



**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@theandhrapetrochemicals.com

CIN : L23209AP1984PLC004635

Website : www.theandhrapetrochemicals.com

NO. APL/SEC/QR/12

The Relationship Manager,
Corporate Relationship Department
The Bombay Stock Exchange Ltd.,
1st Floor, New Trading Ring
Dalal Street, FORT,
MUMBAI 400 001

24 June 2021

Dear Sir,

SUB: Audited Financial Results for the Year ended 31.3.2021 & Outcome of Board Meeting held on 24.6.2021

REF: Company's Scrip code: 500012

The Board of Directors at its Meeting held today approved the following:

1. Audited Financial Results:

The Board has taken on record and approved the Audited Financial Results for the Quarter and Year ended 31.3.2021. Pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, Audited Financial Results for the Year ended 31.3.2021, Independent Auditors Report and declaration with regard to Unmodified Opinion on the Financial Results are enclosed.

2. Recommendation of Dividend

Our Board of Directors at its Meeting held on 24th June, 2021 recommended a Dividend of Rs.1.50/- (15%) per share on Equity Shares (Face Value of Rs.10/-) of the Company for the year ending 31st March, 2021 subject to the approval of the Shareholders at the ensuing 37th Annual General Meeting of the Company.

3. Book Closure dates

It may please be noted that the Register of Members and Share Transfer books will be closed from Monday, 20th September, 2021 to the Monday, 27th September, 2021 (both days inclusive).

Contd...2/-

:: 2 ::

4. Annual General Meeting

37th Annual General Meeting of the Company will be held on Monday, 27th September, 2021 at 3:00 p.m. at the Registered Office, Venkatarayapuram, Tanuku- 534215, West Godavari District, Andhra Pradesh.

The Board Meeting commenced on 11.30 a.m. and concluded at 2.00 P.M.

This is for your kind information and record.

Thanking you,

Yours faithfully,
for THE ANDHRA PETROCHEMICALS LIMITED,


(G Adinarayana)
Chief Financial Officer & Company Secretary

Encls: As above



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@theandhrapetrochemicals.com
CIN : L23209AP1984PLC004635
Website : www.theandhrapetrochemicals.com

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2021

Particulars	(Rs. in lakhs)				
	3 months ended 31.03.2021	Preceding 3 months ended 31.12.2020	Corresponding 3 months ended in the previous year 31.03.2020	Year to date figures for current period ended 31.03.2021	previous year ended 31.03.2020
	Refer Note 2	Unaudited	Refer Note 2	Audited	Audited
I Revenue from operations	21834.08	15561.05	7273.18	56606.74	45593.27
II Other Income	90.74	119.92	102.02	387.49	332.90
III Total income (I+II)	21924.82	15680.97	7375.20	56994.23	45926.17
IV Expenses					
a) Cost of materials consumed	11741.35	9340.32	6353.05	33892.90	34790.40
b) Changes in inventories of finished goods, work-in-progress	71.45	(162.82)	(52.28)	1080.72	(1387.48)
c) Employee benefits expense	533.35	620.16	619.73	2148.84	2060.02
d) Finance costs	233.49	222.95	25.55	912.80	152.13
e) Depreciation and amortization expense	347.65	353.11	280.36	1402.88	1281.18
f) Power and Fuel	1078.53	1054.21	725.36	3799.08	3896.02
g) Other expenses	673.38	481.23	1353.55	1962.53	2985.56
Total expenses (IV)	14679.20	11909.16	9305.32	45199.75	43777.83
V Profit/(Loss) before exceptional items and tax (III-IV)	7245.62	3771.81	(1930.12)	11794.48	2148.34
VI Exceptional Items	-	-	-	-	-
VII Profit/(Loss) before tax (V+VI)	7245.62	3771.81	(1930.12)	11794.48	2148.34
VIII Tax expense (including deferred tax)	2545.36	1322.14	(589.19)	4147.11	759.57
IX Profit/(Loss) for the period from continuing operations(VII-VIII)	4700.26	2449.67	(1340.93)	7647.37	1388.77
X Profit/ (Loss) from discontinued operations	-	-	-	-	-
XI Tax expense of discontinued operations	-	-	-	-	-
XII Profit/ (Loss) from discontinued operations(after tax) (X-XI)	-	-	-	-	-
XIII Profit/ (Loss) for the period(IX+XII)	4700.26	2449.67	(1340.93)	7647.37	1388.77
XIV Other Comprehensive Income (net of tax)	376.36	-	(152.50)	376.36	(152.50)
XV Total Comprehensive Income for the period (XIII+XIV)	5076.62	2449.67	(1493.43)	8023.73	1236.27
(Comprising Profit/(Loss) and other comprehensive Income for the period)					
XVI Earnings per equity share (for continuing operations)					
Basic	5.54	2.88	(1.58)	9.00	1.63
Diluted	5.54	2.88	(1.58)	9.00	1.63
XVII Earnings per equity share (for discontinued operations)					
Basic	-	-	-	-	-
Diluted	-	-	-	-	-
XVIII Earnings per equity share (for discontinued & continuing operations)					
Basic	5.54	2.88	(1.58)	9.00	1.63
Diluted	5.54	2.88	(1.58)	9.00	1.63

Contd... 2..

For The Andhra Petrochemicals Ltd.

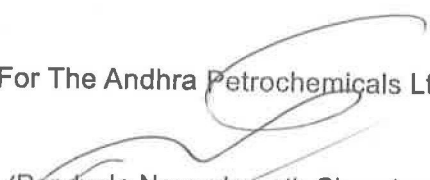
(Pandyala Narendranath Chowdary)
Managing Director

Statement of Assets and Liabilities

Particulars		(Rs. in lakhs)	
		As at 31.03.2021 Audited	As at 31.03.2020 Audited
1	ASSETS		
	Non-current assets		
	(a) Property, Plant and Equipment	15527.38	16500.15
	(b) Right-of-use asset	7928.26	8210.38
	(c) Capital Work-in-progress	41.31	41.22
	(d) Other Intangible assets	25.50	34.79
	(e) Financial assets		
	Investments	711.64	308.75
	Other Financial Assets	440.58	440.57
	(f) Other non-current assets	5.52	5.52
	Sub-Total - Non-current assets	24680.19	25541.38
2	Current assets		
	(a) Inventories	3257.06	3510.82
	(b) Financial assets		
	Investments	14299.37	2865.81
	Trade receivables	438.39	603.19
	Cash and cash equivalents	1042.31	395.40
	Other Financial Assets	16.30	23.13
	(c) Current tax asset (Net)	-	133.68
	(d) Other current assets	912.81	649.14
	Sub-Total - Current assets	19966.24	8181.17
	Total - Assets	44646.43	33722.55
	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share Capital	8497.16	8497.16
	(b) Other Equity	21873.95	13850.22
	Sub-Total - Equity	30371.11	22347.38
	LIABILITIES		
1	Non-Current Liabilities		
	(a) Financial Liabilities		
	Borrowings	-	-
	Other financial Liabilities	5.00	5.00
	(b) Lease liabilities	7168.89	7110.81
	(c) Provisions	300.58	389.60
	(d) Deferred tax liabilities (Net)	2772.42	744.71
	Sub-Total - Non-current Liabilities	10246.89	8250.12
2	Current Liabilities		
	(a) Financial Liabilities		
	Borrowings	2.77	63.13
	Trade payables	1657.42	941.08
	Other Financial liabilities	80.91	640.19
	(b) Lease liabilities	752.81	731.15
	(c) Provisions	295.51	201.80
	(d) Current Tax Liabilities (Net)	181.99	-
	(e) Other Current liabilities	1057.02	547.70
	Sub-Total - Current Liabilities	4028.43	3125.05
	TOTAL - EQUITY AND LIABILITIES	44646.43	33722.55

Contd...3..

For The Andhra Petrochemicals Ltd.



(Pendyala Narendranath Chowdary)
Managing Director

--:3:--

AUDITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

(Rs. In lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
A) Cash Flow from Operating Activities		
Profit before tax	11794.48	2148.34
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment and amortisation	1120.76	1066.54
Amortisation of Right of Use assets (Intangible)	282.12	214.63
Finance costs (including fair value change in financial instruments)	35.70	112.18
Finance income (including fair value change in financial instruments)	(108.43)	(88.28)
Gain on disposal of property, plant and equipment	-	(0.07)
Gains on sale of financial assets measured at FVTPL	(112.26)	(147.09)
Gain on revaluation of investments-Mutual Fund	(136.31)	(24.37)
Loss on sale of property, plant and equipment	-	0.01
Assets Written off	0.56	147.42
Unclaimed credit balances written back	(0.85)	(17.37)
Debit balances written back	0.07	0.27
Foreign exchange gain/loss	(0.24)	1.88
Unwinding of discount on lease liabilities	821.45	4.79
Amortisation of transaction costs	5.62	9.17
Operating Profit before Working Capital changes	13702.67	3428.05
Working capital adjustments:		
Movements in provisions, gratuity and government grants	(36.09)	53.91
Decrease/ (Increase) in trade and other receivables and Pre payments	31.83	2821.83
Decrease/(Increase) in inventories	253.76	(1603.69)
Increase/(Decrease) in trade and other payables	483.98	(9.66)
Cash generated from operations	14436.15	4690.44
Income Tax (paid)/refund	(1909.74)	(617.64)
Net Cash generated in operations before extra-ordinary items	12526.41	4072.80
B) Cash Flow from Investing Activities:		
Proceeds from sale of property, plant and equipments	-	0.14
Purchase of property, plant and equipments	(139.27)	(490.89)
Development of Intangible asset	-	(12.00)
Capital work in progress	(0.09)	(41.22)
Purchase of financial instruments	(19299.11)	(14200.00)
Proceeds from sale of financial instruments	8114.12	13133.73
Interest received	104.73	87.82
Net cash flows used in investing activities	(11219.62)	(1522.42)
C) Cash Flow from Financing Activities:		
Interest paid	(35.70)	(112.18)
Repayments of borrowings	(624.18)	(801.65)
Dividends paid to equity holders	-	(1274.57)
Dividend distribution tax	-	(261.99)
Net cash flows/(used in) Financing Activities	(659.88)	(2450.39)
Net increase/(decrease) in Cash & Cash equivalents (A+B+C)	646.91	99.99
Opening balance of Cash & Cash equivalents	395.40	295.41
Closing balance of Cash & Cash equivalents	1042.31	395.40

Notes:

- The above results, reviewed by the Audit Committee, were approved by the Board of Directors at its Meeting held on 24th June, 2021.
- The figures for the quarters ended 31.03.2021 and 31.03.2020 are the balancing figures between the audited figures of the full financial years ended 31.03.2021 and 31.03.2020 respectively, and published unaudited year-to-date figures upto the nine months ended 31.12.2020 and 31.12.2019 respectively.
- The Board of Directors have recommended a dividend of Rs.1.50/- (15%) per equity share of Rs.10/- each for the Financial Year 2020-21 subject to the approval of members at the Annual General Meeting.
- During the Financial Year 2019-20, the Company(APL) has initiated the process of renewal of the Land Lease on which the plant is located with Visakhapatnam Port Trust (VPT) for a further period of 30 years with effect from 28.06.2019. APL has submitted its Technical & Financial Bid against the tender floated by VPT. As APL was the sole bidder for the Tender, VPT accepted both Technical Bid & Financial Bid. Lateron, VPT has cancelled the tender and issued re-tender. Aggrieved by the action of VPT, APL has filed a writ petition under Article 226 before the Hon'ble High Court of Andhra Pradesh. The Hon'ble High Court of Andhra Pradesh has granted the stay on re-tendering. APL has continued its discussions with VPT from time to time and on 31st March, 2021 a joint meeting was held between the Executive Members of VPT and the President & G M (HR) of APL in the Office of the Chief Engineer VPT. The Chief Engineer, VPT has directed APL in the meeting to pay the lease rentals or otherwise penal interest @ three times will be levied. After seeking advice from the company's advocate, APL has paid the lease rentals due till 31.03.2021 and the advance rentals for the year 2021-22 as per APL bid in the original tender. APL is pursuing for necessary execution of the lease agreement for another 30 years with effect from 28.06.2019. APL has considered provisionally its bid amount for accounting of "Leases" in accordance with Ind AS 116, till the matter is finally settled.
- Segmental reporting as per Ind AS-108 issued by the ICAI is not applicable, as the Company is engaged in manufacture of a single line of product.
- Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.

Place: Tanuku
Date: 24th June, 2021


P. NARENDRANATH CHOWDARY
Managing Director



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
THE ANDHRA PETROCHEMICALS LIMITED,
Tanuku

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **THE ANDHRA PETROCHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

SL. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1	Valuation of Investments in Unquoted Equity Shares of Andhra Pradesh Gas Power company Ltd (APGPCL)	
	<p>The valuation of the investments involves judgement and continues to be an area of inherent risk because quoted prices are not readily available. As per the MOU between the APGPCL and its shareholders, each shareholder is entitled to receive power generated in proportion to its shareholding at cost of generation plus 20% of its overheads which is substantially lower than the price charged by DISCOMs.</p> <p>In the absence of any transfer of shares of APGPCL during the year under audit the fair value of the shares has been determined by using "discounted cash flow" method in respect of savings in cost of power in future years.</p> <p>Refer Note 3.2 to the Financial Statements</p>	<p>We assessed the managements' approach to valuation for these investments by performing the following procedures:</p> <ul style="list-style-type: none"> • We have verified data inputs used in the valuation models based on historical trends. • We evaluated the methodology and assumptions used by management, including reasonableness of the discounted cash flows, growth rate and discount rate applied by comparing it with the Indian Government Bond rate for a similar period. • We tested the calculation of the fair value based on the assumptions applied. • We found the disclosures in the financial statements to be appropriate. <p><i>Conclusion:</i> Based on the work performed and the evidence obtained, we consider the methodology and assumptions used by management to be appropriate.</p>
2	Estimation of decommissioning and restoration provisions	
	<p>The determination and valuation of provision is highly judgmental by its nature, as they are calculated based on assumptions that are impacted by future activities and the legislative environment in which the company operates.</p> <p>Refer Note 2.37 to the Financial Statements</p>	<p>Our audit procedures to assess the decommissioning provision included the following:</p> <ul style="list-style-type: none"> • We assessed the valuation methodology • We evaluated the reasonableness of key assumptions applied by the management to calculate the provisions. • We tested the calculation of the provisions. • We checked the accuracy and relevance of the input data used. • We found the disclosures in the financial statements to be appropriate. <p><i>Conclusion:</i> Based on the work performed, we found management's assessment to be reasonable based on available evidence.</p>
3	Estimation of Lease liability	
	Measurement of lease liability for the land taken on lease from Visakhapatnam Port Trust (VPT)	<p>Our audit procedures, among others included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the terms

<p>involves significant judgement, as they are calculated based on terms & conditions of the tender floated by VPT and the financial bid submitted against the tender, which was later on cancelled and issued for re-tender. Due to its vast nature, even small changes in the terms of the lease agreement can have a material impact on the estimated lease liability and right of use asset.</p> <p>Refer Note 2.41 to the Financial Statements</p>	<p>and conditions of the VPT's Land renewal lease policy "e-Tender cum e-Auction" to evaluate the appropriateness of key assumptions applied.</p> <ul style="list-style-type: none"> • We have gone through the outcome of the original tender, legal opinion, interim stay order from Hon'ble High Court of Andhra Pradesh for re- tender and supporting evidences of lease rental payments to evaluate the reasonableness of the managements' judgment that the lease will be allotted to the APL. • We assessed the methodology adopted and assumptions used by management, including reasonableness of the discounted cash flows and discount rate applied. • We found the disclosures in the financial statements to be appropriate. <p><i>Conclusion:</i> Based on the work performed, we found management's estimation to be reasonable based on available evidence.</p>
---	--

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this "other information", we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 in terms of Section 143(11) of the Act, we give in "Annexure- A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS 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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The company has neither paid nor provided any remuneration to any of the Directors of the company. Accordingly, the question of reporting under the provisions of section 197(16) of the Act does not arise.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

**For C V RAMANA RAO & CO.,
Chartered Accountants
Firm Reg. No. 002917S**

KATYAYANI KOTA Digitally signed by KATYAYANI
KOTA
Date: 2021.06.24 11:53:12 +05'30'

(KATYAYANI K)

Partner

Membership No.225030

UDIN: 21225030AAAAAQ6801

Place: Visakhapatnam

Date: 24th June, 2021

ANNEXURE-A TO THE INDEPENDENT AUDITORS' 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 2021. We report that:

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

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of

excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

b) As at 31st March 2021, 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.

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

Place: Visakhapatnam
Date: 24th June, 2021

For C V RAMANA RAO & CO.,
Chartered Accountants
Firm Reg. No. 002917S

KATYAYANI KOTA Digitally signed by KATYAYANI KOTA
Date: 2021.06.24 11:52:46 +05'30'
(KATYAYANI K)
Partner
Membership No.225030
UDIN: 21225030AAAAAQ6801

Annexure "B" to the Independent Auditors' Report

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **THE ANDHRA PETROCHEMICALS LIMITED** ("the Company") as of 31st March 2021 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 Board of directors of the company 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 (ICAI). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company 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") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, 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 31 March 2021, 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.

Place: Visakhapatnam
Date: 24th June, 2021

For C V RAMANA RAO & CO.,
Chartered Accountants
Firm Reg. No. 002917S

KATYAYANI KOTA Digitally signed by KATYAYANI
KOTA
Date: 2021.06.24 11:50:53 +05'30'

(KATYAYANI K)
Partner
Membership No.225030
UDIN: 21225030AAAAAQ6801



Independent Auditors' Report on Annual Financial Results of The Andhra Petrochemicals Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
The Andhra Petrochemicals Limited

**Report on the audit of the Annual Financial Results
Opinion**

We have audited the financial results for the year ended 31 March 2021, and (b) reviewed the Standalone Financial results for the quarter ended March 31, 2021, (refer "Other Matters" section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year ended March 31, 2021" of "The Andhra Petrochemicals Limited" being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the financial results for the year ended March 31, 2021:

- i). are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; and
- ii). give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2021

With respect to the Financial Results for the quarter ended March 31, 2021, based on our review conducted as stated in paragraph (b) of the Auditors' responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Financial Results for the year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India

together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statements

This Statement which includes the annual financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2021 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the financial results for the quarter and year ended March 31, 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the financial results for the year ended March 31, 2021 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

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

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual financial results, including the disclosures, and whether the Annual Financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial results of the company to express an opinion on the Annual Financial Results.

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

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

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

(b) Review of the Financial Results for the quarter ended March 31, 2021

We conducted our review of the Financial Results for the quarter ended March 31, 2021 in accordance with the Standard on Review Engagements ("SRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than the audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- The statements include, the results for the quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year ended March 31, 2021 and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us as required under the Listing Regulations. Our report on the statement is not modified in respect of this matter.

**For C V RAMANA RAO & CO.,
Chartered Accountants
Firm Reg. No. 002917S**

KATYAYANI KOTA Digitally signed by KATYAYANI
KOTA
Date: 2021.06.24 11:58:15 +05'30'

(K KATYAYANI)

Partner

Membership No.225030

UDIN: 21225030AAAAAQ6801

Place: Visakhapatnam

Date: 24.06.2021



**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@theandhrapetrochemicals.com
CIN : L23209AP1984PLC004635
Website : www.theandhrapetrochemicals.com

NO. APL/SEC/QR/12

24 June 2021

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,

Sub: Declaration with regard to Audit Report with Unmodified Opinion.
Ref: BSE Scrip Code: 500012

Pursuant to Regulation 33 (3)(d) of SEBI (LODR) Regulations, 2015 and SEBI Circular No.CIR/CFD/CMD/56/2016 dt. 27.5.2016, we hereby confirm that M/s C V Ramana Rao & Co., Chartered Accountants, Statutory Auditors of the Company have issued Auditors' Report, on the Audited Financial Results of the Company for the Financial Year 2020-21, with Unmodified Opinion.

This is for your kind information and record.

Thanking you,

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


(P Narendranath Chowdary)
Managing Director