

**THE  
ANDHRA PETROCHEMICALS  
LIMITED**



**40<sup>th</sup> Annual Report  
2023 - 24**

# THE ANDHRA PETROCHEMICALS LIMITED

## Board of Directors

Dr. Pamidi Kotaiah  
Chairman

Sri P Narendranath Chowdary  
Managing Director

Sri Mullapudi Thimmaraja (upto 2.8.2023)  
Dr. (Smt.) D Manjulata

Sri C Rami Reddy (Nominee of APIDC, from  
20.5.2023 to 6.10.2023)

Sri V Raghunath (Nominee of APIDC, from  
10.2.2024)

Sri Y S S Suresh (Nominee of APIDC)

Sri Ravi Pendyala

Dr. V N Rao

Sri P Venkateswara Rao

Sri M Gopalakrishna, I.A.S., (Retd.)

Sri G S V Prasad

Sri M S R V K Ranga Rao

## Key Managerial Personnel

Sri K Narasappa  
President

Sri G Adinarayana  
Chief Financial Officer & Company Secretary

## Statutory Auditors

M/s. C.V. Ramana Rao & Co.,

Chartered Accountants

D.No. 1-88-19,

Plot No. 135/4Sector-4,

MVP Colony Visakhapatnam - 530 017

## Cost Auditors

M/s. Narasimha Murthy & Co.,

Cost Accountants

104, Pavani Estate 3-6-365,

Himayatnagar Hyderabad - 500 029

## Secretarial Auditors

M/s. Nekkanti S.R.V.V.S. Narayana & Co.,  
Company Secretaries

Plot No. 29, 2<sup>nd</sup> Floor, Gafoor Nagar, Madhapur  
Hyderabad – 500081

## Bankers

State Bank of India  
Union Bank of India  
IDBI Bank Ltd.

## Registered Office

Venkatarayapuram  
Tanuku - 534 215  
West Godavari District  
Andhra Pradesh  
Tel : 08819 - 224075 / 220975  
Fax : 08819-224168  
CIN : L23209AP1984PLC004635  
E-mail: [investors@theandhrapetrochemicals.com](mailto:investors@theandhrapetrochemicals.com)  
[info.tnk@theandhrapetrochemicals.com](mailto:info.tnk@theandhrapetrochemicals.com)  
Website: [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com)

## Factory

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

## Registrars & Share Transfer Agent

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

Contents	Page No
Notice	2
Directors' Report	14
Management Discussion & Analysis	15
Report on Corporate Governance	28
Independent Auditors' Report	39
Accounting Policies	46
Balance Sheet	52
Statement of Profit & Loss	53
Notes	54
Statement of Cash Flow	71
Financial Summary	79
Updation of PAN, Bank & e-mail details, Proxy Form & Attendance Slip	



## THE ANDHRA PETROCHEMICALS LIMITED

CIN: L23209AP1984PLC004635

Regd. Office: Venkatarayapuram, TANUKU – 534215

West Godavari District, Andhra Pradesh, Phone: 08819- 224755 & 220975,

Fax: 08819-224168 E-mail: [investors@theandhrapetrochemicals.com](mailto:investors@theandhrapetrochemicals.com)

Website: [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com)

### NOTICE

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of THE ANDHRA PETROCHEMICALS LIMITED will be held on Saturday, 6<sup>th</sup> July, 2024 at 3.00 p.m. at the ASL Meeting Hall, upstairs of canteen building of The Andhra Sugars Ltd., Venkatarayapuram, Tanuku - 534215, West Godavari District, Andhra Pradesh, to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2024 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend for the Financial Year 2023-24.
3. To appoint a Director in place of Sri Ravi Pendyala (DIN 03375555) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Sri M S R V K Ranga Rao (DIN 00031720) who retires by rotation and being eligible offers himself for reappointment.
5. To fix remuneration of Statutory Auditors M/s C V Ramana Rao & Co., (Firm Regn. No.002917S) Chartered Accountants, Visakhapatnam, for the Financial Year 2024-25.

#### **SPECIAL BUSINESS:**

6. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] the remuneration of Rs.2,00,000/- (Rupees two lakhs only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year 2024-25, to be paid to M/s Narasimha Murthy & Co., (Regn. No. 000042), Cost Accountants, Hyderabad, appointed as the Cost Auditors by the Board of Directors of the Company to conduct the Audit of the Cost Accounting Records of the Company as approved by the Board of Directors, be and is hereby ratified and confirmed.”

7. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT Sri V Raghunath (DIN 10405110) who was appointed by the Board of Directors as Additional Director of the Company with effect from 10<sup>th</sup> February, 2024 pursuant to Article 97 of the Articles of Association of the Company, holds office upto the date of the 40<sup>th</sup> Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and the Rules made thereunder [including any statutory modification(s) or any re-enactment(s) thereof for the time being in force], be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT in the event of any amendment made by Ministry of Corporate Affairs, Govt. of India or SEBI or any Statutory Authority to the provisions concerning to the said appointment, the Board at its 1<sup>st</sup> Meeting after the said amendment coming into force be and is hereby authorised to effect necessary modification as may be required and till the date of the Board Meeting, this Resolution shall continue to hold good and thereafter the same may be placed before the 1<sup>st</sup> General Meeting held after amendment for information and ratification.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the said Act [including any statutory modification(s) or reenactment (s) thereof for the time being in force], Sri M Gopalakrishna, I.A.S., (Retd) (DIN 00088454) be and is hereby appointed as Independent Director of

the Company for the second term of 5 consecutive years with effect from the conclusion of the 40<sup>th</sup> Annual General Meeting (AGM), not liable to retire by rotation.

RESOLVED FURTHER THAT in the event of any amendment made by Ministry of Corporate Affairs, Govt. of India or SEBI or any Statutory Authority to the provisions concerning to the said appointment, the Board at its 1<sup>st</sup> Meeting after the said amendment coming into force be and is hereby authorised to effect necessary modification as may be required and till the date of the Board Meeting this Resolution shall continue to hold good and thereafter the same may be placed before the 1st General Meeting held after amendment for information and ratification.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the said Act [including any statutory modification(s) or reenactment (s) thereof for the time being in force], Sri P Venkateswara Rao (DIN 06387165) be and is hereby appointed as Independent Director of the Company for the second term of 5 consecutive years with effect from the conclusion of the 40<sup>th</sup> Annual General Meeting (AGM), not liable to retire by rotation.

RESOLVED FURTHER THAT in the event of any amendment made by Ministry of Corporate Affairs, Govt. of India or SEBI or any Statutory Authority to the provisions concerning to the said appointment, the Board at its 1<sup>st</sup> Meeting after the said amendment coming into force be and is hereby authorised to effect necessary modification as may be required and till the date of the Board Meeting this Resolution shall continue to hold good and thereafter the same may be placed before the 1st General Meeting held after amendment for information and ratification.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

**Place: Hyderabad**

**Date: 25.5.2024**

Registered Office:  
Venkatarayapuram  
TANUKU – 534 215  
Andhra Pradesh

**By Order of the Board**

**P Narendranath Chowdary  
Managing Director**

## NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Item Nos. 6 to 9 is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy and the Proxy need not be a Member of the Company. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy and such person cannot act as a Proxy for any other person or shareholder.  

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable. A Proxy Form is sent herewith.
3. In line with the Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 dated 7.10.2023, the Notice of the AGM along with the Annual Report for the Year 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may please note that the Notice convening the 40<sup>th</sup> AGM and the Annual Report for the year 2023-24 have been uploaded on the website of the Company at [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com) under 'Financial Results' section and may also be accessed on the website of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com)
4. Your Company provides Electronic Voting facility and its particulars and instructions are enclosed and form part of this Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 29.6.2024 to Saturday, 6.7.2024 (both days inclusive).
6. The Dividend recommended by Directors, if approved at the Meeting, will be paid to the Shareholders whose names are on the Register of Members on 28.6.2024. In respect of Shares held in demat mode, the above Dividend will be paid on the basis of beneficial ownership as at the end of business hours of 28.6.2024 as per the details furnished by the Depositories for this purpose.
7. **Remittance of Dividend through NACH / DCF**  

Members, holding Shares in physical form, desirous of receiving Dividend by direct electronic deposit through National Automated Clearing House (NACH) / Direct Credit Facility (DCF) arrangements with the Banker, to their Bank Accounts may authorise the Company by giving details of their NACH Mandate. For more details, kindly write to the Company's Registrars & Transfer Agent (RTA) M/s XL Softech Systems Ltd.
8. **Bank details for Electronic / Demat Shareholding**  

While opening Accounts with Depository Participants (DPs), Members may have given their Bank Account details, which were used by the Company for ECS / printing on Dividend Warrants for remittance of Dividend. However, remittance of Dividend through ECS / NECS has been replaced by NACH. In order to facilitate the Company to remit the Dividend amount through NACH, Members are requested to furnish their new Bank Account Number allotted to them by their Bank to their DPs, along with photocopy of cheque pertaining to their Bank Account.
9. **Bank details for Physical Shareholding**  

In order to provide protection against fraudulent encashment of Dividend Warrants, the Members are requested to provide, if not provided earlier, their Bank Account Number, Name and Address of the Bank along with original cancelled cheque leaf of the Saving / Current Account in which the credit of Dividend is desired, quoting Folio Number(s) to the Company's RTA M/s XL Softech Systems Ltd., to incorporate the same on the Dividend Warrants.
10. Documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company from 9 a.m. to 11 a.m. and from 3 p.m. to 5 p.m. on any working day prior to the date of the Annual General Meeting.
11. Members who hold Shares in Dematerialized Form are requested to write their Client ID and DP ID numbers on the Attendance Slip for easy identification of attendance at the Meeting.
12. Shareholders holding Shares in Physical Mode are requested to intimate their change of address, if any, to the RTA viz., M/s XL Softech Systems Ltd., Hyderabad, and the Shareholders holding Shares in Demat Mode are requested to notify their change of address, if any, to the Depository Participant (DP) (and not to the Company / RTA) with whom they have Demat Account.
13. Any person who acquires Shares of the Company and become Member of the Company after the despatch of the Notice of AGM and holding Shares as on the cut-off date, i.e., 28.6.2024 can vote by entering the particulars as specified in instructions for e-voting. If they are already registered with CDSL for remote e-voting then they can use their existing user ID and Password / PIN for casting their vote. If they forgot their password they can reset their Password by using "Forgot User Details / Password" option available on [www.evoting.cdslindia.com](http://www.evoting.cdslindia.com)

14. Pursuant to provisions of Section 124 of the Companies Act, 2013, the unclaimed amount of Dividend declared for the year 2011-12 along with corresponding Shares of the Company has been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government. Members who wish to claim Dividend and Shares from IEPF are required to comply with the provisions specified under IEPF (Accounting, Audit, Transfer and Refund) Rules, 2017.
15. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, any Dividend which remains unpaid or unclaimed for a period of seven years is required to be transferred, along with the corresponding Shares, by the Company to the IEPF established by the Central Government. Details of Unclaimed Dividend and due dates for transfer to the IEPF are as under:

Dividend for the Financial Year	Due date for transfer to IEPF
2018-19	17.7.2026
2020-21	3.10.2028
2021-22 (Interim Dividend)	4.3.2029
2021-22 (Final Dividend)	28.9.2029
2022-23	8.8.2030

**Shareholders who have not encashed their Dividend Warrants issued in respect of Dividend declared for the years 2018-19, 2020-21 and Interim / Final Dividend declared for the year 2021-22, and Dividend declared for the year 2022-23 are requested to write to the Regd. Office of the Company and register their KYC if not registered earlier, in order to enable the Company to proceed with their requests in case the Dividend Warrants remain unencashed.**

#### Dividend

- (i) Pursuant to changes introduced by the Finance Act, 2020 in the provisions of the Income Tax Act, 1961, with effect from 1<sup>st</sup> April, 2020 Dividend income is taxable in the hands of the Shareholders (resident as well as non-resident). Accordingly, Company is required to deduct Tax at Source ("TDS") at the prescribed rates on Dividend paid after 1<sup>st</sup> April, 2020.
- (ii) Shareholders are requested to update their Residential Status, PAN, Category as per the Income Tax Act with their Depository Participant (if Shares are held in electronic / demat form), or, with the Company / RTA, i.e., M/s XL Softech Systems Ltd., (if the Shares are held in physical form).
- (iii) No Tax shall be deducted at source on the Dividend payable to a resident individual if the total Dividend to be received by the said individual from the Company during the Financial Year 2024-25 does not exceed Rs.5,000/-.
- (iv) In cases where the Shareholders provide Form 15G (applicable to any person other than a company or a firm), or, Form 15H (applicable to an individual who is 60 years and older), they can avail the benefit of non-deduction of Tax at Source, subject to conditions specified in the Income Tax Act.
- (v) For resident individuals, tax shall be deducted at source under Section 194 of the Income Tax Act as follows:

If valid PAN of Shareholder is available with the Company / its RTA	10%
If PAN of the Shareholder is not available with the Company / its RTA, or the PAN available is invalid	20%
If PAN is inoperative, i.e., it is not linked with Aadhar	20%

- (vi) Shareholders may also submit any other document / certificate as prescribed under the Income Tax Act to claim a lower / Nil withholding Tax.
- (vii) In the case of non-resident shareholders, tax is required to be deducted at source @ 20% (plus applicable surcharge and cess). However, they have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of their residence, if they are more beneficial to them. For availing the beneficial rates, they are required to submit necessary documents, i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document / certificate as may be prescribed to avail the DTAA benefits.
- (viii) The aforementioned documents, duly completed and signed, are required to be sent to the Company's e-mail IDs i.e., [investors@theandhrapetrochemicals.com](mailto:investors@theandhrapetrochemicals.com) or [info.tnk@theandhrapetrochemicals.com](mailto:info.tnk@theandhrapetrochemicals.com) on or before 28.6.2024 in order to enable the Company to determine and deduct appropriate TDS / withholding Tax.
- (ix) Forms, Declarations and Documents which are incomplete and / or unsigned or which are received after 28.6.2024, will not be considered by the Company.



- (x) The formats of necessary Forms / Declarations, i.e., Forms 15G /15H /10F in this regard can be downloaded from the website of the Company [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com)
- (xi) In terms of Rule 37BA of the Income Tax Rules, 1962 (“the Rules”), if Dividend income on which Tax has to be deducted at source is assessable in the hands of a person other than the deductee, then, such deductee should file, on or before 28.6.2024, a Declaration with the Company in the manner prescribed by the Rules.

## **SPECIFIC ATTENTION OF SHAREHOLDERS**

### **Sub: Furnishing of e-mail ID**

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

**Shareholders in Physical Mode:** E-mail ID be furnished to the RTA i.e., M/s XL Softech Systems Ltd.

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

**Transfer of Shares** As per the Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for Transmission or Transposition of securities. Subsequently, SEBI vide its Circular dated 2<sup>nd</sup> December, 2020 had fixed 31<sup>st</sup> March, 2021 as the cut-off date for re-lodgement of transfer deeds and the Shares that are re-lodged for transfer shall be issued only in demat mode.

Further, SEBI has, effective 24<sup>th</sup> January, 2022, mandated to issue Shares in demat form only after processing the requests in prescribed Form ISR-4 received for issue of Duplicate Share Certificate, Transmission, Transposition, Renewal / Exchange of Share Certificate, Endorsement, Sub-division / Splitting of Certificate, Consolidation of Certificates, etc. The RTA will after processing such requests issue a Letter of Confirmation to the concerned Shareholders for submission to their DP within 120 days from the date of issue of the Letter of Confirmation for dematerialisation of the Shares. In case Shareholder fails to submit the demat request within the aforesaid period, the RTA shall credit the Shares to Suspense Escrow Demat Account of the Company.

In view of this and in order to eliminate the risks associated with physical Shares and for ease of portfolio management, Members holding Shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company by sending an email at [investors@theandhrapetrochemicals.com](mailto:investors@theandhrapetrochemicals.com) or to the Company’s Registrar & Transfer Agent, M/s XL Softech Systems Ltd., ([xlfield@gmail.com](mailto:xlfield@gmail.com)) for any assistance in this regard.

Members holding Shares in physical form, in identical order of names, in more than one Folio, are requested to send to the Company or RTA, the details of such Folios together with the Share Certificates for consolidating their holdings in one Folio. A consolidated Letter of Confirmation will be issued to such Members after making requisite changes for submission to DP for dematerialising the same. This would also result in savings as demat charges are payable per Certificate.

**SEBI Notification for Alternative Dispute Resolution:** SEBI vide its Circulars Nos. SEBI/HO/CFD/SSEP/CIR/P/202 dated April 8, 2022 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022, prescribed Standard Operating Procedure (SOP) for dispute resolution under the Stock Exchange Arbitration Mechanism for disputes between a listed company and / or RTAs and its Shareholder(s)/Investor(s).

### **Dematerialisation of Shares**

Shareholders presently holding Shares in physical form are requested to convert their physical holding into demat holding.

### **Nomination facility**

Shareholders should register their Nominations in Form SH-13 in case of physical Shares with the Company’s RTA M/s XL Softech Systems Ltd. In case of dematerialized Shares, Nomination should be registered by the Shareholders with their DP. Nomination would help the Nominees to get the Shares transmitted in their favour in a smooth manner without much documentation / legal requirements. For change / cancellation of Nomination, Form SH-14 shall be filed with the RTA in case of physical Shares and with DP in case of Shares held in demat form. The said Forms can be downloaded from the website of the Company [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com).

### **Common and Simplified Norms for updation of PAN and KYC details**

SEBI has, vide Circular dated 3<sup>rd</sup> November, 2021 and 16<sup>th</sup> March, 2023, introduced Common and Simplified Norms for furnishing PAN, KYC details and Nomination by the Shareholders, according to which all Shareholders holding Shares in physical form are mandatorily required to furnish PAN (compulsorily linked with Aadhar), Nomination, Contact details, Bank Account details and Specimen Signature to RTA. Shareholders holding Shares in physical form are therefore requested to provide following Forms for updation of their Signatures, PAN, Nomination as the case may be. The said Forms can be downloaded from the website of the Company [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com):

- (i) Form ISR-1: PAN and KYC details;
- (ii) Form ISR-2: Updation of signature;

- (iii) Form ISR-3: Declaration for opting out of Nomination;
- (iv) Form SH-13: Nomination Form;
- (v) Form SH-14: Cancellation/variation of Nomination;

***In this regard we request the Shareholders, who have not complied with the above requirement, to send the required documents immediately to our Registrars M/s XL Softech Systems Ltd., No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telephones:040-23545 913 / 914 /915, E-mail: [xlfield@gmail.com](mailto:xlfield@gmail.com)***

#### **Receipt of Balance Sheet / other documents through Electronic mode**

As servicing of documents to Shareholders, including Notice of Annual General Meeting, Balance Sheet, Statement of Profit and Loss, etc. is permitted through electronic mail, the Company will send the Annual Report and other documents in electronic form to those Shareholders whose e-mail Ids are registered with the Company's RTA M/s XL Softech Systems Ltd., or made available by the Depositories.

In terms of the requirements of the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) and approved & notified by the Central Government, Route Map for the location of the aforesaid Meeting is enclosed.

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

##### **ITEM NO.3:**

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

Other Directorships held:

Managing Director - Vibhaas Polymers Pvt. Ltd.

Membership / Chairmanship of other Committees held: Nil

He holds 1,020 Equity Shares in the Company.

His holding of Office of Directorship is in line with SEBI order or any other such authority.

##### **ITEM NO.4:**

Sri Mullapudi Sree Ramachandra Venkata Krishna Ranga Rao has been the Director of the Company since 8.6.2023.

Sri M S R V K Ranga Rao is a Graduate in Chemical Engineering from Manipal Institute of Technology, Manipal. At present he is the Managing Director of M/s Sree Akkamamba Textiles Ltd., Venkatarayapuram, Tanuku.

Other Directorships held:

SI No.	Name of the Company	SI No.	Name of the Company
1	Sree Venkataraya Investment and Finance Co. Ltd	9	Sree Venkataraya Center of Learning Pvt Ltd
2	Weldorf Infra Projects Ltd	10	Sree Venkataraya Farms Pvt Ltd
3	Sree Venkataraya Threads Pvt Ltd	11	MVR Infracon (India) Pvt Ltd
4	VSM Spinning Mills Pvt Ltd	12	Rangaraya Textile Park Pvt Ltd
5	Sree Venkataraya Printers & Packers Pvt Ltd	13	Wishwa Seva Pvt Ltd
6	Sree Venkataraya Developers and Securities Pvt Ltd	14	Ramya Developers Pvt Ltd
7	Sree Venkataraya Agro Business Pvt Ltd	15	Anjali Projects Pvt Ltd
8	Sree Venkataraya Builders Pvt Ltd		

Membership / Chairmanship of other Committees held:

Member – Audit Committee and Stakeholder Relationship Committee of Sree Akkamamba Textiles Ltd.

He holds 634 Equity Shares in the Company.



## ANNEXURE TO NOTICE

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

#### ITEM NO.6:

The Board at its Meeting held on 25<sup>th</sup> May, 2024, having regard to the recommendation of Audit Committee, has approved the appointment of M/s Narasimha Murthy & Co., Cost Accountants, to conduct Audit of Cost Accounting Records of the Company on a remuneration of Rs.2,00,000/- (Rupees two lakhs only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year 2024-25.

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

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out in Item No.6 of the Notice for the 40<sup>th</sup> AGM for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2024-25. Your Board recommends necessary Resolution for your approval.

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

#### ITEM NO.7:

Sri V Raghunath (DIN 10405110) is a B.Tech Graduate and 1995 Batch Direct Recruitment Group-I Officer. He worked in Commercial Tax Department in various capacities as Asst. Commissioner, Deputy Commissioner and Joint Commissioner. He also worked as Executive Director in Andhra Pradesh Industrial Infrastructure Corporation Ltd., (APIIC) during 2014-15. At present, he is the Vice Chairman & Managing Director of M/s APIDC Ltd.

Board of Directors, having regard to the recommendation of the Nomination and Remuneration Committee, co-opted him as Additional Director from 10.2.2024 as Nominee of Andhra Pradesh Industrial Development Corporation Ltd (APIDC). He holds office upto the date of 40<sup>th</sup> Annual General Meeting.

He does not hold any Shares in the Company.

His holding of Office of Directorship is in line with Order of SEBI or any other such Authority.

Other Directorships held: Director – Avanti Feeds Ltd., Southern Magnesium and Chemicals Ltd.

Membership / Chairmanship of other Committees held: Nil

Your Board, therefore, on the recommendation of the Nomination and Remuneration Committee, recommends necessary Resolution for your approval.

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

#### ITEM NO.8:

Sri M Gopalakrishna, I.A.S. (Retd) is a Graduate in Science & Law. He joined Indian Administrative Service in the year 1962.

He served in various positions which include Secretary to Govt. of Assam – Health & Family Planning, Industries, Power, Mines and Minerals; Secretary – Dept. of Public Enterprises, Guwahati; Commissioner – Visakhapatnam Steel Plant; Managing Director – Nagarjuna Fertilizers & Chemicals Ltd., Godavari Fertilizers & Chemicals Ltd ; Commissioner of Commercial Taxes, Govt. of Andhra Pradesh; Additional Secretary to Govt. of India, Ministry of Mines; Special Chief Secretary, Govt. of Andhra Pradesh; Director, Institute of Public Enterprises, Hyderabad; Chairman & Managing Director - Rural Electrification Corporation, New Delhi and Director – APGPCL, JOCIL Ltd.

The Board considered it advisable to continue to avail the benefit of his vast experience and expertise in the fields of science & technology, finance and administration and as such recommends his appointment as Independent Director for a further period of 5 years from the conclusion of 40<sup>th</sup> AGM.

He fulfills the criteria stipulated in the Companies Act, 2013 with regard to the appointment of Independent Directors. He is independent of the Management. His holding of Office of Directorship is in line with SEBI order or any other such authority. His appointment would be beneficial to the Company.

Other Directorships held: Director – Nuziveedu Seeds Ltd., NSL Renewable Power Pvt Ltd., Avra Synthesis Pvt Ltd., NSL Textiles Ltd., Olectra Greentech Ltd., Avra Laboratories Pvt Ltd., Prabhat Agri Biotech Ltd., Suven Life Sciences Ltd., Pitti Engineering Ltd.

Other Committeeships held: Nil

He does not hold any shares in the Company.

The special Resolution proposed would enable Sri M Gopalakrishna, I.A.S., (Retd) to hold his directorship to be in line with the provisions of SEBI Rules or any other statutory order which would be beneficial to the Company to avail his experience and expertise for further consolidation and growth.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1<sup>st</sup> April, 2019, no listed Company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification is indicated in the Explanatory Statement annexed to the Notice for such appointment. Accordingly, this Special Resolution is for according consent of Members to the appointment of Sri M Gopalakrishna, I.A.S., (Retd) (who is aged 85 years) as an Independent Director for the second term of 5 consecutive years commencing from the conclusion of the 40<sup>th</sup> AGM.

Your Board therefore, on the recommendation of the Nomination and Remuneration Committee, recommends necessary Special Resolution for your approval.

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

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

**ITEM NO.9:**

**Sri P Venkateswara Rao** (DIN 06387165) is a Graduate in Chemical Engineering from Andhra University, Visakhapatnam and a Post Graduate in Chemical Engineering from Indian Institute of Technology, Madras. He worked for 35 years in Indian Space Research Organization (ISRO). He specialized in servicing of Satellite Launch Vehicles with fuels such as earth storable chemicals and cryogenic fuels. He executed several projects involving Infrastructure, Fluid Circuits for handling of hazardous chemicals, gases etc. He travelled abroad extensively and was a focal point for several International Contracts. He retired as Associate Director from Satish Dhawan Space Centre, Sriharikota (SHAR), ISRO.

The Board considered it advisable to continue to avail the benefit of his vast experience and expertise in the fields of science & technology, fuels and as such recommends his appointment as Independent Director for a further period of 5 years from the conclusion of 40<sup>th</sup> AGM.

He fulfils the criteria stipulated in the Companies Act, 2013 with regard to the appointment of Independent Director. He is Independent of the Management. His holding of office of Directorship is in line with Order of the SEBI or any other such Authority.

His appointment would be beneficial to the Company.

Other Directorships held:

Director - The Andhra Sugars Ltd.,

He does not hold any Shares in the Company.

His holding of Office of Directorship is in line with SEBI order or any other such authority.

Other Committee-ships held: He is the Member of the following Committees:

Sl No.	Company Name	Committee Name
1	The Andhra Sugars Ltd.,	Audit Committee
2	-do-	Risk Management Committee

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1<sup>st</sup> April, 2019, no listed Company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification is indicated in the Explanatory Statement annexed to the Notice for such appointment. Accordingly, this Special Resolution is for according consent of Members to the appointment of Sri P Venkateswara Rao (who is aged 80 years) as an Independent Director for the second term of 5 consecutive years commencing from the conclusion of the 40<sup>th</sup> AGM.

Your Board therefore, on the recommendation of the Nomination and Remuneration Committee, recommends necessary Special Resolution for your approval.

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

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

**Place: Hyderabad**

**Date: 25.5.2024**

Registered Office:

Venkatarayapuram

TANUKU - 534215

Andhra Pradesh

**By Order of the Board**

**P Narendranath Chowdary**

**Managing Director**

**ENCLOSURE TO NOTICE:**

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General Meeting ("AGM") to be held on Saturday, 6.7.2024 at 3.00 p.m. at the ASL Meeting Hall, upstairs of canteen building of The Andhra Sugars Ltd., Venkatarayapuram, Tanuku - 534215, West Godavari District, Andhra Pradesh. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facility.

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

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

Please read the instructions which are printed hereunder before exercising the vote. The AGM Notice is also available for download at the Company website [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com)

# CDSL e-Voting System – For Remote e-voting

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:**

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The **E-voting period begins on 2.7.2024 from 9 a.m., and ends on 5.7.2024 at 5 p.m.** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) of **28.6.2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800225533
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.



- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.



(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@theandhrapetrochemicals.com](mailto:investors@theandhrapetrochemicals.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact attoll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Fortieth Annual Report on the operational and business performance of the Company together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2024.

### CORPORATE OVERVIEW:

Your Company is manufacturer of Oxo-Alcohols, that consist of the Products viz., 2 Ethyl Hexanol, Normal Butanol and Iso Butanol. Your Company is an Associate of The Andhra Sugars Ltd., and has its Regd. Office at Venkatarayapuram, Tanuku.

### FINANCIAL RESULTS:

The summary of the financial results, which have been prepared as per the Indian Accounting Standards (Ind AS), for the Year under review along with the Previous Year's figures are given below:

(Rs. in lakhs)

	2023-24	2022-23
Net Sales (excl. GST)	78867.35	68298.16
Profit / (Loss) before Interest & Depreciation	10957.19	5329.76
Less: Interest	866.28	863.62
Depreciation and Amortization Expense	1482.94	1538.73
Profit / (Loss) after Interest and Depreciation before Extra-Ordinary Items	8607.97	2927.41
Exceptional Items	—	—
Profit / (Loss) Before Tax	8607.97	2927.41
Provision for:		
Current Tax	2494.00	1153.00
Adjustment of Tax Expense for earlier years	(10.39)	(16.43)
Deferred Tax	(216.11)	(249.96)
Reversal of MAT Credit Entitlement	—	—
Profit / (Loss) After Tax	6340.17	2040.80
Other Comprehensive Income	(19.41)	(609.63)
Total Comprehensive Income for the period	6321.06	1431.17
Balance brought forward from previous year	37815.11	37658.51
Profit carried forward to next year	44136.17	39089.68

### OPERATIONAL AND FINANCIAL PERFORMANCE:

During this Financial Year 2023-24, Plant produced 70,209 MTs (Previous Year 59,616 MTs) of Oxo-Alcohols. Sales during the Year were 72,730 MTs (Previous Year 58,388 MTs). Company posted Net Profit of Rs.63.40 crores during the Financial Year 2023-24 as compared to Net Profit of Rs.20.40 crores during the previous Financial Year.

Overall plant performance in this financial year is better than last year due to increase in the Production & comparatively better realization .

### DIVIDEND:

Considering the Company's performance for the Financial Year 2023-24 and the need to conserve the Funds to meet its Long-Term growth objectives, your Board of Directors at their Meeting held on 25.5.2024 has declared Dividend of Rs.2.00 (Rupee Two only) per Share (@20% on 8,49,71,600 Equity Shares of face value of Rs.10/- each) involving a total cash outflow of Rs.16.99 crores. The Dividend, if approved by the Members at the ensuing Annual General Meeting of the Company, will be paid to all the eligible Members, involving a total cash outflow of Rs.16.99 crores. The Dividend shall be subject to deduction of Income Tax at source.

Pursuant to the provisions of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated its Dividend Distribution Policy which is available on the website of the Company at the link [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com).

The payout of Dividend is in line with the Company's Dividend Distribution Policy.

## **CONTRIBUTION TO EXCHEQUER:**

Over the years, the Company has been significant contributor to the Government Exchequer in the form of Duties and Taxes. During the Year under review, Rs.53.65 crores was paid to the Exchequer as against Rs.28.34 crores in the Previous Year, an increase of Rs.25.31 crores over the Previous Year.

## **CAPITAL & RESERVES:**

### **Authorised and Paid-up Capital:**

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

### **Reserves:**

The total Reserves position as on 31.3.2024 stood at Rs.470.72 crores as against Rs. 420.26 crores for the Previous Year.

### **General Reserve:**

During the Year under review, no amount has been transferred to the General Reserve.

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Ongoing Russia -Ukraine war, & Israel - Hamas war coupled with geopolitical tensions has effected the Global economy. However, in this disturbed Global economy also, India's GDP was maintained reasonably better when compared to other countries including China.

Due to the reasonably better GDP growth, your Company improved its profitability & posted Net Profit of Rs.63.40 crores for the Financial Year 2023-24 under review, when compared last year Net profitability of Rs.20.40 Crores

The health & wellbeing of our employees became a top priority for the company.

### **OPPORTUNITIES AND THREATS:**

Estimated demand of Oxo-Alcohols at 3,30,000 MTPA, with healthy growth rate of 8% to 10% per annum, in general, is a good opportunity for the Company with existing capacity of 80,000 MTPA, considering the demand-supply gap in the country even after BPCL plant coming on line. As such, there are no constraints in the Company's production capability with Hindustan Petroleum Corporation Limited (HPCL) able to meet full Propylene requirement. Sales realization is also expected to improve on account of Anti-Dumping Duties imposed by Govt. of India on imports from certain countries & forecasted better Indian GDP growth.

However, BPCL Oxo Alcohols competitive prices, dumping of the products and currency fluctuations may impact the Company's performance to some extent.

Ongoing Russia-Ukraine war, Israel - Hamas War, coupled with geopolitical tensions may effect on the business environment is going to be a big challenge.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

As required by the provisions of Companies Act, 2013, Internal Control Systems Report has been appended to Independent Auditor's Report given by Statutory Auditors regarding Financial Year 2023-24. The Company has internal control systems commensurate with the size of the business operations. A Chartered Accountants firm is engaged to carry out Internal Audit covering the entire operations. The audit firm submits Internal Audit Report periodically with their suggestions and/or corrections. Audit Committee critically deliberates and reviews such Internal Audit Reports and ensures effectiveness of the control systems through necessary recommendations.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS:**

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

The total number of employees employed as on 31.3.2024 is 321.

### **FUTURE OUTLOOK:**

Your Company Performance is expected to be reasonably good in view of the forecast of better GDP growth for India. However, the disrupted business environment due to Russia -Ukraine War, Israel - Hamas War & geopolitical tensions may impact the performance to some extent.

Though Company signed Natural Gas (NG) term sheet agreement with GAIL, in the year 2019, the progress in the GAIL/APGDCL Natural gas pipe laying work got held up since more than 2 years due to internal/finance issues.

The Company's performance to a large extent is dependent on international supply and demand for these products and their prices which are influenced by crude prices, exchange fluctuations and dumping by sources other than that covered by Anti-Dumping Duty.

## **RISKS AND CONCERNS:**

Your Company is depending for its major Raw Material i.e., Propylene from a single source, HPCL Refinery. However, the risk is built in the project evaluation. Risk is slightly diluted to some extent by sourcing Propylene from GAIL-PATA.

Crude prices, Exchange Rate fluctuations are also a matter of concern.

## **CAUTIONARY STATEMENT:**

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

## **DEPOSITS:**

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

## **SAFETY, HEALTH AND ENVIRONMENT:**

Your Company has evolved Safety, Health and Environment Policy.

- ❖ Company has been completed **19.05 million accident free Man hours in last 15 years.**
- ❖ Total 6,236 man-hours used for conducting PEP talks, Safety induction training and refresher trainings for employees including Contract / Contractor workmen and truck drivers.
- ❖ Safety of Human and Plant assets are of top priority of the company. Continuous training of personnel at various levels on safety and strict compliance of regulations is ensured which resulted in another accident-free year.
- ❖ Company received a prestigious National Safety Award -2023 - SILVER TROPHY (SHRESHTHA SURAKSHA PURASKAR) in Manufacturing Sector from NSCI on 15.3.2024 at Hyderabad.

## **Health:**

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

## **Environment:**

Online emission, Ambient air & effluent monitoring are in place. Data is being transmitted online to Central Pollution Control Board (CPCB) and Andhra Pradesh Pollution Control Board (APPCCB) for monitoring.

## **Insurance:**

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

## **Land taken on Lease from Visakhapatnam Port Trust**

Your Company has taken on lease 75.00 Acres of land from Visakhapatnam Port Trust (VPT) on which the Oxo-Alcohol Plant has been established. The land is located adjacent to HPCL, Visakha Refinery which supplies major Raw Materials. In this connection, a Lease Agreement was entered into on 27.6.1989 with VPT for a period of 30 years which expired on 26.6.2019. 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 VPT for a further period of 30 years with effect from 27.6.2019. Company has submitted its Technical & Financial Bid against the Tender floated by VPT. As Company was the sole bidder for the Tender, VPT accepted both Technical Bid & Financial Bid. Later on, VPT has cancelled the tender and issued re-tender. Aggrieved by the action of VPT, Company 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 allowed the Writ Petition filed by the Company seeking the cancellation of the VPT's order dated 18.8.2020, cancelling the Tender Notification dated 7.8.2019 and fresh Tender Notification dated 24.8.2020 issued by VPT towards the Lease of the Land and directed VPT to execute the Lease Deed, vide its Order dated 25.2.2022. Further, on 19.3.2022, Company has written a letter to the Chief Engineer, VPT requesting him to kindly finalise the Land Lease Deed and fix-up the date for execution of the said Lease Deed. Visakhapatnam Port Trust has filed an Appeal (WA No. 688 of 2022) on 7.9.2022 before the Hon'ble High Court of Andhra Pradesh and it is pending for adjudication.

Pending execution of the Lease Deed, Company has considered provisionally its bid amount for accounting of "Leases" in accordance with Ind AS 116, till the Lease Deed is executed.

## **LISTING:**

The Equity Shares of your Company are listed on the BSE Limited, Mumbai. The Annual Listing Fees for the year 2023-24 has been paid.

**ANNUAL RETURN:**

Pursuant to the provisions of Section 92(3) and 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, copy of the Annual Return of the Company as at 31<sup>st</sup> March, 2024 is available on the Company's website [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com).

**Details of Designated Officer under Section 89 of Companies Act, 2013 read with Rule 9 of the Companies (Management and Administration) Rules, 2014:**

Sri G. Adinarayana, CFO & Company Secretary

**DIRECTORS:**

M/s Andhra Pradesh Industrial Development Corporation Ltd., (APIDC) has withdrawn its Nominee Director, Sri C Rami Reddy, Joint Director, Industries Department, Govt. of Andhra Pradesh, with effect from 6.10.2023 and nominated Sri V Raghunath, Vice Chairman & Managing Director, M/s APIDC Ltd., in his place. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (NRC), co-opted him as Additional Director with effect from 10.2.2024. As Additional Director he holds office till the date of conclusion of the ensuing 40<sup>th</sup> Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Directors Sri Ravi Pendyala and Sri M S R V K Ranga Rao retire by rotation at the ensuing 40<sup>th</sup> AGM.

Sri Ravi Pendyala and Sri M S R V K Ranga Rao, being eligible, have offered themselves for reappointment as Directors. Their reappointment is being placed for the approval of the Shareholders at the ensuing 40<sup>th</sup> AGM.

The first term of Sri P Venkateswara Rao and Sri M Gopalakrishna, I.A.S., (Retd) who were appointed as Independent Directors for a period of 5 years with effect from the conclusion of the 35<sup>th</sup> AGM, i.e., valid upto 9.7.2024. To avail their experience and expertise, Board of Directors at their Meeting held on 25.5.2024 have reappointed them, on the recommendation of the NRC, for a further period of 5 years. Their reappointment is being placed for the approval of the Shareholders at the ensuing 40<sup>th</sup> AGM.

None of the Directors is disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013. Certificate issued by the Practising Company Secretary regarding non-disqualification of Directors is enclosed (**Annexure - A**). As required by law, this position is also reflected in the Auditors' Report. Details with regard to the composition of the Board, Meetings of the Board held during the Year and the attendance of the Directors have been mentioned in the Corporate Governance Report which forms part of this Report.

**KEY MANAGERIAL PERSONNEL:**

Details of Key Managerial Personnel (KMP) of the Company are as under:

Sl. No	Name of the person	Designation
1.	Sri K Narasappa	President
2.	Sri G Adinarayana	Chief Financial Officer & Company Secretary

**CODE OF CONDUCT:**

The Board of Directors enunciated a Code of Conduct for the Directors and Senior Management Personnel which was circulated to all concerned and was also hosted on the Company's website [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com). The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year 2023-24.

**AUDIT COMMITTEE:**

Audit Committee comprises Non-Executive Independent Directors, Sri P Venkateswara Rao, Dr. Pamidi Kotaiah, and Dr. (Smt.) D Manjulata, Dr. V N Rao, Sri G S V Prasad and Sri Ravi Pendyala, Non-Executive Non-Independent Director, as its Members. Sri P Venkateswara Rao is the Chairman of the Committee. The details of the number of meetings of the Audit Committee held during the Financial Year 2023-24 are given in the Corporate Governance Report which forms part of this Report.

**SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors have appointed M/s Nekkanti S R V V S Narayana & Co., Company Secretaries (CP No.7839), Hyderabad, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the Financial Year 2023-24 is included as **Annexure – 'B'** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification or reservations or adverse remarks.

**BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Board has carried out annual evaluation of its own performance, working of its Committees and the individual Directors during the Year 2023-24.



The performance was evaluated based on the parameters such as structure, meetings, functions, risk evaluation process adopted, stakeholder value and responsibility corporate culture, ethics, effectiveness of Board / Committee process and functioning, contribution of Board / Committee Members to overall effectiveness of the Board / Committee, avoiding conflict with the Company's interests, bonafide discharge of responsibilities in the interest of the Company and upholding ethical standards, integrity etc.

In terms of Regulation 25 of the SEBI Listing Regulations, 2015, Board took on record the declarations and confirmations received from Independent Directors.

Independent Directors met on 11.5.2024 for annual evaluation of their own performance and the performance of the Non-Independent Directors, the Chairman, the Committees, the Board as a whole and the adequacy of flow of information to the Board and its Committees.

#### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The details of Familiarization Programme for the Independent Directors are furnished in the Corporate Governance Report which forms part of this Report.

#### **NUMBER OF MEETINGS OF THE BOARD:**

The details of the number of Meetings of the Board held during the Financial Year 2023-24 are given in the Corporate Governance Report which forms part of this Report.

#### **CREDIT RATING:**

ICRA Ltd., has retained the Company's long-term rating as '[ICRA]A-' and short-term rating reaffirmed at '[ICRA]A2+', Outlook on the long-term Rating is 'Stable', assigned earlier to the Rs.94.18 crores Line of Credit of our Company.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

During the Year under review, your Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013 and details of the Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

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

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

The Whistle Blower Policy may be accessed on the Company's website at the link: <http://www.theandhrapetrochemicals.com/wp-content/uploads/Whistle-Blower-Policy-1.pdf>

#### **RISK MANAGEMENT:**

The Risk Management framework of the Company defines the Risk Management approach of the Company, includes periodic review of such risks, Risk Mitigation measures and reporting mechanism of such Risks. Risk Management Policy of your Company can be viewed by entering the URL <http://www.theandhrapetrochemicals.com/wp-content/uploads/POLICY-ON-CORPORATE-RISK-MANAGEMENT.pdf> in the web browser.

Risk Management Committee which was re-constituted on 8.6.2023 comprises Sri P Narendranath Chowdary, Managing Director, as Chairman of the Committee and Sri Mullapudi Thimmaraja (upto 2.8.2023), Sri M S R V K Ranga Rao (from 8.6.2023) and Sri Ravi Pendyala, Non-Executive and Non-Independent Directors, and Dr. V N Rao and Sri P Venkateswara Rao, Independent Directors, as its Members.

The details of the number of meetings of the Risk Management Committee held during the Financial Year 2023-24 are given in the Corporate Governance Report which forms part of this Report.

#### **Sustainability:**

Sustainability is at the core of your Company's business development strategy. Your Company firmly believes in the idea that progress should not come at the expense of the environment and natural ecosystems. The Company focuses on key sustainability areas such as Decarbonization & Air Emission Control, Water & Biodiversity Conservation, Health & Safety and Community Development to ensure the long-term sustainability of its business operations and improve the well-being of communities, preserving the environment and ensuring long-term economic prosperity.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

Details of composition of CSR Committee are given in the Corporate Governance Report which forms part of this Report.

As per the provisions of Section 135 and Schedule VII of the Companies Act, 2013 and the Company's CSR Policy, Company had spent an amount of Rs. 2,90,40,980/-towards CSR expenditure for the Financial Year



2023-24. The Report on CSR activities as required under the Companies (CSR Policy) Rules, 2014 is set out as **Annexure – “C”** to this Report.

#### **NOMINATION & REMUNERATION COMMITTEE:**

Nomination & Remuneration Committee comprises Dr. (Smt.) D Manjulata, Independent Director, as Chairperson, Sri Mullapudi Thimmaraja (upto 2.8.2023), Sri M S R V K Ranga Rao (from 8.6.2023), Non-Independent and Non-Executive Directors and Dr. V N Rao and Sri G S V Prasad, Independent Directors, as its Members.

#### **NOMINATION & REMUNERATION POLICY:**

The Board of Directors of your Company has, on recommendation of the Nomination & Remuneration Committee, adopted a Nomination & Remuneration Policy which lays down the framework in relation to the criteria for selection and appointment of Board Members and remuneration of Directors / Key Managerial Personnel and Senior Management of the Company. This Policy can be accessed on the Company's website at the link: <http://www.theandhrapetrochemicals.com/wp-content/uploads/NOMINATION-REMUNERATION-POLICY.pdf>

#### **AUDITORS:**

M/s C V Ramana Rao & Co., Chartered Accountants, Visakhapatnam, were appointed as Statutory Auditors of the Company for a second term of five consecutive Financial Years from 2022-23 to 2026-27 by the Shareholders at the 38<sup>th</sup> Annual General Meeting (AGM). Fixation of their remuneration for the Year 2024-25 is being placed at the ensuing 40<sup>th</sup> AGM for the approval of Members. The total fees paid by the Company for the Year 2023-24 to the Statutory Auditors for all services rendered by them is Rs. 9.60 lakhs.

#### **COST RECORDS:**

Company has complied with the requirement with regard to maintenance of Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

#### **COST AUDITORS:**

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad, were appointed by the Board, on the recommendation of the Audit Committee, as Cost Auditors of the Company for conducting the audit of cost records for the Financial Year 2024-25 on a remuneration of Rs.2.00 lakhs and appropriate Resolution in this connection has been included in the Notice calling the ensuing 40<sup>th</sup> Annual General Meeting of the Company for the purpose of your ratification of the said remuneration. Cost Auditors' Report for the Financial Year ended 31<sup>st</sup> March, 2023 has been filed with the Ministry of Corporate Affairs on 27.5.2023 i.e., within the stipulated time.

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

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

##### **I) CONSERVATION OF ENERGY**

###### **1. Steps taken or impact on conservation of energy:**

- (a) New Green Energy Steam Turbine (510KW):** The energy which was wasting in control valves to reduce HP steam to LP steam has been recovered by installation of Steam Turbine. New Green Energy steam Turbine (Updated) of 510 KW capacity, SIEMENS make commissioned in the month of March. With this turbine we are likely to save power 12,000 KW/day (Rs 3.30 crores / year).
- (b) ENERGY & STEAM SAVINGS:** In this Financial Year, N-Butanol demand was very low especially from April, 2023 to December, 2023. Instead of operating at reduced load, Company decided to operate only 20 days & stop 10 days to save steam & energy. By following this methodology Company saved around Rs 3.15 crores in this year.

###### **2. Steps taken by the Company for utilising Alternate Sources of Energy.**

Company could not initiate any steps in this regard in view of the non-viability.

###### **3. Capital investment on Energy Conservation Equipments: Rs.2.52 crores.**

##### **II) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

###### **a) Efforts made & Benefits derived:**

Technology has been fully absorbed and various innovative ideas enable the Company to operate the Plant even above 105% load.

###### **b) Imported Technology: NIL**

###### **c) Expenditure incurred on Research & Development: NIL**

**III) Foreign Exchange Earnings and Outgo: (On cash basis)****(Rs. in lakhs)**

	<b>For the year ended 31.3.2024</b>	<b>For the year ended 31.3.2023</b>
i. Earnings	—	—
ii. Outgo	<b>417.08</b>	533.35

**PARTICULARS OF EMPLOYEES:**

The particulars of employees of your Company drawing a remuneration requiring disclosure under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are as follows:

SI No.	Name & Designation of Employee	Nature of employment/ Category	Qualifications & Experience	Date of Commencement of employment	Age	Last employed	% of equity	Whether related to any Director	Salary Rs.
1	Sri K Narasappa	President	B.Tech (Chemical), M.B.A. 44 Years	1.3.2017	69	M/s ICS-Senegal, West Africa	0.001	No	1,07,28,847.00
2	Sri G S Ramesh	President (Marketing)	B.Sc., M.B.A. (Marketing) 38 Years	8.2.1993	62	M/s Raasi Cement Ltd., Hyderabad	—	No	1,05,89,494.00

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

**DEMATERIALISATION OF SHARES:**

As on 31<sup>st</sup> March, 2024, out of the total number of 8,49,71,600 Equity Shares of the Company, 8,14,85,353 Equity Shares constituting 95.90% stand dematerialised.

**RELATED PARTY TRANSACTIONS:**

As per the provisions of Regulation 23 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has established a Policy on Materiality of Related Party Transactions and on dealing with the Related Party Transactions and do not attract the provisions of Section 188 of the Companies Act, 2013.

The Policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company. The weblink of the same is <http://www.theandhrapetrochemicals.com/wp-content/uploads/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf>

There were no materially significant Related Party Transactions entered by the Company with the Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interests of Company at large.

All other Related Party Transactions are placed before the Audit Committee and the Board for approval. Omnibus approval is granted by the Audit Committee on yearly basis for the said transactions. A statement giving details of all Related Party Transactions is placed before the Audit Committee and the Board for review and ratification on a quarterly basis. All transactions entered with the Related Parties during the Year under review were in the ordinary course of business and on Arm's Length basis.

Since there were no materially significant Related Party Transactions during the Year under review, the requirement with regard to the details required in AOC-2 is not applicable to the Company.

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

Your Company has in place a Prevention of Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. In compliance with the provisions of the said Act, an Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment. During the Year 2023-24, there were no complaints received by the ICC.

## **PARTICULARS OF REMUNERATION:**

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

**(a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:**

Our Directors draw remuneration only by way of Sitting Fees. The details of the same are provided in Corporate Governance Report which forms an Annexure to this Report. No other remuneration is drawn by them. Managing Director does not draw any remuneration. Hence, the ratio of remuneration of each Director to the median remuneration is not required to be given.

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

Company was paying Sitting Fees of Rs. 30,000/- for attending each Meeting of the Board and Rs. 25,000/- for attending each Meeting of Committee of the Board (as approved by the Board of Directors at its Meeting held on 5.11.2020). Other details are as follows:

Name of the Person	% increase in remuneration
Sri K Narasappa, President	NIL
Sri G Adinarayana Chief Financial Officer & Company Secretary	NIL

**(c) the percentage increase in the median remuneration of employees in the Financial Year: 5.61%**

**(d) the number of permanent employees on the rolls of Company: 307**

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

The average increase in salaries of employees other than managerial personnel in 2023-24 was 5.61%. Percentage increase in the managerial remuneration for the Year was Nil.

**(f) affirmation that the remuneration is as per the Remuneration Policy of the Company:**

The Company's Remuneration Policy is driven by the success and performance of the individual employees and the Company through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

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

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED AFTER 31<sup>ST</sup> MARCH, 2024:**

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year 2023-24 to which the Financial Statements relate and on the date of this Report.

## **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS, COST AUDITORS AND PRACTISING COMPANY SECRETARY IN THEIR REPORTS:**

For the Year under review, there are no qualifications, reservations or adverse remarks made either by the Statutory Auditors, Cost Auditors or Practising Company Secretary in their respective Reports. The Report of the Statutory Auditors forms part of the Financial Statements.

Further, no frauds are reported by Statutory Auditors under Section 143(12) of the Companies Act, 2013.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- i) that in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

- ii) that Accounting Policies have been selected and applied consistently and that judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2024 and of the Profit of the Company for the year ended on that date;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis;
- v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**COMPLIANCE WITH SECRETARIAL STANDARDS:**

Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.

**REPORT ON CORPORATE GOVERNANCE:**

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

**ACKNOWLEDGEMENTS:**

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

**Place: Hyderabad**

**On behalf of the Board**

**Date: 25.5.2024**

**Dr. Pamidi Kotaiah  
Chairman**

## **ANNEXURE - 'A'**

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

***(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)***

To  
The Members of  
The Andhra Petrochemicals Limited  
Venkatrayapuram, Tanuku,  
West Godavari District,  
Andhra Pradesh - 534215

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents') as submitted by the Directors of **The Andhra Petrochemicals Limited**, having CIN L23209AP1984PLC004635 and having Registered Office at Venkatrayapuram, Tanuku, West Godavari District, Andhra Pradesh - 534215 to the Board of Directors of the Company ('the Board') for the Financial Year 2023-24 and relevant Registers, Records, Forms and Returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V, Para C, Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its Officers and Authorised Representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ended 31<sup>st</sup> March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

<b>Sl.No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1.	Sri Pendyala Narendranath Chowdary	00015764	8 <sup>th</sup> August, 1996
2.	Sri Pamidi Kotaiah	00038420	4 <sup>th</sup> August, 2018
3.	Sri Gopala Krishna Muddusetty	00088454	25 <sup>th</sup> May, 2019
4.	Sri Narayana Rao Vellanki	00861884	26 <sup>th</sup> October, 2016
5.	Dr. Smt. Dasari Manjulatha	02788338	27 <sup>th</sup> March, 2015
6.	Sri Pendyala Ravi	03375555	12 <sup>th</sup> November, 2011
7.	Sri Parvataneni Venkateswara Rao	06387165	5 <sup>th</sup> November, 2018
8.	Sri Syama Sundara Suresh Yekula	08589605	2 <sup>nd</sup> November, 2019
9.	Sri Sree Venkateshwara Prasad Gottipati	08797795	10 <sup>th</sup> August, 2020.
10.	Sri Mullapudi Sree Ramachandra Venkata Krishna Ranga Rao	00031720	8 <sup>th</sup> June, 2023
11.	Sri Raghunath Vemali	10405110	10 <sup>th</sup> February, 2024

- Note: 1) Sri Mullapudi Thimmaraja (DIN: 00016711) has retired during the year under review with effect from 2<sup>nd</sup> August, 2023
- 2) Sri Rami Reddy Challapalle (DIN: 10166720) was appointed as Additional director of the company on 20<sup>th</sup> May, 2023, re-designated as Director on 2<sup>nd</sup> August, 2023 and also resigned during the year under review with effect from 6<sup>th</sup> October, 2023

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31<sup>st</sup> March, 2024.

**For NEKKANTI S.R.V.V.S. NARAYANA & CO.**  
**Company Secretaries**  
**ICSI Unique Code 52009AP12230**

Date : 18<sup>th</sup> May, 2024

**(NEKKANTI S.R.V.V.S. NARAYANA)**

Place : Hyderabad

Proprietor

M.No.F7157, C.P.No.7839

ICSI UDIN: **F007157F000399318s**



## **ANNEXURE - 'B'**

### **Form No. MR-3 SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

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

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

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

Based on our verification of The Andhra Petrochemicals Limited's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period covering the Financial Year ended on 31<sup>st</sup> March, 2024 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2024 and made available to us, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there- under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) Other laws applicable specifically to the Company, namely:
  - a) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rule, 2008
  - b) The Legal Metrology Act, 2009 and Rules made thereunder
  - c) The Andhra Pradesh Electricity Reforms Act
  - d) The Environmental Protection Act, 1986
  - e) The Indian Electricity Act
  - f) The Indian Explosives Act
  - g) The Petroleum Act
  - h) The Indian Telegraph Act
  - i) The Andhra Pradesh Petroleum Products Order, 1980
  - j) The Andhra Pradesh Panchayat Raj Act, 1994

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India.

ii) Listing Agreement entered into by the Company with the Bombay Stock Exchange.  
We report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

We further report that, there were no events / actions in pursuance of:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and
- (g) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

We further report that:

The compliance by the Company of applicable financial laws such as Direct and Indirect Tax Laws and maintenance of Financial Records and Books of Account have not been reviewed in this Audit since the same have been subject to review by the Statutory Financial Auditors, Tax Auditors and other designated professionals

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and
- a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the Minutes of the Meetings, duly recorded and signed by the Chairman, majority decision is carried through while the Members' views are captured and recorded as part of the Minutes  
We further report that based on the review of the compliance mechanism established by the company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

We further report that, during the Audit Period, there were no other specific events / actions in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc. having major bearing on the Company's affairs.

**For NEKKANTI S.R.V.V.S. NARAYANA & CO.**

**Company Secretaries**

ICSI Unique Code: S2009AP122301

Date : 18<sup>th</sup> May, 2024

Place : Hyderabad

**(NEKKANTI S.R.V.V.S. NARAYANA)**

Proprietor M.No.F7157, C.P.No.7839

Peer Review Certificate No.1709/2022

UDIN: F007157F000399252

**Note:**

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

## **ANNEXURE – A**

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

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 (“CSAS”) prescribed by the Institute of Company Secretaries of India (“ICSI”). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

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

**For NEKKANTIS.R.V.V.S. NARAYANA & CO.**

**Company Secretaries**

ICSI Unique Code: S2009AP122301

Date : 18<sup>th</sup> May, 2024  
Place : Hyderabad

**(NEKKANTIS.R.V.V.S. NARAYANA)**  
Proprietor M.No.F7157, C.P.No.7839  
Peer Review Certificate No.1709/2022

## ANNEXURE – ‘C’

### The Annual Report on Corporate Social Responsibility expenditure

#### **1. Brief outline on CSR Policy of the Company**

The CSR Policy articulates the Company's approach and commitment to sustainable and inclusive social development by improving the quality of life of the communities it serves. Engage, Equip and Empower is the cross cutting theme of the various projects initiated under the three verticals namely, Sustainable Livelihood, Community Development, and issues of National Importance. Sustainable livelihood is the flagship program which focusses on building employability of youth from underprivileged section of the society. Community development deals with Water, Health and Education, and emphasizes on community participation and ownership, and works on long term projects for sustainable outcomes. Issues of National Importance deals with the thematic areas like Disaster Management, Sanitation and Affirmative Action.

#### **2. Composition of CSR Committee:**

SI No.	Name of the Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings attended during the year
1	Sri P Narendranath Chowdary (Executive, Non-Independent Director)	Managing Director	3	3
2	Sri Mullapudi Thimmaraja (Non-Executive, Non-Independent Director) (upto 8.6.2023)	Director	3	--
3	Sri M S R V K Ranga Rao (Non-Executive, Non-Independent Director) (From 8.6.2023)	Director	3	2
4	Dr V N Rao (Independent Director)	Director	3	3
5	Sri G S V Prasad (Independent Director)	Director	3	3

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The CSR Policy which was approved by the Board of Directors at its Meeting held on 20.7.2014 and revised by the Board at its Meeting held on 5.8.2021 and has been uploaded on the Company's website. The web-link is <http://www.theandhrapetrochemicals.com/wp-content/uploads/CORPORATE-SOCIAL-RESPONSIBILITY-POLICY.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

6. Average net profit of the Company as per section 135(5): Rs. 1,34,32,48,882/-

7. (a) Two percent of average net profit of the Company as per section 135(5):

The Company is required to incur Rs. 2,68,64,978/- towards CSR expenditure for the Financial Year 2024-25.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Rs.NIL .

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs.2,68,64,978/-.

8. (a) CSR amount spent or unspent for the financial year:

Amount Unspent (in Rs.): Nil					
Total Amount Spent for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,90,40,980/-	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	Name	CSR Registration number
				State	Dis-trict								

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Promotion of Healthcare including Preventive Healthcare	Para I of Schedule VII	Yes	Andhra Pradesh	West Godavari	2,00,40,980/-	-	Sree Mullapudi Venkatarayudu Memorial Medical Trust, Tanuku	CSR00006765
2	Promoting Education	Para I of Schedule VII	Yes	Andhra Pradesh	West Godavari	90,00,000/-	-	Sree Mullapudi Venkatarayudu Memorial Educational Trust, Tanuku	CSR00007006
Total:						2,90,40,980/-			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 2,90,40,980/-

(g) Excess amount for set off, if any: NIL

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	2,90,40,980.00
(ii)	Total amount spent for the Financial Year	2,90,40,980.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1	2019-20	NIL	NIL	--	--	--	NIL
2	2020-21	NIL	NIL	Schedule VII Fund	46,19,010/-	26.9.2022	NIL
3	2021-22	41,66,000.07	30,12,409.00	--	--	--	11,53,591.07
Total:		41,66,000.07	30,12,409.00	--	46,19,010/-	--	11,53,591.07

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **30,12,409/-**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1	FY31.03.2023_1	Planting of Sapplings	2022-23	48 months	53,70,350.00	11,00,000.00	42,70,350.00	Ongoing
2	FY31.03.2023_2	Visakhapatnam Public Library	2022-23	-do-	47,00,000.00	19,12,409.00	50,63,758.93	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

(P Narendranath Chowdary)

Place: Hyderabad

Date: 25.5.2024

Managing Director  
Chairman - CSR Committee



**Annexure 'D' to the Directors' Report:**

**REPORT ON CORPORATE GOVERNANCE**

**A) MANDATORY REQUIREMENTS:**

**1. Company's philosophy on Corporate Governance:**

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

**2. Board of Directors:**

a) As on 31.3.2024 the Board consisted of 11 Directors.

Composition and category of Directors is as follows:

<b>Non-Executive and Independent Directors</b>	<b>Promoter and Executive Directors</b>	<b>Promoters, Non-Executive &amp; Non-Independent Directors</b>
Dr Pamidi Kotaiah Chairman Dr. (Smt.) D Manjulata Sri P Venkateswara Rao Sri M Gopalakrishna, I.A.S. (Retd) Dr. V N Rao Sri G S V Prasad	Sri P Narendranath Chowdary Managing Director	Sri M S R V K Ranga Rao  Sri V Raghunath  Sri Y S S Suresh  Sri Ravi Pendyala

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

c) During the Financial Year 2023-24, five Board Meetings were held.

Dates on which they were held:

(i) 20.5.2023, (ii) 8.6.2023, (iii) 26.7.2023, (iv) 8.11.2023 and (v) 10.2.2024

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

<b>Name of the Director</b>	<b>Attendance Particulars</b>		<b>Attendance Particulars</b>			
	<b>Board Meetings</b>	<b>Last AGM</b>	<b>Director-ship</b>	<b>Chairman-ship</b>	<b>Committee Membership*</b>	<b>Committee Chairman-ship*</b>
Dr. Pamidi Kotaiah	5	No	3	None	2	1
Sri P Narendranath Chowdary	5	Yes	7	5	3	2
Dr.(Smt.) D Manjulata	5	No	2	None	None	None
Sri Mullapudi Thimmaraja (upto 2.8.2023)	1	No	2	None	3	None
Sri M S R V K Ranga Rao (from 8.6.2023)	4	Yes	3	None	2	None
Sri Ravi Pendyala	5	Yes	None	None	None	None
Dr. V N Rao	5	No	2	None	2	1
Sri P Venkateswara Rao	5	No	1	None	1	None
Sri M Gopalakrishna, I.A.S., (Retd.)	5	No	4	None	5	None
Sri G S V Prasad	5	No	2	None	3	1
Sri C Rami Reddy(from 20.5.2023 to 6.10.2023)	3	No	None	None	None	None
Sri V Raghunath(from 10.2.2024)	1	NA	2	None	None	None
Sri Y S S Suresh	5	No	None	None	None	None

\* Represents Membership / Chairmanship of Audit Committees and Stakeholders Relationship Committees of other public limited companies.

Names of listed entries where the person is a Director and category of Directorship

Name of the Director	Name of Listed Company	Category of Directorship
Sri Pamidi Kotaiah	--	--
Sri P Narendranath Chowdary	The Andhra Sugars Ltd JOCIL Ltd	Executive Director Non- Executive, Non-Independent Director
Dr (Smt) D Manjulata	The Andhra Sugars Ltd	Non-Executive, Independent Director
Sri C Rami Reddy(from 20.5.2023 to 6.10.2023)	--	Nominee Director, Non-Executive, Non-Independent Director
Sri Mullapudi Thimmaraja(upto 2.8.2023)	The Andhra Sugars Ltd JOCIL Ltd	Executive Director Non- Executive, Non-Independent Director
Sri M S R V K Ranga Rao (From 8.6.2023)	--	--
Sri P Venkateswara Rao	The Andhra Sugars Ltd	Non-Executive, Independent Director
Sri M Gopalakrishna, I.A.S., (Retd)	Pitti Engineering Ltd Olectra Greentech Ltd	Non-Executive, Independent Director -do-
Sri V Raghunath(From 10.2.2024)	Avanti Feeds Ltd.,	Nominee Director,Non-Executive, Non-Independent Director
Sri G S V Prasad	The Andhra Sugars Ltd JOCIL Ltd	Non-Executive, Independent Director -do-

#### Information given to the Board:

The Company provides the information as set out in Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and Committees to the extent it is applicable and relevant. Such information is submitted either as part of agenda papers in advance of the meeting or by way of presentations and disclosures during the meetings.

#### Post Meeting Mechanism:

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

#### Familiarisation Programme for Directors:

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

#### Independent Directors:

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

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

**The following skills / expertise / competencies have been identified by the Board for effective functioning of the Company and are currently available with the Board:**

1	<b>Policy</b>	Ability to identify key issues and opportunities for the Company within the industry, and develop appropriate policies to define the parameters within which the organisation should operate.
2	<b>Finance</b>	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> <li>▪ analyse key financial statements;</li> <li>▪ critically assess financial viability and performance;</li> <li>▪ contribute to strategic financial planning;</li> <li>▪ oversee budgets and the efficient use of resources; and oversee funding arrangements and accountability.</li> </ul>
3	<b>Risk</b>	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems.
4	<b>Leadership</b>	Extended leadership, entrepreneurial / administrative experience for a significant enterprise, resulting in a practical understanding of organization's operations, systems, processes, technology, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
5	<b>Board service and governance</b>	Service on the Boards of other public companies to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
6	<b>Sales and Marketing</b>	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.

**While all members of the Board possess skills identified, their area(s) of core expertise is(are) given below:**

<b>Name of the Director</b>	<b>Area (s) of expertise</b>
<b>Dr Pamidi Kotaiah</b>	Finance, Policy and Risk Management
<b>Sri P Narendranath Chowdary</b>	Enterprenureship, Administration, Strategic Planning, Finance, Policy Development, Leadership
<b>Sri Mullapudi Thimmaraja(upto 2.8.2023)</b>	Enterprenureship, Administration, Strategic Planning, Finance, Sales & Marketing
<b>Sri M S R V K Ranga Rao(from 8.6.2023)</b>	Enterprenureship, Administration, Strategic Planning, Finance, Sales & Marketing
<b>Dr (Smt) D Manjulata</b>	Policy Development, Board Service and Governance
<b>Sri Ravi Pendyala</b>	Enterprenureship, Administration & Finance
<b>Dr V N Rao</b>	Petrochemical Technology, Leadership, Administration & Finance
<b>Sri P Venkateswara Rao</b>	Chemical Technology, Sales & Marketing
<b>Sri M Gopalakrishna, I.A.S. (Retd)</b>	Policy Development, Board Service and Governance, Administration, Finance and Leadership
<b>Sri C Rami Reddy (From 20.5.2023 to 6.10.2023)</b>	Administration
<b>Sri V Raghunath (From 10.2.2024)</b>	Administration
<b>Sri Y S S Suresh</b>	Administration
<b>Sri G S V Prasad</b>	Sales and Marketing

### **3. Code of Conduct:**

The Board of Directors have adopted the Code of Conduct for Board Members and Senior Management Personnel of the Company. The said Code has been communicated to the Directors and the Senior Managers from whom the necessary affirmation has been received with regard to the compliance of the Code. A declaration

in this regard by the Managing Director is furnished at the end of the report. The Code has been placed on the Company's website – [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com)

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

#### 4. Audit Committee:

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

Audit Committee comprises (i) Sri P Venkateswara Rao, Chairman (ii) Dr. Pamidi Kotaiah (iii) Dr (Smt) D Manjulata, (iv) Dr V N Rao, (v) Sri G S V Prasad, Non-Executive Independent Directors and one Non-Executive, Non-Independent Director Sri Ravi Pendyala. Members of the Audit Committee have considerable experience and expertise in the fields of Industrial, Financial and Corporate Business Management.

Sri G Adinarayana, Chief Financial Officer & Company Secretary acts as the Secretary to the Audit Committee.

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

During the Financial Year 2023-24, four Audit Committee Meetings were held on:

(i) 20.5.2023, (ii) 26.7.2023, (iii) 8.11.2023 and (iv) 10.2.2024

The necessary quorum was present at all these Meetings.

#### Attendance particulars of Directors at the Audit Committee Meetings:

Sl No.	Name of the Director	Position	Category	No. of Meetings attended
1	Sri P Venkateswara Rao	Chairman	Non-Executive, Independent	4
2	Dr. Pamidi Kotaiah	Member	Non-Executive, Independent	4
3	Sri Ravi Pendyala	Member	Non-Executive, Non-Independent	4
4	Dr. (Smt) D Manjulata	Member	Non-Executive, Independent	4
5	Dr. V N Rao	Member	Non-Executive, Independent	4
6	Sri G S V Prasad	Member	Non-Executive, Independent	4

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

- i. recommendation for appointment, remuneration and terms of appointment of auditors of the company;
  - ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - iii. examination of the financial statement and the auditors' report thereon;
  - iv. approval or any subsequent modification of transactions of the company with related parties;
  - v. scrutiny of inter-corporate loans and investments;
  - vi. valuation of undertakings or assets of the company, wherever it is necessary;
  - vii. evaluation of internal financial controls and risk management systems;
  - viii. monitoring the end use of funds raised through public offers and related matters.
- :: The Audit Committee also reviews the following information as and when required:
- > Management Discussion & Analysis of financial condition and results of operations
  - > Statement of significant Related Party Transactions (as defined by the Audit Committee)
  - > Management letters / letters of internal control weaknesses issued by the Statutory Auditors
  - > Internal Audit Reports relating to internal control weaknesses

## 5. Nomination and Remuneration Committee:

### Composition:

Nomination and Remuneration Committee comprises Dr. (Smt.) D Manjulata, Non-Executive Independent Director, as Chairperson, Dr. V N Rao and Sri G S V Prasad, Non-Executive Independent Directors, Sri Mullapudi Thimmaraja (upto 2.8.2023) Non-Executive, Non-Independent Director as Members. The composition of this Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Sri M S R V K Ranga Rao Non-Executive, Non-Independent Director has been co-opted as Member of the Committee w.e.f., 8.6.2023.

### Meetings and attendance:

The Nomination and Remuneration Committee met 4 times during the Year 2023-24 on 20.5.2023, 8.6.2023, 8.11.2023 and 10.2.2024. The necessary quorum was present at all these meetings.

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

Sl No.	Name of the Director	Position	Category	No. of meetings attended
1.	Dr. (Smt) D Manjulata	Chairperson	Non-Executive, Independent	4
2.	Sri Mullapudi Thimmaraja (upto 2.8.2023)	Member	Non-Executive, Non-Independent	1
3.	Sri M S R V K Ranga Rao (From 8.6.2023)	Member	Non-Executive, Non-Independent	2
4.	Dr. V N Rao	Member	Non-Executive, Independent	4
5.	Sri G S V Prasad	Member	Non-Executive, Independent	4

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

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

While formulating the said Policy the Committee should ensure that

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

## 6. Remuneration:

### Nomination and Remuneration Policy:

Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of sitting fees. They are paid sitting fees for each meeting of the Board or Committee thereof. Details of sitting fees paid to them during the year 2023-24:

Dr. Pamidi Kotaiah – Rs.2,50,000/-; Sri C Rami Reddy (upto 6.10.2023) – Rs.90,000/-; Sri V Raghunath (from 10.2.2024) – Rs.30,000/-; Sri Y S S Suresh – Rs.1,50,000/- (as these 3 Directors are the Nominees of APIDC Ltd., Sitting Fees payable to them were paid to APIDC Ltd.); Dr. (Smt) D Manjulata – Rs. 3,75,000/-; Sri Ravi Pendyala – Rs.3,50,000/-, Dr. V N Rao – Rs.5,00,000/-; Sri P Venkateswara Rao – Rs.3,25,000/-; Sri M Gopalakrishna, I.A.S., (Retd) – Rs.1,50,000/- and Sri G S V Prasad – Rs.4,25,000/-, Sri M S R V K Ranga Rao – Rs.2,95,000/-. Sri P Narendranath Chowdary, Managing Director and Sri Mullapudi Thimmaraja, Director, did not draw any remuneration including sitting fees from the Company.

There were no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the Financial Year ended 31.3.2024.

#### **Remuneration to Managing Director:**

Managing Director does not draw any remuneration from the Company.

#### **Performance Evaluation:**

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

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

The criteria for nomination of Directors, KMP, Senior Management Personnel and their remuneration including criteria for promotion is described in Nomination and Remuneration Policy of the Company which can be accessed at the weblink: <http://www.theandhrapetrochemicals.com/wp-content/uploads/NOMINATION-REMUNERATION-POLICY.pdf>

#### **7. Subsidiaries:**

The Company has no subsidiary.

#### **8. Details of Equity Shares of the Company held by Non-Executive Directors as on 31<sup>st</sup> March, 2024:**

<b>Name of the Non-Executive Director</b>	<b>No. of shares of Rs.10/- each</b>
Sri Mullapudi Thimmaraja(Upto 2.8.2023)	1630
Sri M S R V K Ranga Rao(From 8.6.2023)	634
Dr.(Smt.) D Manjulata	612
Sri Ravi Pendyala	1020
Sri G.S.V. Prasad	948

#### **9. MANAGEMENT:**

Management Discussion & Analysis forms part of the Annual Report.

#### **10. CEO/CFO CERTIFICATION:**

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

#### **11. Stakeholders Grievance / Relationship Committee:**

- a) Stakeholders Grievance / Relationship Committee comprises Sri Mullapudi Thimmaraja, (upto 2.8.2023) Non-Executive Non-Independent Director, as Chairman and Dr. (Smt.) D Manjulata, Non-Executive Independent Director, Sri Ravi Pendyala, Non-Executive Non-Independent Director, as Members. At present, Sri M S R V K Ranga Rao, Non-Executive Non-Independent Director, is the Chairman of the Committee. The Committee looks into the redressal of the shareholders' complaints like non-receipt of Annual Report and declared Dividend and other matters. The Committee met on 10.2.2024.

Sri G. Adinarayana, Chief Financial Officer & Company Secretary is the Compliance Officer.

- b) Investor complaints received and redressed during the year ended 31.3.2024:

<b>SI No.</b>	<b>Nature of Complaint</b>	<b>Complaints received and redressed</b>
1	Non-receipt of dividend	21
2	Non-receipt of Annual Report	1
3	Issue of Duplicate Share Certificates	9
	Total	31



## 12. Corporate Social Responsibility (CSR) Committee:

CSR Committee comprises Sri P Narendranath Chowdary, Managing Director, as Chairman and Sri Mullapudi Thimmaraja, Non-Executive Non-Independent Director (upto 2.8.2023), Sri M S R V K Ranga Rao, Non-Executive Non-Independent Director (from 8.6.2023), Dr. V N Rao & Sri G S V Prasad, Non-Executive Independent Directors, as Members.

The terms of reference of the CSR Committee broadly comprises:

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

### Meeting and attendance:

The CSR Committee met three times during the Year on 20.5.2023, 8.11.2023 and 10.2.2024. The necessary quorum was present at all these Meetings.

Attendance particulars of Directors present at the CSR Committee Meetings are as under:

Sl No.	Name of the Director	Position	Category	No. of meetings attended
1.	Sri P Narendranath Chowdary	Chairman	Executive	3
2.	Sri Mullapudi Thimmaraja (upto 2.8.2023)	Member	Non-Executive, Non-Independent	0
3.	Sri M S R V K Ranga Rao (from 8.6.2023)	Member	Non-Executive, Non-Independent	2
4.	Dr. V N Rao	Member	Non-Executive, Independent	3
5.	Sri G S V Prasad	Member	-do-	3

The Company formulated CSR Policy which is placed on the website of the Company (weblink: <http://www.theandhrapetrochemicals.com/wp-content/uploads/CORPORATE-SOCIAL-RESPONSIBILITY-POLICY.pdf>)

## 13. Independent Directors Meeting:

Independent Directors Meeting was held on 11.5.2024. Lead Independent Director Sri M. Gopalakrishna, I.A.S., (Retd), informed the Board that the following matters were discussed:

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

He further informed the Board that Non-Executive Directors, Committees & Board as a whole performed effectively.

## 14. Details of General Body Meetings:

### Annual General Meetings:

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

Year	Date & Time
2021	27 <sup>th</sup> September, 2021, 3:00 p.m.
2022	21 <sup>st</sup> September, 2022, 3:00 p.m.
2023	2 <sup>nd</sup> August, 2023, 3:00 p.m.

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

Year	Subject Matter
2021	No Special Resolution was passed in this year
2022	No Special Resolution was passed in this year
2023	Re-appointment of Sri P Narendranath Chowdary (DIN 00015764) as Managing Director of the Company for a period of 5 years w.e.f., 5.8.2023)
-do-	Appointment of Dr. Pamidi Kotaiah (DIN 00038420) as Independent Director for the second term of 5 consecutive years with effect from the conclusion of the 39 <sup>th</sup> AGM

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

#### 15. Affirmations and Disclosures:

- i) Compliance with governance frame work:

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

- ii) Related Party Transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the Related Parties during the Financial Year. Related Party Transactions have been disclosed under the Note No.2.39 of the Financial Statements in accordance with Accounting Standard-24. A Statement in summary form of transactions with Related Parties in the ordinary course of business and on arm's length basis, is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

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

None of the transactions with Related Parties was in conflict with the interest of the Company. All transactions are in the normal course of business and on an arm's length basis or fair value.

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

Company received a Notice from the Bombay Stock Exchange Ltd., (BSE) levying a fine of Rs.5000/- (plus GST @ 18% i.e., 900/- totaling to Rs.5900/-) for 1 day delay for submission of Related Party Transactions for the Half-year ended 31.3.2023.

The Company has submitted its clarification on 1.7.2023 and 4.7.2023 respectively, stating that the Internet connection was down and there were other technical glitches in the Company's computer systems. Further, the Board Meeting was held on Saturday, 20.5.2023 and the next day is Sunday, 21.5.2023. The immediate working day is Monday, 22.5.2023 and submitted the Related Party Transactions.

Further, as per SEBI Guidance Notes and Standard Operating Procedures dt.22.1.2020 the Point No.8 reads as follows:

**“For submission and levy of fine, if the last day of submission and/or next day of submission for levying fine on the non-compliant Company is on a holiday (including Saturday) then the next working day shall be considered as the last day of submission and start of levying of fine. The same would be applicable at the time of review, day of transfer to Z group, issuing reminder to promoters before freezing, giving intimation for freezing of promoter holding and suspension date. (Non-working day benefit).”**

Therefore, as per the above clause, we have complied the LODR Regulations within the time stipulated and there is no delay of 1 day as stated by BSE and are awaiting the reply from the BSE in this regard.

**In view of the above, Company has not paid the penalty and applied for Waiver of Penalty to BSE.**

iv) Whistle Blower Policy:

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

v) Disclosure of Accounting Treatment:

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

vi) Risk Management:

Board periodically reviews the compliance of all laws, rules & regulations applicable to, and various risks affecting, the Company. Various Risk Management Systems adopted to mitigate the risks are also reviewed by the Board.

Risk Management Committee was constituted on 5.6.2021 by the Board of Directors. Risk Management Committee comprises Sri P Narendranath Chowdary, Managing Director as Chairman and Non-Executive & Non-Independent Directors Sri Mullapudi Thimmaraja (upto 2.8.2023), Sri M S R V K Ranga Rao (from 8.6.2023) and Sri Ravi Pendyala and Non-Executive & Independent Directors Dr. V N Rao and Sri P Venkateswara Rao, as Members. Three Risk Management Committee Meetings were held during the Year on 26.7.2023, 8.11.2023 and 10.2.2024. Necessary Quorum was present at these Meetings. Details of attendance are given hereunder:

SI No.	Name of the Director	Position	Category	No. of meetings attended
1.	Sri Pendyala Narendranath Chowdary	Chairman	Executive	3
2.	Sri Mullapudi Thimmaraja(upto 2.8.2023)	Member	Non-Executive, Non-Independent	0
3.	Sri M S R V K Ranga Rao(from 8.6.2023)	Member	Non-Executive, Non-Independent	2
4.	Sri Ravi Pendyala	Member	Non-Executive, Non-Independent	3
5.	Dr. V N Rao	Member	Non-Executive, Independent	3
6.	Sri P Venkateswara Rao	Member	Non-Executive, Independent	3

**16. Means of Communication:**

- Quarterly financial results are published in "The Hindu Business Line" (English) and "Andhra Jyothi" (Telugu). The results are displayed on the Website of the Company, i.e., [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com)
- The Company has not issued any press release or made any presentations to the institutional investors or analysts about its financial results during the year.

**17. General Shareholder Information:**

i) Annual General Meeting

— Date and Time: Saturday, 6.7.2024 at 3.00 p.m.

— Venue : ASL Meeting Hall, Upstairs of Canteen Building of The Andhra Sugars Ltd., Venkatarayapuram, TANUKU - 534215, West Godavari Dist., Andhra Pradesh

ii) Financial Year: 1<sup>st</sup> April to 31<sup>st</sup> March

iii) Dates of Book Closure: 29.6.2024 to 6.7.2024 (both days inclusive)

iv) Listing on Stock Exchange and Stock Code:

BSE Limited (formerly Bombay Stock Exchange)

Physical Stock Code: 12

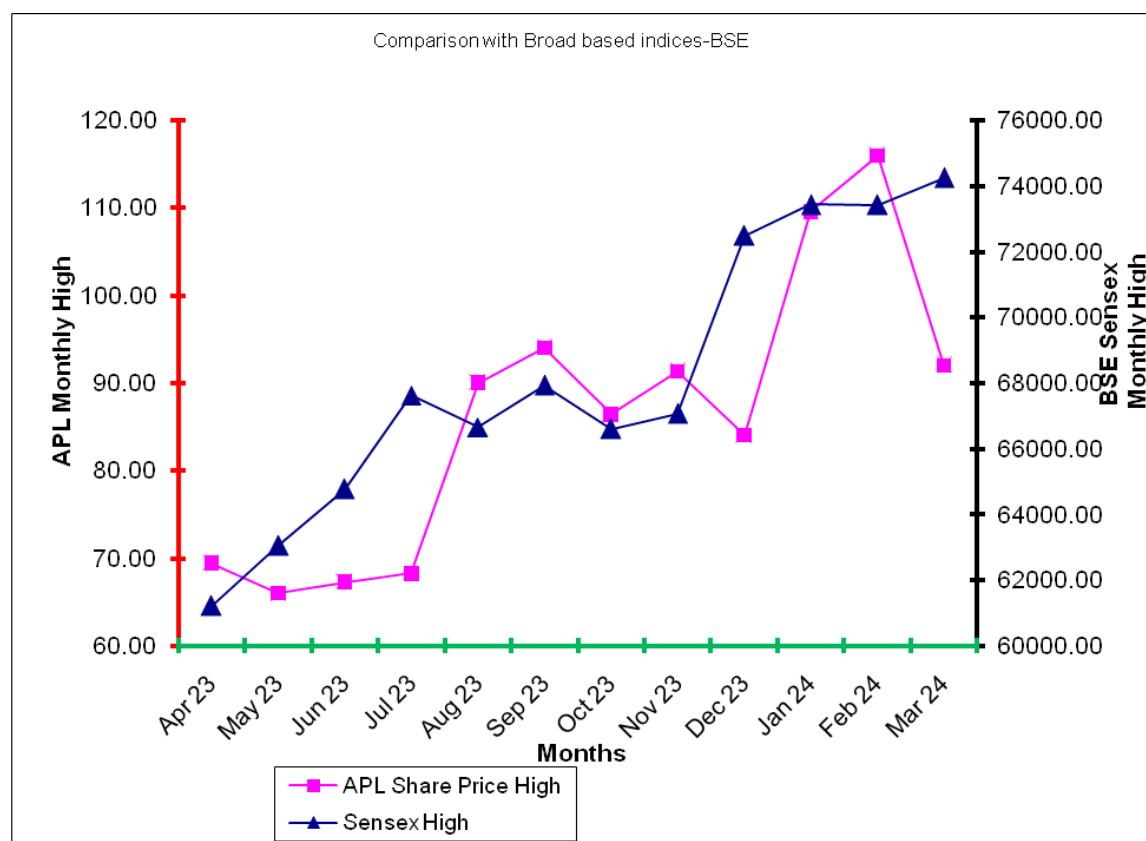
Demat Stock Code: 500012

ISIN: INE714B01016

- v) Market Price Data: High / low price of Company's Equity Shares quoted on the BSE, Mumbai during each month of the Financial Year 2023-24.

Month	High Rs. Ps.	Low Rs. Ps.	Month	High Rs. Ps.	Low Rs. Ps.
April, 2023	69.40	50.00	October, 2023	86.40	73.00
May, 2023	66.00	57.10	November, 2023	91.30	78.01
June, 2023	67.25	57.00	December, 2023	84.00	76.00
July, 2023	68.25	58.00	January, 2024	109.55	81.50
August, 2023	90.00	59.01	February, 2024	115.95	81.15
September, 2023	94.00	74.00	March, 2024	92.00	76.05

- vi) Performance in comparison to BSE sensex:



vii) Registrars and Share Transfer Agent:

M/s XL Softech Systems Ltd.,  
 No.3, Sagar Society, Road No.2  
 Banjara Hills, Hyderabad – 500 034  
 Telephones:040-23545 913 / 914 /915  
 E-mail: [xlfield@gmail.com](mailto:xlfield@gmail.com)

viii) Share Transfer System:

Effective 1.4.2019, transfer of Shares of a listed Company can only be effected in dematerialised form in terms of SEBI (LODR) Regulations, 2015. Shareholders holding Shares in the physical / certificate form are therefore requested to dematerialise their shares in their own interest. The Company obtains, through its Registrars and Share Transfer Agent, from a Practising Company Secretary annually a certificate of compliance with the Share, Transmissions and Issue of Duplicate Share Certificates formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files through electronic filing a copy of the said Certificate with the BSE.

ix) a) Shareholding pattern as on 31<sup>st</sup> March, 2024:

Sl.No.	Category	No. of shares	% of holding
1	Promoters, Directors, Relatives and Associate Companies	38421140	45.22
2	Financial Institutions	17100	0.02
3	Mutual Funds	3400	0.00
4	Banks	1087	0.00
5	Foreign Institutional Investors	629480	0.74
6	Non-Resident Indians	1171428	1.38
7	Bodies Corporate	2399050	2.82
8	Indian Public	42328915	49.82
	Total	84971600	100.00

b) Distribution of shareholding as on 31<sup>st</sup> March, 2024:

Shareholding of Nominal value of Rs.	No. of shareholders	% of shareholders	No. of shares	% of shares
Upto 5000	59189	87.33	79200670	9.32
5001 - 10000	4277	6.31	34785880	4.09
10001 - 20000	2182	3.22	33223280	3.91
20001 - 30000	746	1.10	19230730	2.26
30001 - 40000	319	0.47	11480670	1.35
40001 - 50000	300	0.44	14191520	1.67
50001 – 100000	418	0.62	30589310	3.60
100001 & above	344	0.51	627013940	73.79
TOTAL	67775	100.00	8,49,71,600	100.00

x) As of 31<sup>st</sup> March, 2024, 8,14,85,353 shares constituting 98.90% of paid-up capital have been dematerialised.

	<b>No. of shares</b>	<b>% of paid-up capital</b>
National Securities Depository Ltd. :	4,65,18,017	54.75
Central Depository Services (India) Ltd. :	3,49,67,336	41.15
Total	8,14,85,353	98.90

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

**Reconciliation of Share Capital Audit Report:**

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

xi) Plant location:

Opp: Naval Dockyard  
VISAKHAPATNAM – 530014  
Andhra Pradesh

xii) Address for correspondence:

The Andhra Petrochemicals Limited  
Venkatarayapuram, TANUKU - 534215  
West Godavari District, Andhra Pradesh  
Phone Nos. 08819-220975 (Shares Department) / 08819-224755  
Fax: 08819-224168  
CIN: L23209AP1984PLC004635  
Website: [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com)  
E-mail: investors@theandhrapetrochemicals.com

**B) NON-MANDATORY / DISCRETIONARY REQUIREMENTS:**

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

**i) Reporting of Internal Auditor**

Internal Auditors directly report to the Audit Committee.

**ii) Audit qualification**

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

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



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

As provided in Regulation 34(3) of Para D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed the compliance of the Company's Code of Conduct for the Board Members and Senior Management Personnel, as applicable, for the year ended 31<sup>st</sup> March, 2024.

Place: Hyderabad

Date: 25.5.2024

**(P. Narendranath Chowdary)  
Managing Director**

## **AUDITORS' CERTIFICATE**

**To**  
**The Members of**  
**The Andhra Petrochemicals Limited,**  
**Tanuku**

1. We have examined the compliance of conditions of Corporate Governance by The Andhra Petrochemicals Limited, Tanuku for the year ended 31st March, 2024 as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the "Listing Agreement" of the said company with stock exchanges.

### **Management's Responsibility**

2. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### **Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31.03.2024. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of account and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the company.
5. We have carried out an examination of the relevant records of the company in accordance with the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for special purposes issued by the ICAI which requires that we comply with the ethical requirements of the code of ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that performs Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

### **Opinion**

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, we certify that the Company has complied, in all material aspects, with the conditions of corporate governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2024.
8. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

### **Restriction on use**

9. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

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

Place: Visakhapatnam  
Date: 25.05.2024

(G. Rajasekhar)  
Partner  
Membership No.236023  
UDIN: 24236023BKGRYV8898

## 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, 2024, 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 material 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, 2024, 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.

<b>Sl.no</b>	<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<b>1</b>	Valuation of Investments in Unquoted Equity Shares of Andhra Pradesh Gas Power Corporation Ltd (APGPCL)	
	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. 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. Refer Note 3.2 to the Financial Statements	We assessed the managements' approach to valuation for these investments by performing the following procedures: <ul style="list-style-type: none"><li>• We have verified data inputs used in the valuation models based on historical trends.</li><li>• 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.</li><li>• We tested the calculation of the fair value based on the assumptions applied.</li><li>• We found the disclosures in the financial statements to be appropriate.</li></ul> <i>Conclusion:</i> Based on the work performed and the evidence obtained, we consider the methodology and assumptions used by management to be appropriate.

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. 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"> <li>• We assessed the valuation methodology</li> <li>• We evaluated the reasonableness of key assumptions applied by the management to calculate the provisions.</li> <li>• We tested the calculation of the provisions.</li> <li>• We checked the accuracy and relevance of the input data used.</li> <li>• We found the disclosures in the financial statements to be appropriate.</li> </ul> <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	
	<p>Measurement of lease liability for the land taken on lease from Visakhapatnam Port Trust (VPT) involves significant judgement, as they are calculated based on terms &amp; 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. Refer Note 2.41 to the Financial Statements</p>	<p>Our audit procedures, among others included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the terms and conditions of the VPT’s Land renewal lease policy “e-Tender cum e-Auction” to evaluate the appropriateness of key assumptions applied.</li> <li>• We have gone through the order from Hon’ble High Court of Andhra Pradesh allowing the writ petition filed by the company against the cancellation of tender for land lease dated 16.08.2020 and supporting evidence of lease rental payments to evaluate the reasonableness of the managements’ judgment that the lease will be allotted to the APL.</li> <li>• We assessed the methodology adopted and assumptions used by management, including reasonableness of the discounted cash flows and discount rate applied.</li> <li>• We found the disclosures in the financial statements to be appropriate.</li> </ul> <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.
- 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, 2020 ("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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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. (Refer Note no. 2.35 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

iv. a. The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 2.47(e) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(i.e.), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 2.47(e) to the accounts, no funds have been received by the Company from any person(s) or entity(i.e.), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.



- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 2.15(d) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Furthermore, the company adheres to a policy of maintaining audit trails in accordance with statutory requirements for record retention.

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

Place: Visakhapatnam

Date: 25-05-2024

(G Rajasekhar)  
Partner  
Membership No.236023  
UDIN: 24236023BKGRYU2103

## 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 2024. We report that:

- i) a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.  
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- b) The Property, Plant & Equipment have been physically verified by the management at reasonable intervals. According to the information furnished to us, no material discrepancies have been noticed on such verification.
- c) The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
- d) The company has not revalued its Property, Plant & Equipment (including the Right of Use assets) or Intangible assets or both during the year.
- e) As reported under note No. 2.01b, of the financial statements for the year under report, and according to the information and explanations given to us, no proceedings have been initiated against the company for holding benami property under Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) and rules made thereunder.
- ii) a) Physical verification of inventory has been conducted at reasonable intervals by management. In our opinion, the coverage and procedures of the verification by the management are appropriate and no material discrepancies were noticed.
- b) As reported under note No. 2.20 (c), of the financial statements for the year under report, the quarterly returns/statements filed by the company with banks are generally in agreement with the books of the company.
- iii) The Company has not made investments in, provided any guarantee or security granted any loans or advances which are in the nature of loans, secured or unsecured to companies, firms, LLPs, or any other parties. Consequently, clauses 3 (iii) (a), (b), (c), (d), (e) and (f) 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. Further, 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 neither accepted any public deposits nor received any amounts that are deemed to be deposits in terms of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. The directions issued by the Reserve bank of India are not applicable. Consequently, the clause 3(v) of the order is not applicable to the Company.  
According to the information and explanations given to us and on the basis of examination of the records of the Company, no order has been passed by Company Law Board or National Company Law Board or Reserve Bank of India or any Court or any other Tribunal during the year under report. 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 goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Cess and any other 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 goods and services tax, 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 31<sup>st</sup> March 2024, for a period of more than six months from the date they became payable.
- b) As at 31<sup>st</sup> March 2024, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Goods and Services tax, Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess.
- viii) According to the information and explanations given to us and on the basis of examination of the records of the Company, no transactions that are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- ix) a) The Company has not defaulted in any repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- c) There are no term loans outstanding during the year and the term loans obtained in earlier years have been utilised for the purposes for which they were obtained.
- d) The funds raised on a short-term basis have not been utilised for long term purposes.
- e) As reported in note no. 2.47 (c), The Company does not have any subsidiaries, associates, or joint ventures. Consequently, the clauses 3(ix)(e) and (f) of the order is not applicable to the Company.
- x) a) The Company has not made any initial public offer or further public offer (including debt instruments) during the year under review. Consequently, the clause 3(x)(a) of the order is not applicable.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year under review. Consequently, the clause 3(x)(b) of the order is not applicable.
- xi) a) According to the information and explanations given to us, we report that no material fraud by the Company or on the Company have been noticed or reported during the course of our audit.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed read with rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us and based on our examination of the records of the Company, no whistle-blower complaints are received during the year under report.
- 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) a) The company has an internal audit system commensurate with the size and nature of its business.
- b) The reports of the Internal Auditors for the period under audit were considered by us.
- 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.
- xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year under review. Consequently, the clause 3(xviii) of the order is not applicable.
- xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) a) In terms of the information and explanations given to us and based on the books of account/records examined by us, the company has no unspent amount to be transferred in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013.
- b) In terms of the information and explanations given to us and based on the books of account/records examined by us, the company has not undertaken any ongoing projects during the financial year towards CSR activities as per the provisions of section 135 of Companies Act. However, the company has unspent amount of Rs 11.54 lakhs as on 31.03.2024 held under separate bank account "Unspent Corporate Social Responsibility Account for FY 2022-23" in respect of the ongoing projects undertaken during the preceding financial year.
- xxi) This paragraph is not applicable in case of standalone financial statements.

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

Place: Visakhapatnam

Date: 25-05-2024

(G Rajasekhar)  
Partner  
Membership No.236023  
UDIN: 24236023BKGRYU2103

## 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 31<sup>st</sup> March 2024 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 2024, 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

Place: Visakhapatnam

Date: 25-05-2024

(G Rajasekhar)  
Partner  
Membership No.236023  
UDIN: 24236023BKGRYU2103

# The Andhra Petrochemicals Limited, Tanuku

## Notes to the Financial Statements

### 1. Company Overview and Material Accounting Policies

#### 1.1 Company overview

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

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

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on May 25, 2024.

#### 1.2 Basis of preparation of financial statements

##### 1.2.1 Statement of Compliance with Ind AS

These financial statements prepared by the Company comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

##### 1.2.2 Basis of Preparation

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

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

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

#### 1.3 Use of Estimates:

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

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

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

##### 1.3.1 Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically,



including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### 1.3.2 Impairment of non-financial assets

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

#### 1.3.3 Impairment of Financial assets

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

#### 1.3.4 Leases

The Company has taken the commercial properties under contractual agreements for its business operations. Its accounting involves significant management judgement for identification, classification and measurement of lease transactions at the time of lease commencement. The assessment of the lease liability and Right of Use asset under lease arrangements are based on the assumptions and estimates of the discount rate, lease term including judgement for exercise of options to extend or terminate the contract, dismantling and restoration costs, escalation in rentals etc. Further, these will be continuously monitored at each reporting period to reflect the changes in the agreements and management estimates.

#### 1.3.5 Taxes

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

#### 1.3.6 Employee benefits (gratuity and compensated absences)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

#### 1.3.7 Fair value measurement of financial instruments

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

#### 1.3.8 Provision for decommissioning

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

#### 1.3.9 Contingencies

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

### 1.4 Current versus Non-current classification

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

An asset is treated as current when it is:



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

All other assets are classified as non-current.

A liability is treated as current when it is:

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

All other liabilities are classified as non-current.

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

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

## **Material Accounting Policies**

### **1.5 Revenue recognition:**

Revenue is recognised as and when the entity satisfies a performance obligation by transferring a promised goods or services (i. e an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Revenue is measured at the transaction price which is determined based on the terms of contract and entity's customary practice. Amounts disclosed as revenue are inclusive of excise and duties, but exclusive of Goods and Service tax (GST), which the company pays as principal and net of returns, trade allowances, rebates, and taxes collected on behalf of the government.

### **1.6 Property, Plant and Equipment:**

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

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

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

Depreciation on buildings and plant and machinery is charged under straight line method and on the remaining assets under the diminishing balance method. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. In case of low value assets of Rs. 10000/- or less, depreciation is charged at the rate of 100% in the year of purchase itself.

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

### **1.7 Inventories:**

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

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

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

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

## **1.8 Non-Derivative Financial Instruments:**

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

### **1.8.1 Initial Recognition-**

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

### **1.8.2 Subsequent measurement-**

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

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

#### **(i) Debt instruments at amortised cost**

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

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

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

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

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

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

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

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

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

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

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

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

**Financial liabilities** are classified in two measurement categories:

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

(ii) **Financial liability measured at amortised cost**

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

### **1.8.3 Reclassification of financial assets-**

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

### **1.8.4 Derecognition of financial instruments-**

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

### **1.8.5 Impairment of financial assets-**

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

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

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

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

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

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

### **1.8.6 Offsetting of financial instruments-**

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

### **1.8.7 Fair Value of Financial instruments-**

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

## **1.9 Employee Benefits include:**

### **(i) Short term employee benefits-**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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

### **(ii) Long term employee benefits -**

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

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

(iii) *Post employment benefits-*

The company operates the following post-employment schemes:

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

**Defined Benefit Plans** -The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

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

## 1.10 Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

### As a lessee

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Short-term leases and leases of low-value assets



The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **Under Ind AS 17**

In the comparative period, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessors expected inflationary cost increases.

#### **1.11 Foreign Currency Transactions:**

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

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

At each Balance Sheet date

i. Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.

ii. Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognized.

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

#### **1.12 Provisions:**

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

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

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

#### **1.13 Cash and cash equivalents:**

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

#### **1.14 Impairment of assets:**

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

#### **1.15 Income Taxes:**

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

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

**The Andhra Petrochemicals Limited**  
**Balance Sheet as at 31st March, 2024**

(₹ in lakhs)

	Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>			
a	Property, plant and equipment	2.01	13,847.78	14,723.27
b	Capital work-in-progress	2.02	83.53	47.92
c	Right-of-use asset	2.03	7,084.65	7,365.34
d	Other Intangible assets	2.04	10.06	13.71
e	Financial assets:			
i	- Investments	2.05	-	-
ii	- Others	2.06	4,040.40	440.59
f	Other non-current assets	2.07	14.36	14.56
<b>2</b>	<b>Current assets</b>			
a	Inventories	2.08	3,878.23	6,550.09
b	Financial assets;			
i	- Investments	2.09	6,446.14	4,451.69
ii	- Trade receivables	2.10	327.27	129.59
iii	- Cash and cash equivalents	2.11	475.76	8.67
iv	- Bank balances other than (iii) above	2.12	31,195.36	27,689.51
v	- Other Financial Assets	2.13	908.16	683.26
c	Others current assets	2.14	1,324.36	1,527.48
	<b>Total Assets</b>		<b>69,636.06</b>	<b>63,645.67</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a	Equity Share capital	2.15	8,497.16	8,497.16
b	Other equity	2.16	47,072.17	42,025.69
<b>Liabilities</b>				
<b>1</b>	<b>Non-current liabilities</b>			
a	Financial liabilities:			
i	Lease liabilities	2.41	7,329.93	7,283.95
ii	Other financial liabilities	2.17	5.00	5.00
b	Provisions	2.18	548.55	468.84
c	Deferred tax liabilities (Net)	2.19	1,916.12	2,138.75
<b>2</b>	<b>Current liabilities</b>			
a	Financial liabilities			
i	Borrowings	2.20	242.09	783.01
ii	Lease liabilities	2.41	796.97	781.35
iii	Trade payables	2.21		
	(A) total outstanding dues of micro enterprises and small enterprises		28.47	9.65



	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		<b>543.08</b>	492.91
<b>iv</b>	Other financial liabilities	<b>2.22</b>	<b>244.80</b>	206.82
<b>b</b>	Other current liabilities	<b>2.23</b>	<b>1,864.05</b>	511.26
<b>c</b>	Provisions	<b>2.24</b>	<b>299.79</b>	351.31
<b>d</b>	Current Tax Liabilities (Net)	<b>2.25</b>	<b>247.88</b>	89.97
	<b>Total Equity and Liabilities</b>		<b>69,636.06</b>	63,645.67
			-	-

**Material accounting policies and other accompanying notes form an integral part of the financial statements.**

**As Per our report of even date  
For C V Ramana Rao & Co.,  
Chartered Accountants  
Firm Regn. No.: 002917S**

for and on behalf of Board of Directors of  
**THE ANDHRA PETROCHEMICALS LIMITED**

**G RAJASEKHAR  
Partner  
Membership No.: 236023**

**P Narendranath Chowdary  
Managing Director  
DIN: 00015764**

**M S R V K Ranga Rao  
Director  
DIN: 00031720**

**G Adinarayana  
CFO & Company Secretary**

**Place: Hyderabad  
Date : 25.05.2024**

**Place: Hyderabad  
Date : 25.05.2024**

**The Andhra Petrochemicals Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2024**

(₹ in lakhs)

	Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>I</b>	<b>Revenue from operations</b>	<b>2.26</b>	<b>78,867.35</b>	68,298.16
<b>II</b>	<b>Other income</b>	<b>2.27</b>	<b>2,541.72</b>	1,867.95
<b>III</b>	<b>Total Income (I+II)</b>		<b>81,409.07</b>	70,166.11
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	<b>2.28</b>	<b>55,814.74</b>	54,421.89
	Changes in inventories of finished goods and work in progress	<b>2.29</b>	<b>2,964.86</b>	(1,512.65)
	Employee benefit expense	<b>2.30</b>	<b>2,719.83</b>	2,558.79
	Finance cost	<b>2.31</b>	<b>866.28</b>	863.62
	Depreciation and amortisation expense	<b>2.32</b>	<b>1,482.94</b>	1,538.73
	Other expense	<b>2.33</b>	<b>8,952.45</b>	9,368.32
	<b>Total expenses (IV)</b>		<b>72,801.10</b>	67,238.70
<b>V</b>	<b>Profit before exceptional items and tax (III-IV)</b>		<b>8,607.97</b>	2,927.41
<b>VI</b>	Exceptional items		-	-
<b>VII</b>	<b>Profit before tax (V-VI)</b>		<b>8,607.97</b>	2,927.41
<b>VIII</b>	<b>Tax expense</b>	<b>2.34</b>	<b>2,267.50</b>	886.61
<b>IX</b>	<b>Profit for the year from continuing operations (VII-VIII)</b>		<b>6,340.47</b>	2,040.80
<b>X</b>	<b>Profit/(Loss) from discontinued operations</b>		-	-
<b>XI</b>	<b>Tax expense of discontinued operations</b>		-	-
<b>XII</b>	<b>Profit/(Loss) from discontinuing operations (after tax)</b>		-	-
<b>XIII</b>	<b>Profit for the Year</b>		<b>6,340.47</b>	2,040.80
<b>XIV</b>	<b>Other comprehensive income</b>			
	A Items that will not be reclassified to profit or loss:			
	(i) Remeasurement gains/(losses) on the defined benefit plans		<b>(25.94)</b>	(42.20)
	Income tax effect on the above		<b>6.53</b>	10.62
	(ii) Gains/(losses) on sale of Equity Instruments measured at FVTOCI		-	-
	(iii) Gains/(losses) on restatement of Equity Instruments measured at FVTOCI		-	(578.05)
	Income tax effect on above		-	-
	B Items that will be reclassified to profit or loss:		-	-
	Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV</b>	<b>Total comprehensive income for the period (XIII+XIV)</b>		<b>6,321.06</b>	1,431.17
	<i>(Comprising of Profit / loss &amp; other comprehensive income)</i>			

<b>XVI</b>	<b>Earnings per equity share (for continuing operations)</b>	<b>2.40</b>		
	a) Basic		<b>7.46</b>	2.40
	b) Diluted		<b>7.46</b>	2.40
<b>XVII</b>	<b>Earnings per equity share (for discontinued operations)</b>			
	a) Basic		-	-
	b) Diluted		-	-
<b>XVIII</b>	<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
	a) Basic		<b>7.46</b>	2.40
	b) Diluted		<b>7.46</b>	2.40

Material accounting policies and other accompanying notes form an integral part of the financial statements.

As Per our report of even date  
For C V Ramana Rao & Co.,  
Chartered Accountants  
Firm Regn. No.: 002917S

G RAJASEKHAR  
Partner  
Membership No.: 236023

for and on behalf of Board of Directors of  
**THE ANDHRA PETROCHEMICALS LIMITED**

P Narendranath Chowdary  
Managing Director  
DIN: 00015764

M S R V K Ranga Rao  
Director  
DIN: 00031720

G Adinarayana  
CFO & Company Secretary

Place: Hyderabad  
Date : 25.05.2024

Place: Hyderabad  
Date : 25.05.2024

The Andhra Petrochemicals Limited  
Statement of Changes in Equity for the year ended 31st March, 2024

A Equity Share Capital

(₹ in lakhs)

Particulars	Balance as at 01.04.2023	Changes in Equity Share Capital due to prior period errors	Restated balance at 01.04.2023	Changes in Equity Share Capital during the current year	Balance as at 31.03.2024
Equity Share Capital	8,497.16	-	8,497.16	-	8,497.16
<b>Total</b>	<b>8,497.16</b>	<b>-</b>	<b>8,497.16</b>	<b>-</b>	<b>8,497.16</b>

As at 31.03.2023

Particulars	Balance as at 01.04.2022	Changes in Equity Share Capital due to prior period errors	Restated balance at 01.04.2022	Changes in Equity Share Capital during the current year	Balance as at 31.03.2023
Equity Share Capital	8,497.16	-	8,497.16	-	8,497.16
<b>Total</b>	<b>8,497.16</b>	<b>-</b>	<b>8,497.16</b>	<b>-</b>	<b>8,497.16</b>

B Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income			Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement gains/(losses) on the defined benefit obligations	Others	
Balance as at 01.04.2023	23.37	412.63	2,500.00	39,719.50	(526.32)	(103.51)	-	42,025.67
Changes in accounting policy/ prior period	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2023	23.37	412.63	2,500.00	39,719.50	(526.32)	(103.51)	-	42,025.67
Total comprehensive income for the year	-	-	-	6,340.47	-	(19.41)	-	6,321.06
Dividends	-	-	-	(1,274.57)	-	-	-	(1,274.57)
Transfer to/from retained earnings	-	-	-	-	-	-	-	-
Balance as at 31.03.2024	23.37	412.63	2,500.00	44,785.40	(526.32)	(122.92)	-	47,072.16

As at 31.03.2023

(₹ in lakhs)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income			Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement gains/(losses) on the defined benefit obligations	Others	
Balance as at 01.04.2022	23.37	412.63	2,500.00	38,953.27	51.73	(71.93)	-	41,869.08
Changes in accounting policy/ prior period	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2022	23.37	412.63	2,500.00	38,953.27	51.73	(71.93)	-	41,869.07
Total comprehensive income for the year	-	-	-	2,040.80	(578.05)	(31.58)	-	1,431.17
Dividends	-	-	-	(1,274.57)	-	-	-	(1,274.57)
Transfer to/from retained earnings	-	-	-	-	-	-	-	-
Balance as at 31.03.2023	23.37	412.63	2,500.00	39,719.50	(526.32)	(103.51)	-	42,025.67

As Per our report of even date  
For C V Ramana Rao & Co.,  
Chartered Accountants  
Firm Regn. No.: 002917S

G RAJASEKHAR  
Partner  
Membership No.: 236023

for and on behalf of Board of Directors of  
THE ANDHRA PETROCHEMICALS LIMITED

P Narendranath Chowdary  
Managing Director  
DIN: 00015764

M S R V K Ranga Rao  
Director  
DIN: 00031720

G Adinarayana  
CFO & Company Secretary

Place: Hyderabad  
Date : 25.05.2024

Place: Hyderabad  
Date : 25.05.2024

**The Andhra Petrochemicals Limited**  
**Statement of Cashflows for the year ended 31st March, 2024**

(₹ in lakhs)

Particulars	For the year Ended 31-03-2024	For the year Ended 31-03-2023
<b>A) Cash Flow from Operating Activities:</b>		
<b>Profit before tax for the year before exceptional items and other comprehensive income:</b>		
Profit from contnuing operations	8,607.97	2,927.41
Profit from discontinued operations	-	-
Profit before tax	8,607.97	2,927.41
<b><u>Adjustments to reconcile profit before tax to net cash flows:</u></b>		
Depreciation and amortisation expense	1,482.94	1,538.73
Finance costs(including fair value change in financial instruments)	2.53	2.21
Finance income(including fair value change in financial instruments)	(2,164.11)	(1,471.91)
Gain on disposal of property, plant and equipment	(6.05)	(0.01)
Gains on sale of financial assets measured at FVTPL	(165.00)	(217.22)
Gain on revaluation of investments-Mutual fund	(161.07)	(59.20)
Loss on sale of property, plant and equipment	-	0.04
Assets Written off	58.94	79.26
Unclaimed credit balances written back	(1.61)	(1.69)
Foreign exchange gains/losses	(0.55)	(0.05)
Unwinding of discount on lease liabilities	846.81	839.15
Operating Profit before Working Capital changes	8,500.80	3,636.72
<b><u>Working capital adjustments:</u></b>		
Movements in provisions, gratuity and government grants	2.23	116.31
Decrease/(Increase) in trade and other receivables and Pre payments	3.75	83.24
Decrease/(Increase) in inventories	2,671.87	(597.53)
Increase /(Decrease) in trade and other payables	1,461.92	(361.92)
Cash generated from operations	12,640.57	2,876.82
Income Tax (paid)/refund	(2,325.70)	(1,301.95)
Net Cash generated in operations before extra-ordinary items	10,314.87	1,574.87
<b>B) Cash Flow from Investing Activities:</b>		
Proceeds from sale of property,plant and equipments	8.04	0.11
Purchase of property,plant and equipments	(384.03)	(1,421.19)
Capital work in progress	(35.61)	603.60
Purchase of financial instruments	(20,887.40)	(7,709.09)
Proceeds from sale of financial instruments	19,219.01	14,763.31
Term Deposit with Banks	(7,105.83)	(7,322.94)
Interest received	1,941.26	1,275.55
Net cash flows used in investing activities	(7,244.56)	189.35
<b>C) Cash Flow from Financing Activities:</b>		
Interest paid	(2.53)	(2.21)
Net Proceeds (Repayment) of borrowings	(540.91)	(26.70)
Dividends paid	(1,274.57)	(1,274.57)
Payment of lease liabilities	(785.20)	(769.80)
Net Cash flows (used in) Financing Activities	(2,603.22)	(2,073.29)
Net increase/(decrease) in Cash & Cash equivalents (A + B + C)	467.09	(309.07)
Opening balance of Cash & Cash equivalents	8.67	317.74
Closing balance of Cash & Cash equivalents	475.76	8.67

**Reconciliation of cash and cash equivalents as per cash flow statement with Balance Sheet**

<b>Particulars</b>	<b>For the year Ended 31-03-2024</b>	<b>For the year Ended 31-03-2023</b>
Closing Cash and cash equivalents as per Balance Sheet	475.76	8.67
Closing Cash and cash equivalents as per Statement of Cash Flows	475.76	8.67
<b>Difference</b>	<b>0.00</b>	<b>0.00</b>

**Note:**

1) Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.

2) Fixed deposits with original maturity of more than 3 months are grouped under 'other bank balances' and is not considered as part of cash and cash equivalents in the statement of cash flows.

**3) Components of cash and cash equivalents:**

Cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**As Per our report of even date**  
**For C V Ramana Rao & Co.,**  
**Chartered Accountants**  
**Firm Regn. No.: 002917S**

**G RAJASEKHAR**  
**Partner**  
**Membership No.: 236023**

**Place: Hyderabad**  
**Date : 25.05.2024**

for and on behalf of Board of Directors of  
**THE ANDHRA PETROCHEMICALS LIMITED**

**P Narendranath Chowdary**  
**Managing Director**  
**DIN: 00015764**

**M S R V K Ranga Rao**  
**Director**  
**DIN: 00031720**

**G Adinarayana**  
**CFO & Company Secretary**

**Place: Hyderabad**  
**Date : 25.05.2024**



**Note 2.01 Property, Plant and Equipment**

(₹ in lakhs)

Fixed Assets	Gross Block				Depreciation				Net Block	
	Balance as at 01.04.2023	Additions	(Disposals)	Balance as at 31.03.2024	Upto 01.04.2023	For the year	On disposals	Total upto 31.03.2024	Balance as at 31.03.2024	Balance as at 31.03.2023
Land	9.07	-	-	9.07	-	-	-	-	9.07	9.07
Buildings *	1,700.26	67.59	-	1,767.85	1,165.37	30.15	-	1,195.52	572.33	534.89
Plant and Equipment	46,440.40	309.84	95.86	46,654.38	32,347.10	1,139.62	36.98	33,449.74	13,204.64	14,093.30
Furniture and Fixtures	65.10	0.72	-	65.81	60.72	0.52	-	61.24	4.57	4.38
Office equipment	168.80	5.88	1.05	173.62	145.64	11.10	1.00	155.74	17.88	23.15
Vehicles	142.52	-	36.96	105.56	84.04	17.21	34.98	66.27	39.29	58.48
<b>Total (A)</b>	<b>48,526.15</b>	<b>384.03</b>	<b>133.87</b>	<b>48,776.29</b>	<b>33,802.87</b>	<b>1,198.60</b>	<b>72.96</b>	<b>34,928.51</b>	<b>13,847.78</b>	<b>14,723.27</b>

**Note 2.04 Other Intangible assets**

Computer Software	45.33	-	-	45.33	31.62	3.65	-	35.28	10.06	13.71
<b>Total (B)</b>	<b>45.33</b>	<b>-</b>	<b>-</b>	<b>45.33</b>	<b>31.62</b>	<b>3.65</b>	<b>-</b>	<b>35.28</b>	<b>10.06</b>	<b>13.71</b>
<b>Grand Total (A+B)</b>	<b>48,571.48</b>	<b>384.03</b>	<b>133.87</b>	<b>48,821.62</b>	<b>33,834.49</b>	<b>1,202.25</b>	<b>72.96</b>	<b>34,963.79</b>	<b>13,857.84</b>	<b>14,736.98</b>

**Note 2.01 Property, Plant and Equipment**

Fixed Assets	Gross Block				Depreciation				Net Block	
	Balance as at 01.04.2022	Additions	(Disposals)	Balance as at 31.03.2023	Upto 01.04.2022	For the year	On disposals	Total upto 31.03.2023	Balance as at 31.03.2023	Balance as at 31.03.2022
Land	9.07	-	-	9.07	-	-	-	-	9.07	9.07
Buildings *	1,700.27	-	-	1,700.27	1,135.59	29.79	-	1,165.38	534.89	564.68
Plant and Equipment	45,485.30	1,355.96	400.87	46,440.39	31,425.54	1,186.56	265.01	32,347.09	14,093.30	14,059.76
Furniture and Fixtures	68.92	2.06	5.88	65.10	65.50	0.82	5.60	60.72	4.38	3.42
Office equipment	175.67	10.34	17.22	168.79	143.21	18.77	16.34	145.64	23.15	32.46
Vehicles	89.88	52.83	0.19	142.52	67.23	17.00	0.19	84.04	58.48	22.65
<b>Total (A)</b>	<b>47,529.11</b>	<b>1,421.19</b>	<b>424.16</b>	<b>48,526.14</b>	<b>32,837.07</b>	<b>1,252.94</b>	<b>287.14</b>	<b>33,802.87</b>	<b>14,723.27</b>	<b>14,692.04</b>

**Note 2.04 Other Intangible assets**

Computer Software	45.33	-	-	45.33	26.63	4.99	-	31.62	13.71	18.70
<b>Total (B)</b>	<b>45.33</b>	<b>-</b>	<b>-</b>	<b>45.33</b>	<b>26.63</b>	<b>4.99</b>	<b>-</b>	<b>31.62</b>	<b>13.71</b>	<b>18.70</b>
<b>Grand Total (A+B)</b>	<b>47,574.44</b>	<b>1,421.19</b>	<b>424.16</b>	<b>48,571.47</b>	<b>32,863.70</b>	<b>1,257.93</b>	<b>287.14</b>	<b>33,834.49</b>	<b>14,736.98</b>	<b>14,710.74</b>

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

Note 2.01a: No Property, plant and equipment was kept temporarily idle during the year under report.

Note 2.01b: All the Property, plant & equipments are owned by the company. Further, no proceedings have been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) and the rules made thereunder

Note 2.01c: The company has not revalued its Property, plant & equipment (including Right of Use assets) and intangible assets during the year under report and the immediately preceding previous year.

Note 2.01d: The title deeds of all the immovable properties are held in the name of the company.

Note 2.01e: There are no intangible assets under development as at 31st March 2024. (Previous year - Nil)

**Note 2.02 Capital Work-in-Progress**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Capital work in progress		83.53		47.92
		83.53		47.92

**Note 2.02a. CWIP Ageing Schedule**

As at 31st March, 2024

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	35.61	47.92	-	-	83.53
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2023

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47.92	-	-	-	47.92
Projects temporarily suspended	-	-	-	-	-

**Note 2.02b. CWIP Completion schedule**

As at 31st March, 2024

(₹ in lakhs)

CWIP	To be completed in				Remarks
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	83.53	-	-	-	Project completion is not overdue and also has not exceeded its initial estimated costs

As at 31st March, 2023

(₹ in lakhs)

CWIP	To be completed in				Remarks
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	Project completion is not overdue and also has not exceeded its initial estimated costs

**Note 2.03 Right-of-Use assets as at 31st March, 2024**

(₹ in lakhs)

Particulars	Balance as at 01.04.2023	Additions	(Disposals)	Amortization	Balance as at 31.03.2024
Leasehold Land-Factory	7,365.34	-	-	280.69	7,084.65
Building - Office Accommodation	-	-	-	-	-
<b>Total</b>	<b>7,365.34</b>	<b>-</b>	<b>-</b>	<b>280.69</b>	<b>7,084.65</b>

**Note 2.03 Right-of-Use assets as at 31st March, 2023**

(₹ in lakhs)

Particulars	Balance as at 01.04.2022	Additions	(Disposals)	Amortization	Balance as at 31.03.2023
Leasehold Land-Factory	7,646.02	-	-	280.69	7,365.34
Building - Office Accommodation	0.12	-	-	0.12	-
<b>Total</b>	<b>7,646.14</b>	<b>-</b>	<b>-</b>	<b>280.81</b>	<b>7,365.34</b>

**Note 2.05 Non current Financial Assets -Investments**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>Investments at Fair Value through Other Comprehensive Income</b>				
Unquoted Equity instruments				
4,02,000 Equity Shares of Rs.10/- each fully paid-up in Andhra Pradesh Gas Power Corporation Ltd.		-		-
<b>Total</b>		<b>-</b>		<b>-</b>

**Reasons for Investments designated to measure at FVTOCI:**

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

**Note 2.06 Non current Financial Assets -Others**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Bank deposits with more than 12 months maturity		3,599.98		-
Security Deposits Recoverable (unsecured, considered good)		440.42		440.59
		<b>4,040.40</b>		<b>440.59</b>

Note 2.07 Other Non Current Assets

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
(Unsecured, considered good)				
Prepaid Expenses		8.84		9.04
Deposits Recoverable		5.52		5.52
		14.36		14.56

Note 2.08 Inventories

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
a. Raw Materials	474.80		397.74	
Goods-in transit	52.95	527.75	102.49	500.23
b. Work-in-process		245.43		610.13
c. Finished goods		996.89		3,597.05
d. Stores and spares		2,108.16		1,842.68
Method of valuation is stated in Accounting Policies vide Note No.1.7				
<b>Total</b>		<b>3,878.23</b>		<b>6,550.09</b>

Note 2.09 Current Financial Assets -Investments

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>Investments measured at Fair Value through Profit &amp; Loss</b>				
<b>Investments in Mutual Funds</b>				
- 2259019.493 units of UTI Mutual Fund (Previous year : 2303981.181 units)		2,939.26		4,451.69
- 4041.571 units of SBI Mutual Fund (Previous year: Nil)		155.56		-
- 76732.843 units of TATA Mutual Fund (Previous year: Nil)		3,351.32		-
<b>Total</b>		<b>6,446.14</b>		<b>4,451.69</b>

Note 2.10 Trade Receivables

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>Trade receivables</b>				
Unsecured and considered good		327.27		129.59
		327.27		129.59

Note 2.10a Ageing schedule of Trade Receivables as at 31st March, 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	327.27	-	-	-	-	-	327.27
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Note 2.10a Ageing schedule of Trade Receivables as at 31st March, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	129.59	-	-	-	-	-	129.59
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Note 2.10b There are no unbilled dues as at 31st March 2024 (Previous year: Rs. Nil)

Note 2.11 Cash and Cash Equivalents

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
a. Balances with banks		474.14		6.79
b. Cash on hand		1.62		1.87
<b>Total</b>		<b>475.76</b>		<b>8.66</b>

Note 2.12 Bank balances other than (iii) above

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Bank deposits with original maturity more than 3 months but less than 12 months		30,939.02		27,482.69
Earmarked balances with Banks (Unpaid Dividend)		244.80		206.82
Earmarked balances with Banks (Unspent Corporate Social Responsibility)		11.54		-
		31,195.36		27,689.51

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Interest receivable		905.55		682.11
Others		2.61		1.15
		<b>908.16</b>		<b>683.26</b>

**Note 2.14 Other Current Assets**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>Unsecured, considered good</b>				
Prepaid Expenses		63.22		81.09
Advances to Suppliers		1,259.53		1,245.88
Advances to staff		0.02		0.20
GST paid-in-Advance (Input Tax Credit)		1.59		200.31
		<b>1,324.36</b>		<b>1,527.48</b>

**Note 2.15: Equity**

**a. Equity Share Capital**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Authorised</b>				
Equity Shares of ₹10 each	12,50,00,000	12,500.00	12,50,00,000	12,500.00
<b>Issued</b>				
Equity Shares of ₹10 each	8,49,71,600	8,497.16	8,49,71,600	8,497.16
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹10 each fully paid	8,49,71,600	8,497.16	8,49,71,600	8,497.16
<b>Total</b>	<b>8,49,71,600</b>	<b>8,497.16</b>	<b>8,49,71,600</b>	<b>8,497.16</b>

**Terms / rights attached to equity shares**

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

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The Andhra Sugars Limited	2,80,86,613	33.05%	2,80,86,613	33.05%
Andhra Pradesh Industrial Development Corporation Limited	91,80,000	10.80%	91,80,000	10.80%

**c. Shareholding of Promoters:**

**As at 31st March, 2024**

Promoter name	No. of Shares held	% of total shares	% Change during the year
The Andhra Sugars Limited	2,80,86,613	33.05%	0%
Andhra Pradesh Industrial Development Corporation Limited	91,80,000	10.80%	0%
JOCIL Limited	10,07,981	1.19%	0%
<b>Total</b>	<b>3,82,74,594</b>	<b>45.04%</b>	

**As at 31st March, 2023**

Promoter name	No. of Shares held	% of total shares	% Change during the year
The Andhra Sugars Limited	2,80,86,613	33.05%	0%
Andhra Pradesh Industrial Development Corporation Limited	91,80,000	10.80%	0%
JOCIL Limited	10,07,981	1.19%	0%
<b>Total</b>	<b>3,82,74,594</b>	<b>45.04%</b>	

**d. Dividend distribution to equity holders:**

Dividends paid / payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend it is recognised when it is approved by the Board of Directors. A corresponding amount is accordingly recognised directly in equity.

In respect of the year ended 31st March, 2024, the Board of Directors has proposed a dividend of Rs.2.00(20 percent) (Previous year Rs.1.50 (15 percent)) per Equity share, subject to approval by the shareholders at the ensuing Annual General Meeting after which dividend would be accounted and paid out of the retained earnings available for distribution in accordance with the provisions of the Act.

**Note 2.16: Other Equity**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
a) Capital Reserve		23.37		23.37
b) Securities Premium		412.63		412.63
c) General Reserve		2,500.00		2,500.00
d) Retained Earnings		44,785.39		39,719.50
<b>e) Other Comprehensive Income:</b>				
Equity Instruments through Other Comprehensive Income		(526.31)		(526.31)
Re-measurement of Defined benefit plans		(122.91)		(103.50)
<b>Total</b>		<b>47,072.17</b>		<b>42,025.69</b>

**The Andhra Petrochemicals Limited**

**Notes to Financial Statements**

**Nature of reserves:**

- a) **Capital Reserve** : Capital reserve represents incentives given by the FFIs for onetime settlement of the foreign currency loan.
- b) **Securities premium** : Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
- c) **General reserve** : The general reserve is created by way of transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956/2013.
- d) **Retained earnings** : Retained earnings generally represents the undistributed profit amount of accumulated earnings of the company.

**e) Other Comprehensive Income:**

Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of: items that will not be reclassified to profit and loss

- a. The Company has made an irrevocable selection to present the subsequent fair value changes of investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value including tax effects. The company transfers restated fair value amounts from this reserve to retained earnings when the relevant financial instruments are disposed.
- b. The actuarial gains and losses along with tax effects arising on defined benefit obligations are recognised in OCI.

**Note 2.17 Non Current Financial Liabilities - Others**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
(a) Deposits Refundable		5.00		5.00
<b>Total</b>		<b>5.00</b>		<b>5.00</b>

**Note 2.18 Non Current Provisions**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>(a) Provision for employee benefits:</b>				
Gratuity (Funded)		239.11		181.36
Compensated Absences		213.48		197.60
<b>(b) Provision for Decommissioning Liability</b>		<b>95.96</b>		<b>89.88</b>
<b>Total</b>		<b>548.55</b>		<b>468.84</b>

**Note 2.19 Deferred Tax Liability (Net)**

(₹ in lakhs)

Particulars	As at 31-03-2023	(Charge)/ Credit Recognised in Profit or loss	(Charge)/ Credit Recognised in other comprehensive Income	As at 31-03-2024
	<b>Liabilities:</b>			
Timing difference with respect to depreciation on Property, Plant & Equipment:	2,516.87	(119.40)	-	2,397.46
	2,516.87	(119.40)	-	2,397.46
<b>Assets:</b>				
Timing differences with respect to lease rentals charged to Statement of Profit & Loss account and claimed for tax purposes	176.17	86.15	-	262.32
<b>Provision for Post retirement and other employee benefits:</b>				
Provision for Gratuity	75.03	13.26	0.54	88.84
Provision - Leave encashment	94.97	(1.06)	5.99	99.89
Bonus payable	9.31	(3.17)	-	6.14
Provision for decommissioning cost	22.62	1.53	-	24.15
	378.10	96.71	6.53	481.34
<b>Total</b>	<b>2,138.77</b>	<b>(216.11)</b>	<b>(6.53)</b>	<b>1,916.12</b>

**Note 2.20 Current Financial Liabilities - Borrowings**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>Secured</b>				
<b>(a) Loans repayable on demand:</b>				
From banks		242.09		783.01
(Secured by hypothecation of raw materials, work in process, finished goods, stores and spares and book debts and collaterally secured by Second Charge on the fixed assets, both present and future, of the Company).				
<b>Total</b>		<b>242.09</b>		<b>783.01</b>

Note 2.20 (a) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 2.36

(b) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

(c) The quarterly returns /statements of current assets filed by the Company with banks are in agreement with the books of accounts .

**Note 2.21 Current Financial Liabilities - Trade Payables**

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
(A) Total outstanding dues of Micro Small and Medium Enterprises		28.47		9.65
(B) Total outstanding dues of creditors other than Micro and Small Enterprises*		543.08		492.91
<b>Total</b>		<b>571.55</b>		<b>502.56</b>

Details as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables as at 31st March, 2024 & 31st March, 2023 are as follows:

(a) Principal amount remaining unpaid to any supplier at the end of each accounting year		28.47		9.65
(b) Interest due thereon remaining unpaid to any supplier at the end of each accounting year		-		-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		-		-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;		-		-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and		-		-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		-		-

Note 2.21a Ageing Schedules of Trade payables as at 31st March, 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	(i) Not Due	(ii) Less than 1 years	(iii) 1-2 Years	(iv) 2-3 Years	(v) More than 3 years	
(i) MSME	28.47	-	-	-	-	28.47
(ii) Others	179.26	363.82	-	-	-	543.08
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>207.73</b>	<b>363.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>571.55</b>

Note 2.21a Ageing Schedules of Trade payables as at 31st March, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	(i) Not Due	(ii) Less than 1 years	(iii) 1-2 Years	(iv) 2-3 Years	(v) More than 3 years	
(i) MSME	9.65	-	-	-	-	9.65
(ii) Others	227.05	265.86	-	-	-	492.91
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>236.70</b>	<b>265.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>502.56</b>

Note 2.21b There are no unbilled dues as at 31st March 2024 (Previous year: Rs. Nil)

Note 2.22 Current Financial Liabilities - Others

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
(a) Unpaid dividends		244.80		206.82
<b>Total</b>		<b>244.80</b>		<b>206.82</b>

Note 2.23 Other Current Liabilities

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
(a) Advances received from Customers		738.23		265.31
(b) Employee benefits payables		156.29		142.36
(c) Goods and Service Tax payable		884.33		8.87
(d) Other Statutory dues payable		81.99		94.72
(e) Others		3.21		-
<b>Total</b>		<b>1,864.05</b>		<b>511.26</b>

Note 2.24 Current Provisions

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
(a) Provision for employee benefits				
Gratuity (Funded)		113.86		116.77
Compensated Absences		183.44		179.74
(b) Provision for Quantity Discount on Sales		2.49		54.80
<b>Total</b>		<b>299.79</b>		<b>351.31</b>

Note 2.25 Current Tax Liabilities (Net)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Provision for Income tax (Net of Prepaid Taxes)		247.88		89.97
<b>Total</b>		<b>247.88</b>		<b>89.97</b>

Note 2.26 Revenue from Operations

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Sale of products (Oxo Alcohols)		78,867.35		68,298.16
<b>Total</b>		<b>78,867.35</b>		<b>68,298.16</b>



Note: 2.26 (A) Revenue disaggregation by industry vertical is as follows: (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Fixed price manufacturing contracts	78,867.35
<b>Total</b>	<b>78,867.35</b>	<b>68,298.16</b>

Note: 2.26 (B) Revenue disaggregation by geography is as follows: (₹ in lakhs)

Revenue earned from states in India (*)	For the year ended March 31, 2024	For the year ended March 31, 2023
Andhra Pradesh	1,102.89	2,025.56
Bihar	31.99	31.86
Dadra And Nagar Haveli	34,395.65	27,315.79
Delhi	28.48	230.11
Gujarat	14,454.07	14,137.67
Haryana	226.16	195.90
Himachal Pradesh	139.92	156.93
Jharkhand	2.05	2.82
Karnataka	260.25	156.00
Kerala	57.82	58.46
Madhya Pradesh	2,560.23	1,722.75
Maharashtra	20,919.56	19,090.99
Punjab	147.14	259.42
Rajasthan	1,523.62	401.13
Tamil Nadu	1,254.06	539.74
Telangana	1,210.70	1,346.37
Uttar Pradesh	390.44	486.37
West Bengal	162.32	140.29
<b>Total</b>	<b>78,867.35</b>	<b>68,298.16</b>

(\*) Company earns revenue only from INDIA & Geographical revenue is allocated based on the goods sent to the location of the customers.

Note: 2.26 (C) Reconciliation of revenue recognized with the contracted price is as follows: (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contracted price with customers	79,776.40	68,970.43
Less: Amounts adjusted for Discounts, rebates, refunds etc	909.05	672.27
<b>Revenue recognised in the statement of profit and loss</b>	<b>78,867.35</b>	<b>68,298.16</b>

Note: 2.26 (D) Changes in advances received from customers (Contract liability) are as follows: (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	265.31	139.52
Add: Amounts received during the year	812.96	2,194.21
Less: Revenue recognised during the year	340.04	2,068.42
<b>Balance at the end of the year (Net)</b>	<b>738.23</b>	<b>265.31</b>

Note: 2.26 (E) The details in respect of percentage of revenues generated from top customers are as follows:

Particulars	(In %)	(In %)
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from top customer	26.94	23.58
Revenue from 2nd top customer	11.29	13.11
Revenue from 3rd top customer	9.30	9.80
Revenue from 4th top customer	7.32	7.15
Total of other customers generating more than 10% revenue	-	-

The Company deals with largest corporates in India and the company believes 100% reliance of recovery of its receivables.

Note 2.27 Other Income

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>Interest income from:</b>				
Financial assets at amortised cost	2,159.42		1,434.35	
Financial assets measured at fair value	4.69		15.39	
Others	-	2,164.11	22.16	1,471.90
<b>Other non operating income:</b>				
Net gains on sale of financial assets measured at FVTPL		165.00		217.22
Net gains (losses) on fair value changes -				
- Investments classified at FVTPL		161.06		59.20
Miscellaneous Receipts		43.34		88.33
Insurance Claims Received		-		27.49
Net gain on disposal of property, plant and equipment		6.05		0.01
Unclaimed credit balance & excess provisions made in earlier years written back		1.61		1.69
Foreign exchange fluctuations		0.55		0.05
Government Grants Received		-		2.06
<b>Total</b>		<b>2,541.72</b>		<b>1,867.95</b>

Note 2.27a Government Grants

Government grants related to revenue nature are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate and are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other Income". Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The Company is eligible to receive Government grant by way of subsidy under Pradhan Mantri Rozgar Yojana (PMRY). Accordingly, the Company has recognised these Government grant as separate line item as "Government grants received" under Other Income.

**Note 2.28 Cost of Materials Consumed**

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>Raw Materials Consumed</b>				
Opening Stock		397.74		870.98
Add: Purchases		55,891.81		53,948.65
		56,289.55		54,819.63
Less: Closing Stock		474.81		397.74
<b>Total</b>		<b>55,814.74</b>		<b>54,421.89</b>

Details of Raw materials consumed:

Particulars	Details	₹ in lakhs	Details	₹ in lakhs
i) Propylene		39,711.73		39,200.51
ii) Naphtha		16,103.01		15,221.38
<b>Total</b>		<b>55,814.74</b>		<b>54,421.89</b>

Note 2.28(a) The write down of inventories value during the year amounted is Rs.51,224/- (Previous year -Rs.33,80,012/- and the same have been included in the cost of materials consumed)

Note 2.28(b) The reversal of write down of inventories relating to previous year of Rs.33,80,012/- has been recognised as reduction in the cost of material consumed.

**Note 2.29 Change in Inventories of Finished Goods and Work-in-Process**

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>A) Closing Stock</b>				
Finished Goods		996.89		3,597.05
Work-in-process		245.43		610.13
<b>Total (A)</b>		<b>1,242.32</b>		<b>4,207.18</b>
<b>B) Opening Stock</b>				
Finished Goods		3,597.05		2,259.69
Work-in-process		610.13		434.84
<b>Total (B)</b>		<b>4,207.18</b>		<b>2,694.53</b>
(Increase)/Decrease in stocks (B-A)		2,964.86		(1,512.65)
<b>Total</b>		<b>2,964.86</b>		<b>(1,512.65)</b>

**Note 2.30 Employee Benefit Expense**

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Salaries and Allowances		2,293.75		2,178.45
Company's Contribution to Provident and other Funds		173.68		129.15
Contribution to Gratuity Fund		59.33		52.51
Workmen and Staff Welfare Expenses		193.07		198.68
<b>Total</b>		<b>2,719.83</b>		<b>2,558.79</b>

Employee benefit plans:

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

Defined Contributions Plans:

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

Particulars	₹ in lakhs	
	2023-24	2022-23
Employer's Contributions to Provident and Pension Funds	173.68	129.15

Defined Benefit Plans:

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

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

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

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

(₹ in lakhs)

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Defined Benefit obligation at beginning of the year	683.42	685.49	377.33	356.57
Interest Cost	47.83	46.26	25.53	23.95
Current Service Cost	37.19	36.32	45.10	38.97
Past Service Cost	-	-	-	-
Benefits paid	(93.15)	(108.54)	(74.84)	(59.62)
Actuarial loss / (gain) on obligation	2.12	23.89	23.78	17.46
Defined Benefit obligation at year end	<b>677.41</b>	<b>683.42</b>	<b>396.90</b>	<b>377.33</b>

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

Particulars	Gratuity (Funded)	
	31-03-2024	31-03-2023
Fair value of plan assets at beginning of the year	385.29	464.61
Interest Income	25.69	30.07
Contributions	6.65	-
Benefits paid	(93.15)	(108.54)
Remeasurements - Return on Assets (Excluding Interest Income)	(0.04)	(0.85)
Fair value of plan assets as at the end of the year	324.44	385.29

III. Reconciliation of fair value of assets and obligations as at 31.03.2024 (₹ in lakhs)

Particulars	Gratuity (Funded)	
	31-03-2024	31-03-2023
Fair value of plan assets	324.44	385.29
Present value of obligation	677.41	683.42
Amount recognized as liability in Balance sheet	352.97	298.13

(₹ in lakhs)

Particulars	Compensated absences (Unfunded)	
	31-03-2024	31-03-2023
Fair value of plan assets	-	-
Present value of obligation	396.90	377.33
Amount recognized as liability in Balance sheet	396.90	377.33

Company is maintaining the planned assets through a group policy with Life Insurance Corporation of India

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

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Current Service Cost	37.19	36.32	45.10	38.97
Past Service Cost	-	-	-	-
Interest Cost	47.83	46.26	25.53	23.95
Expected return on plan assets	(25.69)	(30.07)	-	-
Actuarial (gain)/ loss	-	-	-	-
Expenses recognized in the statement of Profit & Loss	59.33	52.51	70.63	62.92

V. Amount to be recognized in statement of other comprehensive income (₹ in lakhs)

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	2.12	23.89	23.78	17.46
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	0.04	0.85	-	-
Expenses recognized in the statement of Other Comprehensive Income	2.16	24.74	23.78	17.46

(₹ in lakhs)

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	9.24	(4.66)	2.54	(1.45)
(Gain)/loss from change in experience adjustments	(7.08)	29.40	21.24	18.91

VI. Significant estimates: actuarial assumptions

Particulars	31-03-2024	31-03-2023
<b>Discount Rate:</b>		
Gratuity(Funded)	7.22%	7.51%
Compensated absences(Unfunded)	7.22%	7.51%
<b>Salary Escalation Rate:</b>		
Gratuity(Funded)	7.00%	7.00%
Compensated absences (Unfunded)	7.00%	7.00%
<b>Withdrawal/Attrition Rate:</b>		
Gratuity(Funded)	5% to 15%	5% to 15%
Compensated absences (Unfunded)	5% to 15%	5% to 15%

VII. Maturity Profile of Defined Benefit Obligations:

(₹ in lakhs)

Particulars	Gratuity		Compensated absences	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Expected outflow in year1	116.43	119.53	180.74	176.16
Expected outflow in year2	105.97	106.60	67.70	70.27
Expected outflow in year3	119.89	97.35	53.89	41.03
Expected outflow in year4	81.55	110.02	33.32	38.37
Expected outflow in year5	85.80	73.94	29.01	24.23
Expected outflow in year6	45.02	76.06	18.63	22.48
Expected outflow in year7	74.46	40.97	22.60	13.33
Expected outflow in year8	48.16	68.03	18.13	15.94
Expected outflow in year9	31.09	42.95	9.33	12.65
Expected outflow in year10	23.20	28.31	8.59	6.98

(₹ in lakhs)

Particulars	Change of assumption (+increase / - decrease)	Effect on gratuity valuation	
		31-03-2024	31-03-2023
Impact on present value of defined benefit obligation if discount rate increase by	+1%	646.87	652.97
Impact on present value of defined benefit obligation if discount rate decrease by	-1%	711.55	717.41
Impact on present value of defined benefit obligation if salary increase by	+1%	706.96	713.71
Impact on present value of defined benefit obligation if salary decrease by	-1%	649.90	655.47
Impact on present value of defined benefit obligation if withdrawal/attrition increase by	+1%	679.92	686.35
Impact on present value of defined benefit obligation if withdrawal/attrition decrease by	-1%	674.65	680.19

(₹ in lakhs)

Particulars	Effect on Compensated Absences			
	Leave Encashment		Sick leave benefit	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Impact on present value of defined benefit obligation if discount rate increase by (+)1%	279.81	260.08	108.55	109.57
Impact on present value of defined benefit obligation if discount rate decrease by (-)1%	297.00	275.49	109.13	110.14
Impact on present value of defined benefit obligation if salary increase by (+)1%	298.77	277.19	110.08	111.10
Impact on present value of defined benefit obligation if salary decrease by (-)1%	277.97	258.31	107.61	108.61
Impact on present value of defined benefit obligation if withdrawal/attrition increase by (+)1%	287.70	267.62	108.26	109.27
Impact on present value of defined benefit obligation if withdrawal/attrition decrease by (-)1%	288.48	267.35	109.43	110.44

IX. Other Disclosures

(₹ in lakhs)

Particulars	Gratuity	
	31-03-2024	31-03-2023
a) Best Estimate Contribution during the next year	352.97	298.13
b) Discontinuance liability	696.85	698.18

(₹ in lakhs)

Particulars	Effect on Compensated Absences			
	Leave Encashment		Sick leave benefit	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
a) Best Estimate Contribution during the next year	-	-	-	-
b) Discontinuance liability	267.94	262.19	-	-

As per the enterprise's accounting policy actuarial gains and losses are recognized immediately during the same year itself.

The above information is certified by the Actuary.

Note 2.31 Finance Cost

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Interest expense		5.04		2.68
Finance Charges on Lease Liabilities		846.81		839.15
Unwinding of discount on provision for decommissioning		6.08		5.69
Bank charges		8.35		16.10
<b>Total</b>		<b>866.28</b>		<b>863.62</b>

Note 2.32 Depreciation and Amortisation expense

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Depreciation on plant, property and equipment		1,198.60		1,252.94
Amortisation on right-of-use assets		280.69		280.80
Amortisation on other intangible assets		3.65		4.99
<b>Total</b>		<b>1,482.94</b>		<b>1,538.73</b>

Note 2.33 Other Expense

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Consumption of stores and spares		1,339.38		1,496.94
Fuel, Power and Lighting		6,273.03		5,499.78
Repairs to Building		33.40		61.30
Repairs to Machinery		569.42		1,447.06
Rent		17.09		15.99
Rates and Taxes		18.14		16.35
Insurance		106.45		161.18
Directors' Sitting Fees		29.40		21.05
Auditors' Remuneration				
for Audit Fees	5.00		3.60	
for Taxation Matters	0.65		0.65	
for Other Services	3.95	9.60	3.50	7.75
Cost Auditors' Remuneration		2.00		1.65
Loss on sale of assets		-		0.04
Assets written off		58.94		79.26
Corporate Social Responsibility Expenses		290.41		286.76
Miscellaneous Expenses		205.19		273.21
<b>Total</b>		<b>8,952.45</b>		<b>9,368.32</b>

Note 2.33a Corporate Social Responsibility expense

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Amount required to be spent as per section 135 of the Companies Act, 2013		290.41		286.76
Amount of Expenditure Incurred:				
(a) Construction/ acquisition of any asset	-		-	
(b) On purposes other than (a) above	290.41	290.41	256.10	256.10
Nature of CSR activities:				
(a) Eradicating hunger, poverty and malnutrition, making available safe drinking water and promoting health care including preventive health care	200.41		102.59	
(b) Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	90.00		100.00	
(c) Setting up public libraries	-		31.51	
(d) Ensuring environmental sustainability	-	290.41	22.00	256.10
Shortfall/ (Excess) at the end of the Year		-		30.66
Total of previous years shortfall		-		-
Reasons for Shortfall		NA		Two Ongoing Projects in Progress
Details of related party transactions:				
a. Sri Mullapudi Venkatarayudu Memorial Medical Trust, Tanuku	200.41		69.00	
b. Mullapudi Kamaladevi Cardio Vascular Centre, Tanuku	-		28.00	
c. Sree Mullapudi Venkatarayudu Memorial Educational Trust, Tanuku	90.00	290.41	100.00	197.00
Provision is created as there is liability to be incurred due to contractual obligation:				
a. Balance at the beginning of the year		30.66		-
b. Provision created during the year		-		30.66
c. Amount utilised during the year		19.12		-
d. Balance at the end of the year		11.54		30.66
Details of Unspent CSR on Ongoing Projects undertaken during Financial Year 2022-23 (Held in Separate Unspent Corporate Social Responsibility Account)				
a. Balance of Unspent CSR on Ongoing Projects at the beginning of the year		41.66		-
b. Amount spent during the year		30.12		-
c. Balance of Unspent CSR on Ongoing Projects at the end of the year		11.54		-

Note 2.34 Income Tax Expense

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>Current tax</b>				
- Based on provisions of section 115BAA of the Income Tax Act, 1961		2,494.00		1,153.00
- Based on other provisions of the Income Tax Act, 1961				-
		2,494.00		1,153.00
<b>Deferred tax</b>				
Decrease /(increase) in Deferred Tax Assets		(96.71)		(14.45)
Increase /(decrease) in Deferred Tax Liability		(119.40)		(235.51)
		(216.11)		(249.96)
<b>Tax for earlier years</b>		(10.39)		(16.43)
<b>Total Income Tax Expense</b>		2,267.50		886.61

Note 2.34(a) Deferred Tax Expense/ (Income)

Expense/ (Income) recognised for the year ended	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Deferred tax (liability)/ Asset recognised in statement of profit or loss		(216.11)		(249.96)
Deferred tax (liability)/ Asset recognised in Other Comprehensive Income		(6.53)		(10.62)
Deferred tax recognised in Total Comprehensive Income		(222.64)		(260.58)

Note 2.34(b) Reconciliation of tax expense and the accounting profit with tax rate

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
Profit from continuing operation before income tax expense		8,607.97		2,927.41
Profit from discontinuing operation before income tax expense		-		-
<b>Total</b>		8,607.97		2,927.41
<b>Tax @25.168%</b>		2,166.45		736.77
<b>Tax effect of amount which are not deductible (taxable) in calculating taxable income:</b>				
Corporate social responsibility expenditure		73.09		72.17
Other Items		38.35		94.10
Differences in Domestic tax rates		-		-
Adjustments of current tax of prior periods		(10.39)		(16.43)
Previously unrecognised tax losses now recouped to reduce current tax expense		-		-
Previously unrecognised tax losses used to reduce deferred tax expenses		-		-
<b>Income Tax expense</b>		2,267.50		886.61

Note 2.34(c) Components of Tax expense

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
a) Current tax expense		2,494.00		1,153.00
b) Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences		(222.64)		(260.58)
c) Amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes		-		-
d) Amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense		-		-
e) Amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense		-		-

**The Andhra Petrochemicals Limited**

**Notes to Financial Statements**

**Note 2.35 Contingent Liabilities and Commitments:**

Particulars	31 March 2024		31 March 2023	
	Details	₹ in lakhs	Details	₹ in lakhs
<b>(i) Contingent Liabilities</b>				
(a) Claims made by EPDC of A.P.Ltd., contested by Company towards:				
i) Grid Support charges		115.97		115.97
ii) Disputed demand charges against APGPCL Demand allocation		10.47		10.47
iii) Demand against excess incentive recovery		13.19		13.19
iv) Demand raised by APEPDC against Stage-II supply from APGPCL		13.28		13.28
v) FSA charges for the FY - 2008-09 against our highcourt order		77.29		77.29
<b>(b) Commitments</b>				
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		34.47		75.56

**Note 2.35A Contingent Asset: Fire Loss of Profit (FLOP) Insurance Arbitration Award**

Oriental Insurance Co. Ltd has filed under section 34 of the Arbitration Act, 1996 "a challenge petition" before the Hon'ble Commercial Court (C.C.C.) against the arbitration award given in favour of the company on 09.10.2020. Since the arbitration award is under judicial review, income in respect of the same has not been recognised in the books of account.

**Note 2.36 Assets pledged as security**

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

Particulars	Notes	(₹ in lakhs)	
		March 31,2024	March 31,2023
<b>Current assets</b>			
<i>Financial assets</i>			
Trade receivables	2.10	327.27	129.59
<i>Non-financial assets</i>			
Inventories	2.08	3,878.23	6,550.09
<b>Non-current assets</b>			
Land	2.01	9.07	9.07
Buildings	2.01	572.33	534.89
Plant and Equipment	2.01	13,204.64	14,093.30
Furniture and Fixtures	2.01	4.57	4.38
Office equipment	2.01	17.89	23.15
Vehicles	2.01	39.29	58.48

**Note 2.37 Movements in provisions**

Particulars	(₹ in lakhs)	
	Decommissioning liability	
<b>Balance as at 01-04-2023</b>	<b>89.88</b>	
<i>Charged/ (credited) to profit/loss account</i>		
Additional provision recognised	-	
Unused amounts reversed	-	
unwinding of discount on provisions	<b>6.08</b>	
Amounts used during the year	-	
<b>Balance as at 31-03-2024</b>	<b>95.96</b>	

Provision for decommissioning liability:

Decommissioning Liability: This provision has been created for estimated costs of dismantling and removing the movable assets and restoring the site in respect of leased premises on which the plant is super structured. The lease agreement is for a period of 30 years which was valid upto 26th June, 2019. The company has initiated the process of renewal of lease and estimated the decommissioning liability for a further period of 30 years, i.e., upto 27th June, 2049.

**Note 2.38 Segment information**

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



**The Andhra Petrochemicals Limited**  
**Notes to Financial Statements**

**Note 2.39** As per Indian Accounting Standard 24 “Related parties disclosure” the disclosure of Related parties as defined in the Standard are given hereunder:

I. List of Related Parties:

Sl. No.	Name of the Related Party	Relationship
1.	The Andhra Sugars Limited	Promoter
2.	Andhra Pradesh Industrial Development Corporation Limited	Promoter
3.	JOCIL Limited	A Subsidiary Company of The Andhra Sugars Limited, Promoter
4.	Sri P. Narendranath Chowdary	Managing Director
5.	Sri K Narasappa	President
6.	Sri G.Adinarayana	Key Management Personnel (CFO & Company Secretary)
7.	Dr. P Kotaiah	Chairman of Board of Directors
8.	Dr. D Manjulatha	Director
9.	Sri. Ravi Pendyala	Director
10.	Sri. M Gopalakrishna I.A.S (Retd.,)	Director
11.	Dr. V N Rao	Director
12.	Sri. P Venkateswara Rao	Director
13.	Sri. Mullapudi Thimmaraja (up to 02-08-2023)	Director
14.	Sri. G. S. V. Prasad	Director
15.	Sri. M S R V K Ranga Rao (w.e.f. 08-06-2023)	Director
16.	Sri. C Rami Reddy (from 20-05-2023 to 06-10-2023)	Additional Director, Nominee of APIDC Ltd
17.	Sri. V Raghunath (w.e.f. 10-02-2024)	Additional Director, Nominee of APIDC Ltd
18.	Sri. Y S S Suresh	Director, Nominee of APIDC Ltd
19.	Sri Mullapudi Venkatarayudu Memorial Medical Trust, Tanuku	Entities under same management
20.	Mullapudi Kamaladevi Cardio Vascular Centre, Tanuku	Entities under same management
21.	Sree Mullapudi Venkatarayudu Memorial Educational Trust, Tanuku	Entities under same management

II. Transactions with the Related Parties:

(₹ in lakhs)

Particulars	The Andhra Sugars Limited (Parent, Promoter)		JOCIL Limited (A Subsidiary Company of The Andhra Sugars Limited, Promoter)		Andhra Pradesh Industrial Development Corporation Limited (Promoter)	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
<b>Transaction details</b>						
Purchase of goods from	91.67	121.14	NIL	NIL	NIL	NIL
Services received from	0.25	0.61	NIL	NIL	NIL	NIL
Sales of goods to	0.37	0.62	NIL	NIL	NIL	NIL
Dividend paid	421.30	421.30	15.12	15.12	137.70	137.70

III. Details of amount due to or due from related parties as at March 31, 2024 and March, 2023 (₹ in lakhs)

Particulars	As at	
	31-03-2024	31-03-2023
<b>Trade Receivables</b>		
The Andhra Sugars Limited (Parent, Promoter)	NIL	NIL
JOCIL Limited (A Subsidiary Company of The Andhra Sugars Limited, Promoter)	NIL	NIL
<b>Trade Payables</b>		
The Andhra Sugars Limited (Parent, Promoter)	NIL	NIL
JOCIL Limited (A Subsidiary Company of The Andhra Sugars Limited, Promoter)	NIL	NIL
<b>Loans taken</b>		
The Andhra Sugars Limited (Parent, Promoter)	NIL	NIL
JOCIL Limited (A Subsidiary Company of The Andhra Sugars Limited, Promoter)	NIL	NIL

IV. Transactions with Board of Directors

(₹ in lakhs)

Particulars	Year ended	
	31-03-2024	31-03-2023
<b>Sitting Fess paid:</b>		
Dr. P Kotaiah	2.50	2.20
Dr. D Manjulatha	3.75	3.20
Sri. Ravi Pendyala	3.50	2.95
Sri. M Gopalakrishna I.A.S (Retd.,)	1.50	1.20
Dr. V N Rao	5.00	4.20
Sri. P Venkateswara Rao	3.25	2.70
Sri. G. S. V. Prasad	4.25	3.70
Sri. M S R V K Ranga Rao	2.95	0.00
APIDC Nominee Directors	2.70	0.90
<b>Dividends paid to Directors:</b>		
Sri P. Narendranath Chowdary	0.06	0.06
Sri. Mullapudi Thimmaraja	0.02	0.02
Sri. M S R V K Ranga Rao	0.01	0.01
Sri. Ravi Pendyala	0.02	0.02

**The Andhra Petrochemicals Limited**

**Notes to Financial Statements**

V. Transactions with Entities under same management (₹ in lakhs)

Particulars	Year ended	
	31-03-2024	31-03-2023
<b>Contributions towards Corporate Social Responsibility Activities</b>		
a. Sri Mullapudi Venkatarayudu Memorial Medical Trust, Tanuku	200.41	69.00
b. Mullapudi Kamaladevi Cardio Vascular Centre, Tanuku	0.00	28.00
c. Sree Mullapudi Venkatarayudu Memorial Educational Trust, Tanuku	90.00	100.00

VI. Transactions with key management personnel (₹ in lakhs)

Particulars	This Year		Previous Year	
	Sri K Narasappa	Sri G. Adinarayana	Sri K Narasappa	Sri G. Adinarayana
Short-term employee benefits	107.63	54.75	90.91	46.84
Post-employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payment transactions	-	-	-	-
Total compensation paid to key management personnel	107.63	54.75	90.91	46.84

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

**Note 2.40 Earnings Per Share:**

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

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

Particulars of earnings per share (₹ in lakhs)

Particulars	31 March 2024	31 March 2023
<b>Profit attributable to equity holders:</b>		
Continuing operations	6,340.47	2,040.80
Discontinued operations	-	-
<b>Profit attributable to the parent for basic earnings</b>	<b>6,340.47</b>	<b>2,040.80</b>
Interest on convertible preference shares	-	-
<b>Profit attributable to equity holders of the company adjusted for the effect of dilution</b>	<b>6,340.47</b>	<b>2,040.80</b>

Particulars	31 March 2024	31 March 2023
<b>Weighted average number of Equity shares for basic EPS*</b>	<b>8,49,71,600</b>	<b>8,49,71,600</b>
Effect of dilution	-	-
Share options	-	-
Convertible preference shares	-	-
<b>Weighted average number of Equity shares adjusted for the effect of dilution</b>	<b>8,49,71,600</b>	<b>8,49,71,600</b>

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

(Amounts in ₹)

Earnings per equity share (for continuing operations)	31 March 2024	31 March 2023
a) Basic	7.46	2.40
b) Diluted	7.46	2.40

**Note:2.41 Leases**

**As Lessee**

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 27.06.2019. 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. Later-on, 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 allowed the writ Petition filed by the APL seeking the cancellation of the order dated 18.08.2020 cancelling the tender notification dated 07.08.2019 and fresh tender notification dated 24.08.2020 issued by VPT towards the lease of the land and directed VPT to execute the lease deed, vide its order dated 25th February 2022. Further, on 19th March 2022, APL has written a letter to the Chief Engineer, VPT requesting him to kindly finalise the land lease deed and fix-up the date for execution of the said lease deed. VPT has preferred an appeal against the Hon'ble High Court of Andhra Pradesh order dated 25.02.2022 before division bench of Hon'ble High Court of Andhra Pradesh and the same is pending.

Pending execution of the lease deed, APL has considered provisionally its bid amount for accounting of "Leases" in accordance with Ind AS 116, till the lease

Movement in lease liabilities (₹ in lakhs)

Particulars	Lease Liabilities
<b>Balance as at 01-04-2023</b>	<b>8,065.30</b>
Charged/ (credited) to profit/loss account	-
Additional provision recognised	-
Unused amounts reversed	-
Interest expense on lease liabilities	846.81
Amounts paid during the year	785.20
<b>Balance as at 31-03-2024</b>	<b>8,126.91</b>

**The Andhra Petrochemicals Limited**

**Notes to Financial Statements**

**Maturity analysis of lease liabilities**

(₹ in lakhs)

Particulars	Land	Office accommodation	Total
Less than 1 year	796.98	-	796.97
1 to 5 years	4,230.44	-	4,230.44
More than 5 years	20,821.99	-	20,821.99
Total undiscounted lease liabilities at 31st March 2023	25,849.40	-	25,849.40
Lease liabilities included in the statement of financial position at 31st March 2024	8,126.91	-	8,126.91
<b>Current</b>	<b>796.97</b>	<b>-</b>	<b>796.97</b>
<b>Non Current</b>	<b>7,329.93</b>	<b>-</b>	<b>7,329.93</b>

**Amounts recognised in profit or loss**

(₹ in lakhs)

Particulars	31 March 2024	31 March 2023
Interest on lease liabilities (excluding amortisation of Right to Use)	846.81	839.15
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	17.09	15.99
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

**Note:2.42 Impairment of Assets**

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

**Note:2.43 CIF value of imports:**

(₹ in lakhs)

Particulars	31 March 2024	31 March 2023
Capital goods	20.22	-
Components and spare parts	405.33	468.30

**Note:2.44 Details of imported and indigeneous raw materials and spares consumed**

Particulars	31 March 2024		31 March 2023	
	₹ in lakhs	%	₹ in lakhs	%
<b>Raw Materials</b>				
Imported	Nil	Nil	Nil	Nil
Indigenous	55,814.74	100.00	54,421.89	100.00
<b>Total</b>	<b>55,814.74</b>	<b>100.00</b>	<b>54,421.89</b>	<b>100.00</b>
<b>Stores &amp; Spares</b>				
Imported	597.57	11.07	564.49	10.69
Indigenous	4,801.56	88.93	4,717.09	89.31
<b>Total</b>	<b>5,399.13</b>	<b>100.00</b>	<b>5,281.58</b>	<b>100.00</b>

**Note 2.45 Foreign Currency disclosures**

(₹ in lakhs)

Particulars	31 March 2024	31 March 2023
Expenditure in foreign currency on account of: Bank charges, Subscriptions, Foreign Tour expenses and cost of services etc.	13.59	58.03
Earnings in foreign currency:	Nil	Nil

Note 2.46 Financial Ratios

Particulars	Numerator	Denominator	Current Period	Previous Period	% of variance*	Remarks for change in the ratio by more than 25%
<b>Liquidity Ratio</b>						
Current Ratio (times)	Total Current assets	Total Current liabilities	10.31	13.43	(23.24)	
<b>Solvency Ratio</b>						
Debt-Equity Ratio (times)	Total debt, debt consists of borrowings and lease liabilities	Total equity	-	-	-	
Debt Service Coverage Ratio (times)	Earnings before interest, tax, depreciation & non cash expenditure, income	Debt service = Interest and lease payments + Principal repayments	11.05	5.82	89.74	Due to increase in profitability compared to previous financial year
<b>Profitability ratio</b>						
Net Profit Ratio (%)	Total comprehensive income	Revenue from operations	8.04	2.99	169.05	Profitability margin for the products are high in the current
Return on Equity Ratio (%)	Total comprehensive income	Average total equity	11.95	4.05	195.45	Due to increase in profitability compared to previous financial year
Return on Capital employed (%)	Earnings before interest and tax	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	14.44	6.24	131.29	Due to increase in profitability compared to previous financial year
Return on Investment (%)	Income generated from invested funds & change in market value of investments	Average Invested funds	7.06	5.97	18.26	
<b>Utilization Ratio</b>						
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	345.26	313.70	10.06	
Inventory turnover ratio (times)	Cost of Goods sold	Average Inventory	14.95	10.77	38.86	Due to increased production
Trade payables turnover ratio (times)	Net credit purchases	Average Trade Payables	104.07	90.13	15.47	
Net capital turnover ratio (times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.29	2.02	13.63	

Note 2.47 Other additional Regulatory information

- The company has no transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- in respect of various loans charges/ satisfaction of charges have been registered with Registrar of Companies within the statutory period prescribed under the Act.
- The Company has no subsidiary companies and accordingly, the provisions of clause (87) of the section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable.
- There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of the Companies Act, 2013.
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The company has not granted any Loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
- There are no transactions that are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Note 2.48 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has not issued any notifications for new standards or amendments to the existing standards which will be effective from the reporting periods beginning on or after 1st April 2024.

Note 2.49 Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with the current year figures.

### 3. FINANCIAL INSTRUMENTS

#### 3.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2024 were as follows:

(₹ in lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets at fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
Cash and cash equivalents	475.77	-	-	-	-	475.77	475.77
Investments:							
Unquoted equity instruments	-	-	-	-	-	-	-
Investments in Mutual Funds	-	-	6,446.14	-	-	6,446.14	6,446.14
Trade receivables	266.76	-	-	-	60.51	327.27	327.27
Loans	-	-	-	-	-	-	-
Other financial assets	36,119.36	-	24.55	-	-	36,143.91	36,143.91
<b>Total</b>	<b>36,861.89</b>	<b>-</b>	<b>6,470.69</b>	<b>-</b>	<b>60.51</b>	<b>43,393.09</b>	<b>43,393.09</b>
<b>Liabilities:</b>							
Trade payables	-	-	-	-	-	-	-
Other financial liabilities	491.89	-	-	-	-	491.89	491.89
<b>Total</b>	<b>491.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>491.89</b>	<b>491.89</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2023 were as follows:

(₹ in lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets at fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
Cash and cash equivalents	8.67	-	-	-	-	8.67	8.67
Investments:							
Unquoted equity instruments	-	-	-	-	-	-	-
Investments in Mutual Funds	-	-	4,451.69	-	-	4,451.69	4,451.69
Trade receivables	59.85	-	-	-	69.73	129.58	129.58
Loans	-	-	-	-	-	-	-
Other financial assets	28,789.33	-	24.02	-	-	28,813.35	28,813.35
<b>Total</b>	<b>28,857.85</b>	<b>-</b>	<b>4,475.71</b>	<b>-</b>	<b>69.73</b>	<b>33,403.29</b>	<b>33,403.29</b>
<b>Liabilities:</b>							
Trade payables	-	-	-	-	-	-	-
Other financial liabilities	994.82	-	-	-	-	994.82	994.82
<b>Total</b>	<b>994.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>994.82</b>	<b>994.82</b>

### 3.2 Fair Valuation Techniques

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

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

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

#### B) Fair value hierarchy

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

The categories used are as follows:

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

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

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

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

Particulars	Fair Values as at		Fair Value Hierarchy
	31-03-2024	31-03-2023	
<b>Financial Assets</b>			
Trade receivables	60.51	69.73	Level 2
Other financial assets	24.55	24.02	Level 2
Investment in unquoted Equity Instruments	-	-	Level 3
Investment in Mutual Funds	6,446.14	4,451.69	Level 1

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

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

The management of APGPCL has declared "Layoff" with effect from 01.11.2022 due to cancellation of allocation of Natural Gas under Advance Price Mechanism to the Company with effect from 01.09.2022. Accordingly, there is no supply of power to the APL since October, 2022 and also there is no certainty of supply of power by APGPCL in future. Based on the available unobservable inputs i.e. zero supply of units of power resulting in nil savings in the power cost, the fair market value as on 31.03.2023 is determined as Nil.

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

Particulars	(₹ in lakhs)
<b>Balance as at 1 April 2023</b>	-
Re-measurement recognised in OCI	-
Purchases	-
Reclassified in discontinued operations	-
Sales	-
<b>Balance as at 31 March 2024</b>	-

### 3.3 Offsetting financial assets and financial liabilities as on March 31, 2024

(₹ in lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts not set off		Net amount
	Gross amount	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instruments collateral	
<b>Financial assets</b>						
Cash and cash equivalents	475.77	-	475.77	-	-	475.77
Trade receivables	327.27	-	327.27	-	327.27	-
Other financial assets	42,590.05	-	42,590.05	-	-	42,590.05
Derivative financial instruments	-	-	-	-	-	-
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	-	-
Borrowings	242.09	-	242.09	-	327.27	(85.18)
Other financial liabilities	249.80	-	249.80	-	-	249.80
Derivative financial instruments	-	-	-	-	-	-



**Offsetting financial assets and financial liabilities as on March 31, 2023**

(₹ in lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts not set off		Net amount
	Gross amount	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instruments collateral	
<b>Financial assets</b>						
Cash and cash equivalents	8.67	-	8.67	-	-	8.67
Trade receivables	129.58	-	129.58	-	129.58	-
Other financial assets	33,265.04	-	33,265.04	-	-	33,265.04
Derivative financial instruments	-	-	-	-	-	-
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	-	-
Borrowings	783.01	-	783.01	-	129.58	653.43
Other financial liabilities	211.82	-	211.82	-	-	211.82
Derivative financial instruments	-	-	-	-	-	-

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

**3.4 Financial risk management framework**

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

**The risk management framework aims at,**

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

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

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

**a) Credit risk:**

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

**ii) Financial assets that are neither past due nor impaired**

Cash and cash equivalents, deposits with banks, security deposits, investments in securities & mutual funds are neither past due nor impaired. Cash and cash equivalents, deposits are held with banks which are reputed and credit worthy banking institutions. Hence the expected credit loss is negligible.

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

**iii) Financial assets that are past due but not impaired**

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

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

**b) Liquidity risk:**

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

*ii) Maturities of financial liabilities*

The table below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative  
As on March 31, 2024 (₹ in lakhs)

Current maturities of financial liabilities	Less than 6 months	6 months to 12 months	Greater than 12 months	Total
<b>Non derivatives</b>				
Borrowings	242.09	-	-	242.09
Trade payables	-	-	-	-
Other financial liabilities	244.80	-	5.00	249.80

**As on March 31, 2023**

(₹ in lakhs)

Current maturities of financial liabilities	Less than 6 months	6 months to 12 months	Greater than 12 months	Total
<b>Non derivatives</b>				
Borrowings	783.01	-	-	783.01
Trade payables	-	-	-	-
Other financial liabilities	206.82	-	5.00	211.82

**c) Market Risk**

**i) Interest Rate Risk -**

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

*Sensitivity to changes in interest rates*

(₹ in lakhs)

Particulars	Impact on profit	
	FY 2023-24	FY 2022-23
<u>Sensitivity Analysis of Borrowings</u>		
Rate of Interest Increase by 1%		
Term Loans	-	-
Cash Credit Loans	(2.42)	(0.24)
	(2.42)	(0.24)
Rate of Interest Decrease by 1%		
Term Loans	-	-
Cash Credit Loans	2.42	0.24
	2.42	0.24

**ii) Commercial risk -**

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

**1. Selling price risk****(₹ in lakhs)**

Particulars	Impact on profit	
	FY 2023-24	FY 2022-23
Selling Price Increase by 5%		
2-Ethyl Hexanol	3,149.47	2,618.07
Butanols	793.89	796.84
	<b>3,943.36</b>	<b>3,414.91</b>
Selling Price Decrease by 5%		
2-Ethyl Hexanol	(3,149.47)	(2,618.07)
Butanols	(793.89)	(796.84)
	<b>(3,943.36)</b>	<b>(3,414.91)</b>

**2. Raw materials price risk****(₹ in lakhs)**

Particulars	Impact on profit	
	FY 2023-24	FY 2022-23
Propylene Price Increase by 5%	(1,985.59)	(1,960.03)
Naphtha Price Increase by 5%	(805.15)	(761.07)
	<b>(2,790.74)</b>	<b>(2,721.10)</b>
Propylene Price Decrease by 5%	1,985.59	1,960.03
Naphtha Price Decrease by 5%	805.15	761.07
	<b>2,790.74</b>	<b>2,721.10</b>

**3.5 Capital management**

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

**Debt Equity Ratio****(₹ in lakhs)**

Particulars	FY 2023-24	FY 2022-23
<b>Debt</b>		
Borrowings-Non current	-	-
Current maturities of long term debt	-	-
<b>Total Debt</b>	-	-
Equity Share Capital	8,497.16	8,497.16
Other Equity	47,072.17	42,025.69
<b>Total Equity</b>	<b>55,569.33</b>	<b>50,522.85</b>
Debt to Equity Ratio	-	-

As Per our report of even date  
For C V Ramana Rao & Co.,  
Chartered Accountants  
Firm Regn. No.: 002917S

G RAJASEKHAR  
Partner  
Membership No.: 236023

for and on behalf of Board of Directors of  
**THE ANDHRA PETROCHEMICALS LIMITED**

P Narendranath Chowdary  
Managing Director  
DIN: 00015764

M S R V K Ranga Rao  
Director  
DIN: 00031720

G Adinarayana  
CFO & Company Secretary

Place: Hyderabad  
Date : 25.05.2024

Place: Hyderabad  
Date : 25.05.2024

# The Andhra Petrochemicals Limited

## FINANCIAL SUMMARY

(U/s.134(3) (q) of the Companies Act, 2013 and Rule 8 (5) (i) of Companies (Accounts) Rules, 2014

	(Rs. in Lakhs)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>OPERATING RESULTS</b>										
Gross Sales & Other Income	14142	33700	37250	53517	66858	45926	56994	97989	70166	78867
Operating Profit	(2879)	(345)	1371	6862	11140	3536	14110	32383	5330	10957
Depreciation	970	983	904	949	1049	1282	1403	1414	1539	1483
Interest	900	1366	1558	1187	592	152	913	861	864	866
Profit before Tax	(4749)	(2693)	(1090)	4726	9499	2102	11794	30108	2927	8608
Profit after Tax	(4452)	(2408)	(736)	4650	6983	1359	7647	22673	2041	6340
Dividend Paid	-	-	-	-	1536	-	1275	2550	1275	
Dividend rate (%)	-	-	-	-	15	-	15	30	15	
Proposed Dividend	-	-	-	-	-	-	-	—		1,699
Proposed Dividend rate(%)	-	-	-	-	-	-	-	—		20
Retained Earnings	-	-	(386)	4419	6882	1236	8024	22544	1431	6321
Earning per Share (Rs.)	(5)	(3)	(1)	5	8	2	9	27	2	7
Return on Net Worth(%)	(27)	(20)	(6)	29	30	6	23	43	4	11
Debt Equity Ratio	0.22	0.24	0.10	0.09	0.00	0.00	0.00	0.02	0	0
Book Value (Rs.)	20	14	14	19	27	27	39	62	62	68
<b>SOURCES OF FUNDS</b>										
Equity Capital	8497	8497	8497	8497	8497	8497	8497	8497	8497	8497
Reserves	8177	3448	3736	7269	14514	14595	24646	44268	44164	48988
Borrowings	3726	2811	1224	1425	64	63	3	810	783	242
Net Capital Employed	20399	14755	13457	17190	23075	23155	33146	53575	53444	57727
<b>APPLICATION OF FUNDS</b>										
Gross Fixed Assets	46723	46757	46903	46984	47169	47371	47495	47574	48571	48822
Depreciation	26708	27542	28549	28874	29923	30836	31942	32864	33834	34964
Net Fixed Assets	20015	19215	18356	18203	17246	16576	15594	15362	14784	13941
Net Current Assets & Investments	385	(4459)	(4899)	(1013)	5829	6579	17552	38213	38660	43786
Net Assets Employed	20400	14755	13457	17191	23076	23155	33146	53575	53444	57727
<b>TO EXCHEQUER</b>										
Excise Duty & Service Tax	47	154	593	239	-	-	-	-	-	-
Sales Tax and Other Taxes	15	1	-	-	-	-	-	-	-	-
GST	-	-	-	1812	2812	1297	3108	5860	1681	2871
Income Tax	3	3	5	1026	2071	504	2106	7810	1153	2494
Total Taxes & Duties	65	158	598	3077	4883	1801	5214	13670	2834	5365

During the Year 2021-22 Company paid Interim Dividend @ 15% and Final Dividend @ 15%



## **THE ANDHRA PETROCHEMICALS LIMITED**

CIN: L23209AP1984PLC004635

. Office: Venkatarayapuram, TANUKU - 534215

West Godavari District, Andhra Pradesh

Phone: 08819- 224755 & 220975, Fax: 08819-224168

E-mail: investors@theandhrapetrochemicals.com

Website:www.theandhrapetrochemicals.com

25<sup>th</sup> May, 2024

Dear Member,

You may be aware that as per the Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/ MIRSD/MIRSD-PoD-1/P/CIR/2023/37 DATED 16<sup>th</sup> March, 2023, the holders of physical shares shall mandatorily furnish their PAN, Nomination, Contact details, Bank Account details and Specimen Signature in the prescribed Forms, viz., ISR-1, SH-13, SH-14, ISR-3 (as applicable).

Necessary formats of the above mentioned Forms are available on the Company's website [www.theandhrapetrochemicals.com](http://www.theandhrapetrochemicals.com)

weblink : <https://theandhrapetrochemicals.com/corporate-governance/>

You are requested to submit the duly executed Forms to the RTA (i.e., M/s XL Softech Systems Limited, No. 3, Sagar Society, Road No. 2, BanjaraHills, Hyderabad - 500034, Phone No. 040-23545913 / 914 / 915, email: xlfield@gmail.com) at the earliest.

In case the aforesaid details are not available in respect of any Folios, the Shareholders can lodge grievance or avail any service request from the RTA only after furnishing the complete documents / details as mentioned above. Further, any payment of Dividend in respect of such Folios shall be made only through electronic mode with effect from 1<sup>st</sup> April, 2024.

Yours sincerely,

**For THE ANDHRA PETROCHEMICALS LIMITED**  
**(P Narendranath Chowdary)**  
**MANAGING DIRECTOR**



**THE ANDHRA PETROCHEMICALS LIMITED**

CIN: L23209AP1984PLC004635

Regd. Office: Venkatarayapuram, Tanuku - 534215

W.G. District, Andhra Pradesh

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

E-mail: investors@theandhrapetrochemicals.com, Website: www.theandhrapetrochemicals.com

**40<sup>th</sup> Annual General Meeting**

**PROXY FORM**

Name of the Member (s) :

Registered address :

E-mail ID :

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 6<sup>th</sup> July, 2024 at 3:00 p.m. at the Registered Office and at any adjournment thereof in respect of such Resolutions as are indicated below.

**Ordinary Business:**

1. Adoption of Audited Financial Statements for the Year ended 31<sup>st</sup> March, 2024 and Reports of Board of Directors and Auditors thereon.
2. Approval of Dividend on Equity Shares for the Year 2023-24.
3. Reappointment of Sri Ravi Pendyala (DIN 03375555) as Director.
4. Reappointment of Sri M S R V K Ranga Rao (DIN 00031720) as Director.
5. Fixation of remuneration of Statutory Auditors, M/s. C.V. Ramana Rao & Co., Chartered Accountants (Firm Regn. No. 002917S), ~~for the~~ for the Year 2024-25

**Special Business:**

6. Ordinary Resolution for ratification of remuneration of M/s. Narasimha Murthy & Co., Cost Accountants, (Regn. No. 000042) as Cost Auditors for the Financial Year 2024-25
7. Ordinary Resolution for appointment of Sri V Raghunath (DIN 10405110) as Director
8. Special Resolution for appointment of Sri M Gopala Krishna, I.A.S (Retd) (DIN 00088454) as Independent Director for the Second Term of 5 consecutive Years
9. Special Resolution for appointment of Sri P Venkateswara Rao (DIN 06387165) as Independent Director for the Second Term of 5 consecutive Years

Signed this ..... day of ..... 2024

Signature of Shareholder (s) .....

Signature of Proxy holder(s) .....



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

**E-voting Particulars :**

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



**THE ANDHRA PETROCHEMICALS LIMITED**

CIN : L23209AP1984PLC004635

Regd. Office: Venkatarayapuram, Tanuku - 534215

W.G. District, Andhra Pradesh

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

E-mail: investors@theandhrapetrochemicals.com, Website: www.theandhrapetrochemicals.com



Folio No. / DP ID & Client ID No.

Name of the Member .....

No. of Shares held .....

Name of Proxy .....

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

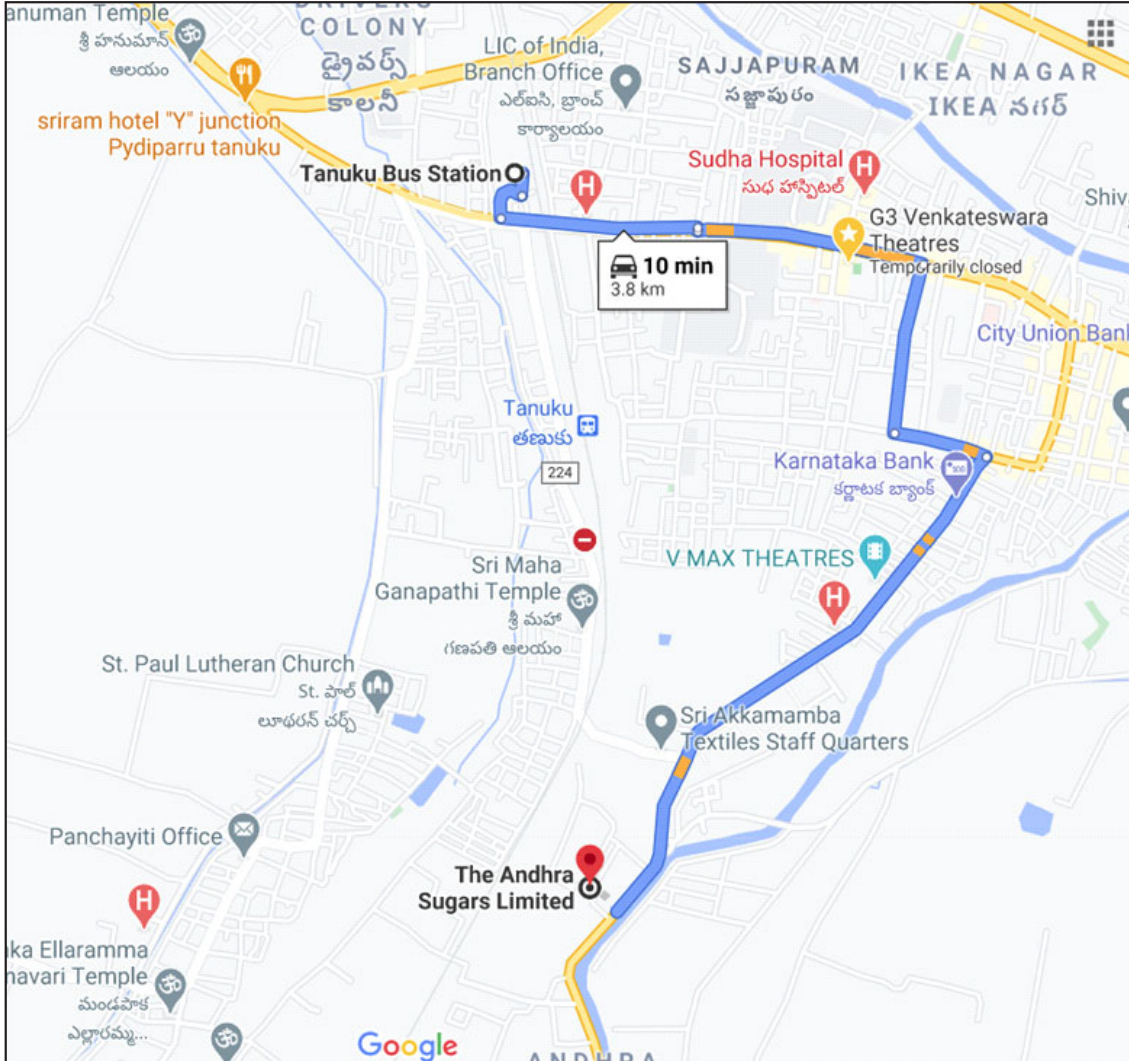
I hereby register my presence at the 40<sup>th</sup> ANNUAL GENERAL MEETING being held on Saturday, the 6<sup>th</sup> July, 2024 at 3:00 p.m.

.....  
Signature of Member / Proxy

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



## ROUTE MAP



Nearest Railway Stations: Tanuku - 2 K.M.  
Tadepalligudem - 22 K.M.

Nearest Airports : Rajahmundry (RJA) - 54 K.M.  
Vijayawada (VGA) - 117 K.M.

**PRINTED MATTER**

**To**

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