



**THE ANDHRA
PETROCHEMICALS LIMITED**

Regd. Office :
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Fax : 08819-224168
E-mail : info.tnk@andhrapetrochemicals.com
CIN : L23209AP1984PLC004635
Website : www.andhrapetrochemicals.com

NO. APL/SEC/QR/12

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

20 June 2020

Dear Sir,

SUB: Audited Financial Results for the Year ended 31.3.2020 along with Independent Auditors Report and Declaration with regard to Audit Report with Unmodified Opinion.

REF: Company's Scrip code: 500012

With reference to above, we enclose herewith the following:

1. Audited Financial Results for the Year ended 31.3.2020
2. Declaration with regard to Auditors' Report with Unmodified Opinion
3. Auditors' Report on the Financial Statements for the year ended 31.3.2020

This is for your kind information and record.

Thanking you,

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


(P Narendranath Chowdary)
Managing Director

Encls: As above



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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020

Particulars	(Rs. in lakhs)				
	3 months ended 31.03.2020	Preceding 3 months ended 31.12.2019	Corresponding 3 months ended in the previous year 31.03.2019	Year to date figures for current period ended 31.03.2020	previous year ended 31.03.2019
	Refer Note 2	Unaudited	Refer Note 2	Audited	Audited
I Revenue from operations	7273.18	11000.09	15896.30	45593.27	66586.22
II Other Income	102.02	85.62	77.83	332.90	271.95
III Total income (I+II)	7375.20	11085.71	15974.13	45926.17	66858.17
IV Expenses					
a) Cost of materials consumed	6353.05	9398.51	10553.97	34790.40	46395.00
b) Changes in inventories of finished goods, work-in-progress	(52.28)	(1032.98)	332.30	(1387.48)	(41.17)
c) Employee benefits expense	665.76	479.30	473.00	2106.05	1926.70
d) Finance costs	25.55	34.71	100.17	152.13	591.81
e) Depreciation and amortization expense	280.35	313.10	267.63	1281.17	1049.48
f) Power and Fuel	725.36	1067.72	1042.84	3896.02	4779.40
g) Other expenses	1353.56	543.70	1010.25	2985.57	2657.85
Total expenses (IV)	9351.35	10804.06	13780.16	43823.86	57359.07
V Profit/(Loss) before exceptional items and tax (III-IV)	(1976.15)	281.65	2193.97	2102.31	9499.10
VI Exceptional items	-	-	-	-	-
VII Profit/(Loss) before tax (V+VI)	(1976.15)	281.65	2193.97	2102.31	9499.10
VIII Tax expense (including deferred tax)	(605.27)	51.09	809.58	743.49	2515.74
IX Profit/(Loss) for the period from continuing operations(VII-VIII)	(1370.88)	230.56	1384.39	1358.82	6983.36
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)	(1370.88)	230.56	1384.39	1358.82	6983.36
XIV Other Comprehensive Income (net of tax)	(122.56)	-	(101.27)	(122.56)	(101.27)
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and other comprehensive income for the period)	(1493.44)	230.56	1283.12	1236.26	6882.09
XVI Earnings per equity share (for continuing operations)					
Basic	(1.61)	0.27	1.63	1.60	8.22
Diluted	(1.61)	0.27	1.63	1.60	8.22
XVII Earnings per equity share (for discontinued operations)					
Basic	-	-	-	-	-
Diluted	-	-	-	-	-
XVIII Earnings per equity share (for discontinued & continuing operations)					
Basic	(1.61)	0.27	1.63	1.60	8.22
Diluted	(1.61)	0.27	1.63	1.60	8.22

Contd... 2..

For The Andhra Petrochemicals Ltd.

(Pendyala Narendranath Chowdary)
Managing Director

--: 2 :-

Statement of Assets and Liabilities

(Rs. in lakhs)

Particulars		As at	As at
		31.03.2020	31.03.2019
		Audited	Audited
1	ASSETS		
	Non-current assets		
	(a) Property, Plant and Equipment	16500.15	17214.89
	(b) Right-of-use asset	8210.38	-
	(c) Capital Work-in-progress	41.22	-
	(d) Other Intangible assets	34.79	31.20
	(e) Financial assets		
	Investments	308.75	446.28
	Other Financial Assets	440.57	440.62
	(f) Other non-current assets	5.52	5.52
	Sub-Total - Non-current assets	25541.38	18138.51
2	Current assets		
	(a) Inventories	3510.82	1907.14
	(b) Financial assets		
	Investments	2865.81	1628.08
	Trade receivables	603.19	3561.04
	Cash and cash equivalents	395.40	295.41
	Other Financial Assets	23.13	24.83
	(c) Current tax asset (Net)	133.68	-
	(d) Other current assets	649.14	514.41
	Sub-Total - Current assets	8181.17	7930.91
	Total - Assets	33722.55	26069.42
	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share Capital	8497.16	8497.16
	(b) Other Equity	13850.22	14150.92
	Sub-Total - Equity	22347.38	22648.08
	LIABILITIES		
1	Non-Current Liabilities		
	(a) Financial Liabilities		
	Borrowings	-	558.50
	Other financial Liabilities	5.00	5.00
	(b) Lease liabilities	7110.81	-
	(c) Provisions	430.28	219.61
	(d) Deferred tax liabilities (Net)	744.71	362.99
	Sub-Total - Non-current Liabilities	8290.80	1146.10
2	Current Liabilities		
	(a) Financial Liabilities		
	Borrowings	63.13	64.48
	Trade payables	941.08	486.82
	Other Financial liabilities	640.19	817.31
	(b) Lease liabilities	731.15	-
	(c) Provisions	161.12	294.87
	(d) Current Tax Liabilities (Net)	-	117.26
	(e) Other Current liabilities	547.70	494.50
	Sub-Total - Current Liabilities	3084.37	2275.24
	TOTAL - EQUITY AND LIABILITIES	33722.55	26069.42

Contd...3..

For The Andhra Petrochemicals Ltd.



(Pendyala Narendranath Chowdary)
Managing Director

AUDITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

(Rs. In lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
A) Cash Flow from Operating Activities		
Profit before tax	2102.31	9499.10
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment and amortisation	1066.54	1049.48
Amortisation of Right of Use assets (Intangible)	214.63	-
Finance costs (including fair value change in financial instruments)	112.18	591.82
Finance income (including fair value change in financial instruments)	(88.28)	(119.94)
Gain on disposal of property, plant and equipment	(0.07)	-
Gains on sale of financial assets measured at FVTPL	(147.09)	(100.80)
Gain on revaluation of investments-Mutual Fund	(24.37)	-
Loss on sale of property, plant and equipment	0.01	-
Assets Written off	147.42	-
Unclaimed credit balances written back	(17.37)	(22.74)
Debit balances written back	0.27	-
Foreign exchange gain/loss	1.88	-
Unwinding of decommissioning cost	4.79	-
Amortisation of transaction costs	9.17	8.86
Operating Profit before Working Capital changes	3382.02	10905.78
Working capital adjustments:		
Movements in provisions, gratuity and government grants	99.93	5.32
Decrease/ (Increase) in trade and other receivables and Pre payments	2821.83	(501.58)
Decrease/(Increase) in inventories	(1603.68)	(296.92)
Increase/(Decrease) in trade and other payables	(9.66)	(247.55)
Cash generated from operations	4690.44	9865.05
Income Tax (paid)/refund	(617.64)	(1992.60)
Net Cash generated in operations before extra-ordinary items	4072.80	7872.44
B) Cash Flow from Investing Activities:		
Proceeds from sale of property, plant and equipments	0.14	0.01
Purchase of property, plant and equipments	(490.89)	(67.83)
Development of Intangible asset	(12.00)	(24.33)
Capital work in progress	(41.22)	-
Purchase of financial instruments	(14200.00)	(20820.00)
Proceeds from sale of financial instruments	13133.73	19292.72
Interest received	87.82	119.69
Net cash flows used in investing activities	(1522.42)	(1499.74)
C) Cash Flow from Financing Activities:		
Interest paid	(112.18)	(591.81)
Repayments of borrowings	(801.65)	(5713.89)
Dividends paid to equity holders	(1274.57)	-
Dividend distribution tax	(261.99)	-
Net cash flows/(used in) Financing Activities	(2450.39)	(6305.70)
Net increase/(decrease) in Cash & Cash equivalents (A+B+C)	99.99	67.00
Opening balance of Cash & Cash equivalents	295.41	228.41
Closing balance of Cash & Cash equivalents	395.40	295.41

Contd...4..


For The Andhra Petrochemicals Ltd.

(Pendyala Narendranath Chowdary)
Managing Director

Notes:

- 1 The above results, reviewed by the Audit Committee, were approved by the Board of Directors at its Meeting held on 20th June, 2020.
- 2 The figures for the quarters ended 31.03.2020 and 31.03.2019 are the balancing figures between the audited figures of the full financial years ended 31.03.2020 and 31.03.2019 respectively, and the published year-to-date figures upto the nine months ended 31.12.2019 and 31.12.2018 respectively.
- 3 The Company has adopted Ind AS 116 "Leases" with the date of initial application, being 1st April 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. On transition to Ind AS 116, Right of-use assets at April 1, 2019 for leases previously classified as operating leases were recognized and measured at an amount equal to lease liability (adjusted for related prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using Incremental borrowing rate as at 1 April 2019 for measuring the lease liability.
On transition to Ind AS 116, the company recognized Right of-use asset amounting to Rs. 8,210.38 lakhs and a lease liability of Rs. 7,841.95 lakhs in the financial statements. During the quarter ended 31 March 2020, the Company has recognized interest expense on leases amounting to Rs. 0.43 lakhs and amortization on right of-use asset amounting to Rs. 214.63 lakhs in the financial statements.
- 4 Impact of COVID-19: In March 2020, the World health organisation declared COVID-19 to be a pandemic. The Company's operations were impacted from 26th March,2020 till 5th May,2020 as the factory and offices of the Company were closed. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information. The Company has performed an analysis on the assumptions used and based on the assumptions used and based on current estimates expects the carrying amount of its assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results. As on date, the factory and other offices are functioning.
- 5 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.
- 6 Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.

Place: Tanuku
Date: 20th June, 2020



P. NARENDRANATH CHOWDARY
Managing Director



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NO. APL/SEC/QR/12

20 June 2020

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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 2019-20, 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



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, 2020, 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, 2020, 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
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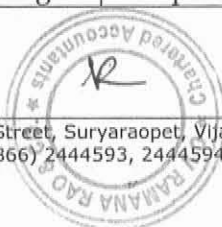
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		Matter
1	<p>Adoption of Ind AS 116 "Leases"</p> <p>Accuracy of identification, classification, measurement, presentation and disclosures of lease transactions in view of adoption of Ind AS 116 "Leases"</p> <p>The application of the above new accounting standard involves certain key judgements relating to identification of contracts which contains lease, classification of leases, the appropriateness of the basis used to measure the right of use asset and lease liability at the date of initial application.</p> <p>Refer: Note 2.41 to the Financial Statements</p>	<p>We assessed the various Company's process and contracts entered with various property owners to identify the impact of adoption of the new accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new accounting standard. • We have gone through the terms of the lease contracts of continuing and new contracts and tested the operating effectiveness of the internal controls relating to identification, classification and measurement of lease contracts. • We evaluated the methodology and assumptions used by management, including reasonableness of the lease term, lease rentals, discount rate applied by comparing it with the incremental borrowing rate for a similar period. • We tested the calculation of the right of use assets and lease obligations based on the assumptions applied. <p><i>Conclusion:</i> Based on the work performed, we found management's assessment to be reasonable based on available evidence.</p>
2	<p>Valuation of Investments in Unquoted Equity Shares of Andhra Pradesh Gas Power company Ltd (APGPCL)</p> <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</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



	<p>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>Bond rate for a similar period.</p> <ul style="list-style-type: none"> • 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>
3	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 new and existing 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>

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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative 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 financial statements.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There is no delay in amount which is 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. 0029178

Katyayani K

(KATYAYANI K)

Partner

Membership No.225030

UDIN:20225030AAAAAN7658

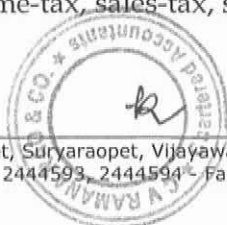
Place: Tanuku

Date: 20th June, 2020

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 2020. 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 2020 for a period of more than six months from the date they became payable.

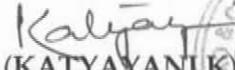
b) As at 31st March 2020, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess.

- 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.

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


(KATYAYANI K)
Partner

Membership No. 225030
UDIN:20225030AAAAAN7658

Place: Tanuku
Date: 20th June, 2020

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 2020 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 2020, 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 C V RAMANA RAO & CO.,
Chartered Accountants
Firm Reg. No. 002917S


(KATYAYANI K)

Partner

Membership No.225030

UDIN:20225030AAAAAN7658

Place: Tanuku
Date: 20th June, 2020



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 (a) audited the financial results for the year ended 31 March 2020, and (b) reviewed the financial results for the quarter ended March 31, 2020, (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, 2020" 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, 2020:

- 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 loss and other comprehensive loss and other financial information for the year ended 31 March 2020.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2020

With respect to the Financial Results for the quarter ended March 31, 2020, 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 Financial Results for the quarter ended March 31, 2020, 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, 2020

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 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, 2020 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, 2020 that give a true and fair view of the net profit and other comprehensive loss 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 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, 2020

Our objectives are to obtain reasonable assurance about whether the financial results for the year ended March 31, 2020 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, 2020


We conducted our review of the Financial Results for the quarter ended March 31, 2020 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

- As stated in Note b of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The statements includes the results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year 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. Our report on the statement is not modified in respect of this matter.

Place: Tanuku
Date: 20th June, 2020

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


(KATYAYANI K)

Partner

Membership No. 225030

UDIN: 20225030AAAAN 7658

