Cost	17.58	19.14	26.42	46.92
Benefits paid	(22.76)	(47.75)	(34.57)	(48.60)
Actuarial loss / (gain) on obligation	8.42	8.78	4.46	10.84
Defined Benefit obligation at year end	345.58	316.98	206.48	196.21

The Andhra Petrochemicals Limited

II. Reconciliation of opening and closing balances of fair value of plan assets

	(₹ in lakhs)	
	Gratuity (Funded)	
	This year	Previous year
Fair value of plan assets at beginning of the year	148.69	137.15
Expected return on plan assets	13.27	11.93
Contributions	72.27	47.36
Benefits paid	(22.76)	(47.75)
Actuarial loss / (gain) on obligation	---	---
Fair value of plan assets as at the end of the year	211.47	148.69

III. Reconciliation of fair value of assets and obligations as at 31.3.2016

	(₹ in lakhs)			
	Gratuity (Funded)		Compensated absences (Unfunded)	
	This year	Previous year	This year	Previous year
Fair value of plan assets	211.47	148.69	--	--
Present value of obligation	345.58	316.98	206.48	196.21
Amount recognised as liability in Balance Sheet	134.11	168.29	206.48	196.21

IV. Expenses recognised during the year (in the Statement of Profit & Loss)

	(₹ in lakhs)			
	Gratuity (Funded)		Compensated absences (Unfunded)	
	This year	Previous year	This year	Previous year
Current Service Cost	17.58	19.14	26.42	46.92
Interest Cost	25.36	24.95	13.96	14.69
Expected return on plan assets	(13.27)	(11.93)	---	---
Actuarial (gain)/ loss	8.42	8.78	4.46	10.84
Expenses recognised in the Statement of Profit & Loss	38.10	40.94	44.84	72.45

V. Principals Actuarial Assumptions

	(₹ in lakhs)			
	Gratuity (Funded)		Compensated absences (Unfunded)	
	This year	Previous year	This year	Previous year
Discount Rate	8.00%	8.00%	7.80%	7.80%
Salary Escalation Rate	7.00%	7.00%	5.00%	5.00%

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

2.27 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.

2.28 Disclosure in respect of Related Party transactions as per AS-18 issued by Companies (Accounting Standards) Rules, 2006 (amended):

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.	Dr. B B Ramaiah	Managing Director
4.	JOCIL Limited	A Subsidiary Company of The Andhra Sugars Limited, Promoter

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)	
	This Year	Previous Year	This Year	Previous Year
Purchase of goods from	55.85	18.51	NIL	NIL
Services received from	1.14	0.93	NIL	NIL
Sales of goods to	0.73	--	--	--
Interest paid on Inter-Corporate Loan taken during the year	195.00	163.12	99.45	22.15
Inter-Corporate Loan from	1500.00	1500.00	NIL	NIL

2.29 Particulars of Earnings Per Share:

	This year	Previous year
Net profit (loss) after tax (₹)	(240784897.59)	(445190525.44)
Number of Equity Shares – Basic	84971600	84971600
Number of Equity Shares – Diluted	84971600	84971600
Nominal value of the shares (₹)	10.00	10.00
Earnings Per Share – Basic (₹)	(2.83)	(5.24)
– Diluted (₹)	(2.83)	(5.24)

2.30 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 AS-28, issued by Companies (Accounting Standards) Rules, 2006 (amended).

2.31 CIF value of imports:

	This Year	Previous Year
Capital goods	--	--
Components and spare parts	532.67	147.06

2.32 Details of imported and indigeneous raw materials and spares consumed:

	This Year		Previous Year	
	₹ in lakhs	%	₹ in lakhs	%
Raw Materials				
Imported	Nil	Nil	NIL	NIL
Indigenous	27335.01	100	11551.27	100
Stores & Spares				
Imported	515.27	17	183.70	12
Indigenous	2441.00	83	1397.38	88
	<u>2956.27</u>	<u>100</u>	<u>1581.08</u>	<u>100</u>

2.33 Expenditure in foreign currency on account of:

	This Year	Previous Year
Bank charges, Subscriptions and cost of services etc.	3.80	3.37

2.34 Earnings in foreign currency:

	Nil	Nil
--	-----	-----

2.35 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 Brahmayya & Co.,
Chartered Accountants
C V Ramana Rao
Partner
Membership No.018545

M R B Punja
Dr. B B Ramaiah
A A Krishnan
P Ratna Rao

Chairman
Managing Director
Director
General Manager (Finance)

Place: Hyderabad
Date : 20.05.2016

Hyderabad
20.05.2016

The Andhra Petrochemicals Limited

CASH FLOW STATEMENT FOR THE YEAR 2015-16

₹ in lakhs

	This Year	Previous Year
A) Cash Flow from Operating Activities:		
Profit/(Loss) for the year before extraordinary items:	(3388.12)	(4749.05)
Adjustments for:		
Depreciation	982.91	899.95
Finance costs	1365.73	969.65
Interest received	(118.25)	(56.97)
Profit on sale of assets	(2.01)	--
Credit balances written back	(4.08)	(2.01)
Provision for compensated absences	10.29	23.83
Provision for Gratuity	(34.18)	(6.42)
	-----	-----
Operating Profit before Working Capital changes	(1187.71)	(2921.02)
Inventories	317.10	1429.75
Trade and other receivables	(145.47)	317.07
Trade payables	(44.81)	(1080.40)
	-----	-----
Cash generated from operations	(1060.89)	(2254.60)
Finance costs	(1365.73)	(969.65)
Income Tax (paid)/refund received	(2.55)	(3.09)
	-----	-----
Net Cash generated in operations before extra-ordinary items	(2429.17)	(3227.34)
Insurance proceeds received on fire loss of profits claim settlement	694.75	--
	-----	-----
Net Cash generated in operations	(1734.42)	(3227.34)
	-----	-----
B) Cash Flow from Investing Activities:		
Additions to Fixed Assets including capital work-in-progress	(205.61)	(4.85)
Decrease in capital work-in-progress	--	5.11
Sale of Fixed Assets	4.75	--
Interest received	118.25	56.97
	-----	-----
Net Cash generated from investing activities	(82.61)	57.23
	-----	-----
C) Cash Flow from Financing Activities:		
(Decrease) / Increase in borrowings (net)	1595.24	3383.74
	-----	-----
Net Cash used in Financing Activities	1595.24	3383.74
	-----	-----
Net increase/(decrease) in Cash & Cash equivalents (A+B+C)	(221.79)	213.63
Opening balance of Cash & Cash equivalents	333.19	119.56
Closing balance of Cash & Cash equivalents	111.40	333.19

Per our report of even date

For and on behalf of the Board

For Brahmayya & Co.,
Chartered Accountants
C V Ramana Rao
Partner
Membership No.018545

M R B Punja
Dr. B B Ramaiah
A A Krishnan
P Ratna Rao

Chairman
Managing Director
Director
General Manager (Finance)

Place: Hyderabad
Date : 20.05.2016

Hyderabad
20.05.2016



THE ANDHRA PETROCHEMICALS LIMITED

CIN : L23209AP1984PLC004635

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

**32nd 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 32nd ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 29th September, 2016 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 Annual Accounts for the Financial Year ended 31st March, 2016.
- 2. Reappointment of Sri Ravi Pendyala as Director.
- 3. Reappointment of Smt. Y Anuradha, I.A.S., as Director.
- 4. Ratification of appointment of M/s. Brahmayya & Co., as Statutory Auditors for the year 2016-17 and fixing their remuneration.

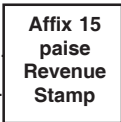
Special Business:

- 5. Ordinary Resolution for re-appointment of Dr. B B Ramaiah as Managing Director for a further period of five years from 12.11.2016.
- 6. Ordinary Resolution for ratification of remuneration to be paid to M/s. Narasimha Murthy & Co., Cost Accountants, as Cost Auditors for the Financial Year 2016-17.
- 7. Ordinary Resolution for appointment of Sri B Sreedhar, I.A.S., as Director.
- 8. Special Resolution for according permission to Board to invite / accept Fixed Deposits within limits prescribed in the Companies Act, Fixed Deposits rules and overall borrowing limits of the Company.
- 9. Ordinary Resolution for increasing Authorised Share Capital of the Company from existing Rs. 85 crores to Rs. 125 crores.
- 10. Special Resolution for alteration of provisions of the Memorandum & Articles of Association of the Company with regard to increase of the Authorised Share Capital.

Signed this day of 2016

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

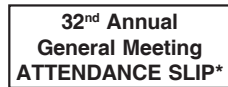
CIN : L23209AP1984PLC004635

Regd. Office: Venkatarayapuram, Tanuku - 534215

W.G.District, Andhra Pradesh

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

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



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 32nd ANNUAL GENERAL MEETING being held on Thursday, the 29th September, 2016 at 3:00 p.m.

.....
Signature of Member / Proxy

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