



**THE ANDHRA
PETROCHEMICALS LIMITED**

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

NO. APL/SEC/QR/12

20 May 2016

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

ATTN: SRI BHUSHAN MOKASHI, DCS – CRD

Dear Sir,

SUB: Audited Financial Results along with Independent Auditors Report and Form A.
REF: Company's Scrip code: 500012

We enclose herewith the copy of Audited Financial Results along with Independent Auditors Report on the Financial Statements for the year ended 31.3.2016 issued by Statutory Auditors of our Company and duly signed Form A for your record.

Thanking you,

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


(Dr. B B Ramaiah)
Managing Director

Encls: As above



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Statement of Audited Financial Results for the Quarter and Year ended 31.03.2016 (Rs. in lakhs)					
Particulars	3 months ended 31.03.2016	Preceding 3 months ended 31.12.2015	Corresponding 3 months ended in the previous year 31.03.2015	Year to date figures for current year ended 31.03.2016	Previous year ended 31.03.2015
	Refer Note 4	Unaudited	Refer Note 4	Audited	Audited
1 Income from operations					
(a) Net Sales/Income from Operations (net of excise duty)	4252.75	9112.24	7853.74	33565.83	14026.17
(b) Other Operating Income	-	-	-	-	-
Total income from operations (net)	4252.75	9112.24	7853.74	33565.83	14026.17
2 Expenses					
a) Cost of materials consumed	3320.89	7322.73	5832.52	27335.01	11551.27
b) Changes in inventories of finished goods, work-in-progress	364.51	633.02	279.88	36.59	766.69
c) Employee benefits expense	374.95	371.09	383.24	1541.43	1397.56
d) Depreciation	314.10	224.89	216.38	982.91	899.95
e) Power and Fuel	652.50	1017.36	1000.52	3976.38	2193.57
f) Other expenses (gross)	409.57	433.98	442.68	1849.76	1112.72
Add/(Less): Adj.in respect of Excise Duty on Op/Cl.stock of Finished goods	(43.51)	(76.47)	(32.81)	(3.65)	(52.38)
Other expenses (net)	366.06	357.51	409.87	1846.11	1060.34
Total expenses	5393.01	9926.60	8122.41	35718.43	17869.38
3 Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(1140.26)	(814.36)	(268.67)	(2152.60)	(3843.21)
4 Other income	37.65	48.66	16.57	130.21	63.81
5 Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1102.61)	(765.70)	(252.10)	(2022.39)	(3779.40)
6 Finance costs	365.64	344.94	326.50	1365.73	969.65
7 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(1468.25)	(1110.64)	(578.60)	(3388.12)	(4749.05)
8 Exceptional items	-	-	-	-	-
9 Profit/(Loss) from ordinary activities before tax (7+8)	(1468.25)	(1110.64)	(578.60)	(3388.12)	(4749.05)
10 Tax expense (including deferred tax)	(47.64)	(80.84)	32.35	(285.52)	(297.14)
11 Net profit/(Loss) from ordinary activities after tax (9-10)	(1420.61)	(1029.80)	(610.95)	(3102.60)	(4451.91)
12 Extraordinary items	-	694.75	-	694.75	-
13 Net Profit/(Loss) for the period (11+12)	(1420.61)	(335.05)	(610.95)	(2407.85)	(4451.91)
14 Paid-up equity share capital (Rs.10/- per share)	8497.16	8497.16	8497.16	8497.16	8497.16
15 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	3447.61	5855.46
16. i Earnings Per Share (before extraordinary items) (of Rs.10/- each) (not annualised):					
Basic & Diluted	(1.67)	(1.21)	(0.72)	(3.65)	(5.24)
16.ii Earnings Per Share (after extraordinary items) (of Rs.10/- each) (not annualised):					
Basic & Diluted	(1.67)	(0.39)	(0.72)	(2.83)	(5.24)

Contd...2..

Statement of Assets and Liabilities

Particulars	(Rs. in lakhs)	
	As at 31.03.2016	As at 31.03.2015
	Audited	Audited
A EQUITY AND LIABILITIES		
1 Shareholders' funds:		
(a) Share Capital	8497.16	8497.16
(b) Reserves and Surplus	3447.61	5855.46
Sub-total - Shareholders' funds	11944.77	14352.62
2 Non-current liabilities		
(a) Long-term borrowings	7175.12	4144.89
(b) Deferred tax liabilities (net)	2033.73	2321.40
(c) Other long-term liabilities	5.00	5.00
(d) Long-term provisions	144.73	143.38
Sub-total - Non-current liabilities	9358.58	6614.67
3 Current liabilities		
(a) Short-term borrowings	776.93	3225.51
(b) Trade payables	446.68	893.07
(c) Other current liabilities	2586.08	1174.99
(d) Short-term provisions	198.02	221.11
Sub-total - current liabilities	4007.71	5514.68
TOTAL - EQUITY AND LIABILITIES	25311.06	26481.97
B ASSETS		
1 Non-current assets		
(a) Fixed Assets	19214.62	20014.86
(b) Non-current investments	1527.05	1527.05
(c) Long-term loans and advances	1056.79	802.87
Sub-total - Non-current assets	21798.46	22344.78
2 Current assets		
(a) Inventories	2246.00	2542.90
(b) Trade receivables	361.41	75.06
(c) Cash and cash equivalents	111.40	333.19
(d) Short-term loans and advances	793.79	1186.04
Sub-total - Current assets	3512.60	4137.19
TOTAL - ASSETS	25311.06	26481.97

Notes:

- The Company incurred loss during the year due to high volatility in International Markets and resultant depressed selling prices of the products and no corresponding reduction in raw-material prices.
- The Government of India has imposed Anti Dumping Duty on Imports from certain Countries of 2-Ethyl Hexanol and Normal Butanol.
- The above results, reviewed by the Audit Committee, were approved by the Board of Directors at its Meeting held on 20th May, 2016.
- The figures for the quarters ended 31.03.2016 and 31.03.2015 are the balancing figures between the audited figures of the full financial years ended 31.03.2016 and 31.03.2015, respectively, and the published year-to-date figures upto the nine months ended 31.12.2015 and 31.12.2014 respectively.
- Segmental reporting as per AS-17 issued by the ICAI is not applicable, as the Company is engaged in manufacture of a single line of product.
- None of the assets qualify for impairment in accordance with AS-28 of ICAI.
- Figures of previous periods have been regrouped/rearranged wherever necessary.

Place: Hyderabad
Date: 20th May, 2016


Dr. B. B. RAMAIAH
Managing Director



BRAHMAYYA & CO.

Chartered Accountants

at VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU

INDEPENDENT AUDITORS' REPORT

To
The Members of
The Andhra Petrochemicals Limited,
Tanuku.

Report on the Financial Statements:

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

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

1. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



D.No.1-88-19, Plot No.135/4, Sector-4, MVP Colony, Rajiv Gandhi Memorial Gym Club,
VISAKHAPATNAM-530 017. A.P., INDIA.

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4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its losses and its cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations that would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn No. 000513S


(C. V. Ramana Rao)
Partner
Membership No.018545



Camp: Hyderabad
Date: 20.05.2016

Annexure A to the Independent Auditor's Report:

The Annexure A referred to in our Independent Auditor's report of even date, to the members of THE ANDHRA PETROCHEMICALS LIMITED, TANUKU, for the year ended 31 March 2016. We report that:

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



other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

b) As at 31st March 2016, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess, except the following:

Sr. No.	Name of the Statute	Nature of the Dues	Amount* (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	The Income Tax Act, 1961.	Tax Deduction at Source	1.72	Assessment Year 2006-07	Income Tax Appellate Tribunal, Visakhapatnam.
2.	The Income Tax Act, 1961.	Income Tax	4.39	Assessment Year 2008-09	Deputy Commissioner of Income Tax, Circle - 1, Visakhapatnam.
3.	The Income Tax Act, 1961	Fringe benefit tax	2.28	Assessment Year 2008-09	Commissioner of Income Tax (Appeals), Visakhapatnam.
4.	The Income Tax Act, 1961	Tax Deduction at Source	15.68	Assessment Years 2008-09 & 2009-10	Commissioner of Income Tax (Appeals), Visakhapatnam.
5.	Value Added Tax	Disallowance of Input tax credit	10.45	Assessment Year 2009-10	Appellate Deputy Commissioner (CI), Vijayawada.
6.	Central Excise Act, 1944	Ineligible cenvat credit on Service tax paid on certain services	9.60	Period from December, 2011 to September, 2015.	Commissioner of Central Excise (Appeals), Visakhapatnam.

*Net of Pre deposits made.



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

For BRAHMAYYA & CO
Chartered Accountants
Firms' Registration Number: 0005138


(C.V.RAMANA RAO)
Partner

Membership Number: 018545



Camp : Hyderabad
Date : 20.05.2016

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

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

We have audited the internal financial controls over financial reporting of The Andhra Petrochemicals Limited, Tanuku ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For BRAHMAYYA & CO
Chartered Accountants
Firms' Registration Number: 0005135



(C.V.RAMANA RAO)
Partner





Membership Number: 018545



Camp : Hyderabad
Date : 20.05.2016

FORM A

(for audit report with unmodified opinion)

1.	Name of the Company	The Andhra Petrochemicals Limited
2.	Annual financial statements for the year ended	31 st March, 2016
3.	Type of Audit observation	Un-modified
4.	Frequency of observation	Not Applicable
5.	To be signed by – CEO / Managing Director	For The Andhra Petrochemicals Ltd.,  (Dr. B B Ramaiah) Managing Director
	CFO	For The Andhra Petrochemicals Ltd.,  (P. Ratna Rao) General Manager (Finance)
	Auditor of the Company	For Brahmayya & Co., Chartered Accountants (Firm Registration No.000513S)  (C V Ramana Rao) Partner Membership No.018545
	Audit Committee Chairman	For The Andhra Petrochemicals Ltd.,  (A A Krishnan) Audit Committee Chairman