



VISHNU CHEMICALS LIMITED



**EXCELLENCE IN
CHEMISTRY**

25th Annual Report 2017-18

Corporate Information

Board of Directors:

Mr. Ch. Krishna Murthy
Chairman & Managing Director

Mrs. Ch. Manjula
Director

Mr. Ch. Siddartha
Joint Managing Director

Mr. U. Dileep Kumar
Independent Director

Mr. T. S. Appa Rao
Independent Director

Mr. Pradip Saha
Independent Director (Form 10.11.2017)

Dr. Chandrasekhar
Independent Director (Upto 13.08.2017)

Company Secretary

Mr. Kishore Kathri

Registered office:

Plot No. C-23, Road No. 8, Film Nagar,
Jubilee Hills, Hyderabad – 500 033
Tel: 040-23396817, 23327723/ 29;
Fax: 040-23314158
Web Site: www.vishnuchemicals.com;
Email: vishnu@vishnuchemicals.com
CIN: L85200TG1993PLC046359

Auditors:

M/s. Jampani & Associates
Chartered Accountants, Hyderabad

Cost Auditors:

Mr. N.V.S. Kapardhi
Cost Accountants, Hyderabad

Secretarial Auditors:

M/s. L.D.Reddy & Co.,
Company Secretaries, Hyderabad

Plant Locations:

Kazipally Plant:

Survey No.15, Gaddapotharam
Medak District, Telangana - 502319

Vizag Plant:

Plot No.29, J.N.Pharma City,
IOCL Road, Visakhapatnam (Dist.),
Andhra Pradesh – 531019

Jeedimetla Plant:

Plot No.57, Phase III, IDA, Jeedimetla,
Hyderabad, Telangana - 500055

Bhilai Plant:

Survey No.18-26, Nandini Road,
Bhilai, Chattishgarh - 490026

Bankers:

State Bank of India
Andhra Bank
Union Bank of India
Indian Overseas Bank

Registrar and Share Transfer Agents:

Bigshare Services Pvt. Ltd
306, Right Wing, 3rd Floor,
Amrutha Ville,
Opp.Yashoda Hospital,
Somajiguda, Rajbhavan Road,
Hyderabad – 500082, India
Phone No: 040 401 44582
Mail id: bsshyd1@bigshareonline.com
Web: www.bigshareonline.com

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Excellence in Chemistry

Vishnu Chemicals Ltd commenced its journey 28 years ago with a vision to change the world wide perception on chromium chemicals, from hazardous to eco-friendly, by adopting excellence in R&D, responsible manufacturing and product stewardship. Today Vishnu Chemicals is known for its environment and economically sustainable business model. The company has markets in over 35 countries and maintains a robust value chain which includes strong backward and forward integration. At Vishnu excellence in chemistry is and outcome of incessantly bettering the best.

About Us

Worldwide source for Chrome Chemicals & Barium Compounds

Established in 1990, the company is a market leader in production, sales and customer support of chrome chemicals and bariums compounds across the world. A public listed company in Bombay Stock Exchange (BSE), National Stock Exchange of India Ltd. (NSE) the company derives core competence from its world class manufacturing facilities backed by state of the art research capabilities.

Vishnu Chemicals Ltd is a worldwide source for Chrome Chemicals & Barium Compounds and a leader in the industry. We are recognised for our reliability, innovation and industry-leading development of world class infrastructure and strong backward and forward integration.

Our Vision

Our Vision is to be a world leader in Chrome Chemical Manufacturing by BETTERING THE BEST in technology, quality and through our unbending commitment to customers and environment.

Our Values

Upholding business relationships, ethics, transparency and commitment to society and environment.





What is Chrome

Most people are familiar with chrome as an alloying element in stainless steel, but since the discovery of chrome ore in 1798, chrome has also been widely used in the chemical, leather tanning, and pigment industries. The principal product containing chrome in the chemical industry is sodium dichromate, which is used both as a feed material for the production of other chrome chemicals, and as a process material for the surface treatment of metals. Chemicals made from sodium dichromate and which, along with sodium dichromate, are industrial products, include chromic acid, chrome oxide, and potassium dichromate. The uses of chrome chemical products are quite diverse and include metal finishing, leather tanning, pigment production, wood preservation, and chrome metal.

(courtesy ICDA)

Our Products

Chromic Acid

Chromic acid is an intermediate in chromium plating and is also used in ceramic glazes, and colored glass. It can be used to clean laboratory glass ware, particularly of otherwise insoluble organic residues. Chromic acid has also been widely used in the band instrument repair industry, due to its ability to "brighten" raw brass. It is also used as a wood preservative and as a strong oxidizing agent finding application in organic synthesis and for preparation of other chrome chemicals of analytical grades.



Chrome Oxide Green

Chrome Oxide is used as an ingredient in the refractories and brake linings and as a raw material for the manufacture of chromium metal. It is also used as a mixed metal oxides in the ceramic industry as green pigment, colouring building materials and plastics.

Sodium Dichromate

Sodium dichromate is a source in preparing chromium based derivatives and has various applications such as screen printing & photographic engraving, Electroplating, Pyrotechnics and explosives, Pigment preparation like chrome oxide green and lead chromate, wood preservative for protection from termites and fungi and Metal treating and as a corrosion inhibitor.



Basic Chromium Sulphate

Chromium Sulphate is mainly used for tanning and processing in leather industry and for synthesis of other chromium based re-tanning agents and production of chromic compound. It is also used in dyeing of khaki cloth and in manufacture of chrome-based dyestuffs.



Potassium Dichromate

Potassium Dichromate is used for chromium source in preparing chromium compounds, leather tanning and screen printing, electroplating, pyrotechnics and explosives, pigment preparation, wood preservative, metal treating and corrosion inhibitor, oil drilling & silver testing, catalyst for the chromium metal production, photographic engraving, preparation of "chromic acid", which can be used for etching materials



Barium Carbonate

Barium Carbonate is used in manufacture of electro-ceramic materials manufacture of glazes, frits and enamels. It is widely used as a welding electrode coating and in glass manufacturing processes as purifying agent for uniformity in glass melt, caustic lye brine purification process, brick manufacturing manufacture of other barium chemicals like chloride, peroxide and nitrate and for special glass manufacturing.



Message From Chairman & Managing Director



Ch. Krishna Murthy
Chairman & Managing Director

scenario and we are trying to position our internal operational environment as well as market strategies accordingly.

Performance

Under various challenging external circumstances your company performed well. On a consolidated basis our revenue from operations in FY18 increased to 65233 Lakhs from Rs.54553 in FY17. Increase in the sales was aided by 54% increase in our export sales. Our margins also improved during the year.

Our subsidiary Vishnu Barium Pvt Ltd achieved total turnover of Rs. 9480 Lakhs as against Rs. 7989 Lakhs in the previous year.

Responsible manufacturing encompassing environment sustainability, safety & health, product stewardship and society continue to be the core of our business.

Research & Development continue to be our key differentiator with a skilled scientists and chemists, superlative analytical Lab equipped with ultra-modern instruments and equipments.

I take this opportunity to thank all our customers, supply chain partners, banks and government agencies. I would also place on record our team efforts in displaying performance and immense support gave for the management. I would also like to thank all our shareholders, for reposing their faith in Vishnu Chemicals.

Dear Shareholders

On behalf of the Board of Directors and the Company, It is my pleasure to Extend a warm welcome to you all to the 25th Annual General Meeting of the company.

Overall the year under review has been a mixed bag for chrome chemical Industry as well as for your company.

At the outset, the strengthening of US dollar and currency fluctuations across the globe could undermine global industrial activity, which could impact exports from emerging markets like India. Though India is considered as a less vulnerable among the emerging economies, If the global currency situation continue to fluctuate, not only would exports from India can slow down, but domestic liquidity too may dry up when RBI drains liquidity to support the rupee. At Vishnu we are very closely watching this emerging

Environment, Safety & Health:

Vishnu Chemicals is committed for conservation of environment, health and safety of its employees and all stakeholders. The company's growth plans are in line with environment, health and safety policy. Awareness programs and training to all the staff and workers on safety and environment is a continuous activity. Continual improvement is the key factor in achieving highest standards sustainable growth.



Our Environmental Management efforts are:

Installation of air emission control equipments for controlling particle and air quality Effluent wastewater treatment facility with tertiary treatment including reverse osmosis, Stabilization of waste residue, using an automated treatment plant and disposal as per the Hazardous Waste (Handling, Management & Transboundary Movement) Rules, 2008.

Emissions : Installation of air emission control equipments for controlling particle and air quality.

Water: Water Effluent wastewater treatment facility with tertiary treatment including reverse osmosis . Stabilization of waste residue, using an automated treatment plant and disposal as per the Hazardous Waste (Handling, Management & Transboundary Movement) Rules, 2008. Operations are engineered in a closed loop system, all water is treated and reused to achieve zero discharge.

Green Belt: Development of "Green Belt" on the perimeter of the entire facility.

Compliance: Compliance to all Local, State and Central Government Legislation and Standards.

Our health and safety practices are:

- Deployment of appropriate and adequate Safety Appliances
- Mandatory use of personal protective equipment
- Provision of safe drinking water
- Regular health checkups



Over two decades of our expertise in chrome chemical manufacturing, we have strived for exceptional quality and continual improvement. Technical excellence and innovative solutions are key factors for our continual improvement.

We work with customers, trade associates, regulators and contractors to promote the best practices in the use of our products. Enrichment of knowledge is a continuous process for all our employees. All our employees are committed to exceptional quality. Complying with National and International standards and all regulatory requirements is a mandatory policy. We work in accordance with International Quality Management System standards and awarded certification of ISO 9001: 2000

Quality





VISHNU CHEMICALS LIMITED

CIN: L85200TG1993PLC046359

Regd. Off: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 033

Tel: 040-23396817, 23327723/ 29; Fax: 040-23314158

Web Site: www.vishnuchemicals.com; Email: vishnu@vishnuchemicals.com

NOTICE OF TWENTY FIFTH ANNUAL GENERAL MEETING OF VISHNU CHEMICALS LIMITED

NOTICE is hereby given that the 25th Annual General Meeting of Vishnu Chemicals Limited (CIN: L85200TG1993PLC046359) will be held on **Monday, September 24, 2018 at 11.00 AM at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad, Telangana – 500096** to transact the following businesses:

ORDINARY BUSINESS:

To consider and if thought fit, to pass, with or without modification(s), the following resolutions, as Ordinary Resolutions:

1. To consider & adopt the audited financial statements of the company for the financial year ended 31st March, 2018 & the report of the Board of Directors and Auditors thereon.
2. To declare dividend of ₹ 1.00 per share (i.e 10%) on equity shares of the company.
3. To appoint a Director in place of Mr. Ch. Krishna Murthy (DIN: 00030274), who retires by rotation and being eligible offer himself for reappointment.

SPECIAL BUSINESS:

4. Amendment of Articles of Association of the Company:

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

"RESOLVED THAT pursuant to Section 14 and other applicable provisions if any of the Companies Act, 2013 and Rules thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, as amended from time to time the existing Article 1 of the Articles of Association of the Company be altered by substitution of same with below mentioned clause:

(i) Adoption of Table "F":

"Regulations contained in Table F of Schedule I to the Companies Act, 2013 shall apply in so far only as are not inconsistent with any of the provisions contained in these Regulations and also those for which no provision has been made in these Regulations."

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

5. Ratification of Remuneration to be paid to the Cost Auditors for the financial year 2018-19:

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(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members be and is hereby accorded for appointment and payment of remuneration not exceeding ₹ 50,000/- (Rupees Fifty thousand only) to Mr. N.V.S.Kapardhi, Cost Accountant, Hyderabad (Registration No. 100231) to conduct the audit of the cost records of the Company for the financial year 2018-19, excluding taxes thereon and reimbursement of out of pocket expenses thereon."

By Order of the Board

Sd/-

Hyderabad

August 14, 2018

Kishore Kathri

Company Secretary

Pursuant to the Secretarial Standards notified by ICSI under Section 205 of the Companies Act, 2013 which is effective from 1st July, 2015, Shareholders may please note that no Gifts/ Compliments shall be distributed at the venue of the meeting.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The notice of AGM is being sent to those members / beneficial owners whose name is appearing in the register of members / list of beneficiaries received from the depositories as on August 17, 2018 ("cut-off date")
4. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. The shareholder needs to furnish the printed attendance slip along with a valid identity proof such as the PAN card, passport, Aadhaar card or driving license to enter the AGM hall.

11. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Further, shares on which the dividends remain unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act, and the applicable rules. Since, members who have not claimed/ encashed their dividend warrant for respective financial years are requested to write to the Company/Registrar and Share Transfer Agent (RTA) at least a month before the due dates, as under:

S.No.	Details of the Unclaimed / Unpaid Dividend Accounts	Date of declaration	Due date to transfer to IEPF
1	Unpaid (interim) Dividend Account 2014-15	14.11.2014	25.12.2021
2	Unpaid Dividend Account 2014-15	29.06.2015	31.07.2022
3	Unpaid (interim) Dividend Account 2015-16	16.03.2016	18.04.2024

12. Details of Unclaimed Shares:

The details of shares remaining unclaimed in the unclaimed suspense account are furnished in the Corporate Governance Report forming part of this Annual Report.

13. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your depository participants and those who are holding shares in physical mode by writing to RTA/ Company.

5. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
8. The Register of Members and Share Transfer Books will remain closed from September 18, 2018 to September 24, 2018 (both days inclusive) for the purpose of payment of the dividend for the financial year ended March 31, 2018.
9. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as at the end of September 17, 2018.
10. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of bank account details to their respective depository participant(s). Member holding share in physical form are requested to write to the Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500082, India, Phone No: 040 401 44582 or to the company at registered office for updation of address or bank account details or for all other correspondence and queries. We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.

14. The Annual Report 2017-18 including the Notice of the 25th AGM and instructions for e-voting, along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may also note that the Annual Report 2017-18 will be available on the Company's website, www.vishnuchemicals.com.
15. Members may note that the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the 23rd Annual General Meeting held on September 28, 2016 and are eligible to hold their office until conclusion of 28th Annual General Meeting to be held in 2021.
16. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto; and additional information, as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 i.e. brief information/resume, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding (in case of Non-executive Director) are annexed. Mr. Ch. Krishna Murthy, Mrs. Ch. Manjula and Mr. Ch. Siddartha are relatives of each other as defined under Section 2(77) of the Companies Act, 2013.
17. Members requiring any clarification/information on any report/statements are requested to send their queries to the Registered Office of the Company, at least 10 days before the date of the AGM, quoting their folio no. or DP ID and Client ID.
18. In compliance with the provisions of Section 108 of the Companies Act, 2013 and rules made thereunder read with Regulation 44 of SEBI (LODR) Regulations, 2015, Members have been provided with the facility to cast their vote electronically, through the e-voting services from a place other than the venue of the Meeting ("remote e-voting") provided by Central Depository Services (India) Limited ("CDSL"), on all resolutions set forth in this Notice.
19. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be eligible to vote at the Meeting through ballot / polling paper.
20. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.
21. M/s L.D.Reddy, Company Secretaries, Hyderabad have been appointed as the Scrutinizer(s) to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
22. The remote e-voting facility will be available during the following period:
Commencement of remote e-voting: From 10:00 a.m. (IST) on September 21, 2018
End of remote e-voting: Upto 5:00 p.m. (IST) on September 23, 2018
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.
- 23. The voting rights of Members for e-voting and for physical voting at the meeting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date i.e. September 17, 2018**
24. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off date i.e. September 17, 2018 shall only be entitled to avail the facility of remote e-voting / physical voting.
25. The instructions for shareholders voting electronically are as under:
 - a. The voting period begins on September 21, 2018 at 10.00 am IST and ends on September 23, 2018 at 5.00 pm IST. During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 17, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Company Name: Vishnu Chemicals Limited
EVSIN: 180822004

- b. The shareholders should log on to the e-voting website www.evotingindia.com.
- c. Click on Shareholders.
- d. Now Enter your User ID
 - i. For CDSL: 16 digits beneficiary ID
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- g. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form:	
PAN	<p>Enter your 10 digit 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"> - Members who have not updated their PAN with the Company/Depository Participant/RTA are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field. - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company's records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the EVSN for Vishnu Chemicals Limited on which you choose to vote.
- l. 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.
- m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- n. 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.
- o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- q. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- r. Note for Non – Individual Shareholders and Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- s. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or you can contact to the compliance officer of the company.
- During the voting period, shareholders can login any number of times till they have voted on the resolution.
26. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG

Format) of the relevant Board Resolution/Authorisation letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at cs@vishnuchemicals.net.

27. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
28. The Scrutinizer(s) after scrutinizing the votes cast at the meeting (physical voting) and through remote e-voting, will make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting. The results shall be declared by the Chairman or any person who is authorized by the Chairman within forty eight hours from the conclusion of the Annual General Meeting and same will be placed by the Company on its website: www.vishnuchemicals.com and also informed to the Stock Exchanges, where the shares of the Company are listed.
29. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.
30. Attendance slip, Proxy form and the route map of the venue of the Meeting are annexed hereto.

IMPORTANT COMMUNICATION TO THE MEMBERS

1. Investor Education and Protection Fund (IEPF):

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('The Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend have not been claimed by the shareholders for seven consecutive years or more shall also be transferred to the IEPF. Accordingly, the Company shall transfer the unpaid or unclaimed dividends and further corresponding shares to IEPF as per the IEPF Rules from time to time. Details of shares/ shareholders in respect of which dividend has not been claimed, are provided on our website www.vishnuchemicals.com at investors section. The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

2. Mandatory update of PAN and Bank Account details –

Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio.

Further, as per the said circular all the unclaimed/ unpaid dividends also will be paid via electronic bank transfers only. Hence, the shareholders are requested to update their PAN and bank account details.

3. Compulsory Dematerialization of shares of listed company:

SEBI vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 mandated that w.e.f 5th December, 2018, the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. A note on procedure to be followed for dematerialization of physical shareholding and benefits out of it is uploaded on the company's website www.vishnuchemicals.com.

4. Green Initiative:

In an effort to make the Earth a better place to live, the green movement has been sweeping all over the globe. Not only are individuals doing things to help the environment, companies and governments are as well. The Companies Act, 2013 & SEBI Regulations is a step forward in promoting "Green Initiative" by providing for service of documents by a Company to its Members through electronic mode. The move of the regulators allows public at large to contribute to the green movement. To support this green initiative of the Government in full measure, in order to save the natural resources, Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013 (hereinafter referred to as "the Act") the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 4-5 of the accompanying Notice of AGM.

Item No. 4:

The present Articles of Association of the company was adopted in line with the Table A of Schedule I of the Companies Act, 1956. The Act has since been amended in the year 2013, the majority of the regulations of present Articles of Association were became inconsistent with the provisions of Companies Act, 2013. Hence, it is desirable that the articles of association of the company be revised so that they fully reflect not only the law governing the company and rules and regulations made thereunder, but is also in conformity with modern secretarial practices and complies with the requirements of the listing regulations.

Since the proposed alterations, deletions, insertions etc. to the present articles of association are numerous; it is more convenient to adopt an altogether new set of articles of association incorporating all the proposed alterations by substituting the existing Article 1 of Articles of Association of the Company with the following:

(i) Adoption of Table "F":

"Regulations contained in Table 'F' of Schedule I to the Companies Act, 2013 shall apply in so far only as are not inconsistent with any of the provisions contained in these Regulations and also those for which no provision has been made in these Regulations."

Pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, consent of the members is required by way of Special Resolution for alteration of Articles of Association of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5:

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved / ratified by the Members of the Company. Accordingly, the Members are requested to approve / ratify the remuneration paid / payable to the Cost Auditors as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested in the proposed resolution.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

By Order of the Board

Sd/-

Kishore Kathri

Company Secretary

Hyderabad,
August 14, 2018

'Annexure'

Details of Director seeking re-appointment in the forthcoming Annual General Meeting

(Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015)

Name of the Director	Mr. Ch. Krishna Murthy
Date of Birth	1st July, 1957
Date of Appointment	2nd January, 2006
Qualification	Postgraduate in Management Studies
Expertise in specific functional area	Has more than twenty five years of experience in Chemicals and Logistics Industries
Directorship in other Indian Public Limited Companies	K.M.S. Infrastructure Limited
Chairman (C) / Membership(M) of Committees in other Indian Public Limited Companies*	Audit Committee – Nil Stakeholders' Relationship Committee - Nil
No. of shares held in the Company	62,19,790 equity shares of ₹ 10/- each (52.07%) 7,11,21,750 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (92.80%)

*Only two Committees namely, Audit Committee and Stakeholders' Relationship Committee have been considered.

*For other details such as number of meetings of the Board of Directors attended during the year and remuneration drawn, please refer to the corporate governance report which is a part of this annual report

BOARD'S REPORT

To the Members

of Vishnu Chemicals Limited

Your Directors have pleasure in presenting their Twenty Fifth Annual Report and Audited Annual Accounts for the financial year ended 31st March 2018.

1. FINANCIAL RESULTS:

Summary of your Company's financial performance, both standalone and consolidated, for the financial year ended 31st March, 2018 is tabulated below:

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	65232.72	54552.59	56973.91	47226.26
Other income	833.27	727.97	794.46	651.42
Total Revenue	66065.99	55280.55	57768.37	47877.68
Profit before depreciation, finance cost and taxes (PBDIT)	8685.08	7124.04	7522.86	6404.13
Profit before exceptional items and tax	2209.68	1352.72	1710.07	1234.17
Exceptional items	-	-	-	-
Profit Before Taxation	2209.68	1352.72	1710.07	1234.17
Taxation:				
Current Tax	565.74	432.09	565.74	432.09
Deferred	201.57	266.36	201.57	266.36
Profit After Taxation	1442.37	654.26	942.76	535.71
Other comprehensive income/ (expenses) (net of taxes)	(3.49)	13.51	(3.23)	(27.31)
Total comprehensive income	1438.89	667.78	939.53	508.40
EPS (of ₹ 10/- each)				
Basic	12.07	5.48	7.89	4.48
Diluted	12.07	5.48	7.89	4.48

Notes:

- The above figures are extracted from the standalone and consolidated financial statements.
- Your Company is covered under phase II of the Indian Accounting Standards (Ind AS) implementation program notified by Ministry of Corporate Affairs, Government of India. Accordingly, your Company has prepared financial statements for the FY 2017-18 as per Ind AS and previous year's figures have been restated as per Ind AS to make them comparable.
- The borrowings and finance cost have gone-up due to classification of the existing Cumulative Redeemable Preference Share Capital (CRPS) of ₹ 7663.75 Lakhs under non-current financial liabilities and the interest on 4,75,00,000 CRPS for the FY 2017-18 i.e. ₹ 400.18 Lakhs (inclusive of DDT) under finance cost.
- Income for the period from 1st July 2016 to 31st March 2017 includes excise duty collected from Customers, whereas GST collected during corresponding period during this financial year is not part of Income as per the requirement of Indian Accounting Standard -18 on Revenue. Hence Income of such period is not comparable.

Consolidated Financial Statement

The consolidated financial statement, in terms of Section 129 of the Companies Act, 2013 and regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereof, forms a part of this annual report. The consolidated financial statement has been prepared on the basis of audited financial statements of your Company, its subsidiaries as approved by the respective Board of Directors.

2. DIVIDEND

The Board at its meeting held on 30th May, 2018 has recommended the payment of Dividend of ₹ 1.00 per share equivalent to 10% on the Equity Paid-up Capital of the Company. The dividend of ₹ 119.46 Lakhs (excluding dividend distribution tax), if approved by the Shareholders at the Twenty Fifth Annual General Meeting, will be paid out of the profits for the current year to all the Shareholders of the Company whose names appear on the Register of Members as on cut off date.

3. OPERATIONS

Buoyed by the positive sentiments in all aspects of the business that the company is operating in, your company has improved its performance by attaining considerable growth in turnover and profitability, during the year under review (As summarized above).

Geography-wise performance:

(₹ in Lakhs)

Particulars	2017-18		2016-17		% of increase YOY
Domestic	29955.27	53.24%	29651.01	63.42%	1.00
Overseas	26305.16	46.76%	17101.50	36.58%	53.81
Total	56260.43	100	46752.51	100	-

During the year, the company has done exceptionally well in export segment by achieving growth rate of 54% year to year on basis i.e. ₹ 263.05 crores compared to ₹ 171.01 crores during the previous year. Further, the company could retain its share in domestic market with marginal growth in view of the dumping of products by global competitors. Therefore, the company is concentrating more on export market in order to utilize its full production capacities.

Apart from maintaining the current market share of the products, the company is able to expand its product base with an additional capital inflow during the year. It is also projected that the stability in commercial production of projects such as CO₂ acidification will improve the margins. As far as the prices of raw materials are concerned, we could overcome the rare volatility seen in Chrome ore prices and presently the prices of all the key raw materials are in control.

Vishnu Barium Private Limited, the wholly owned subsidiary, has achieved total turnover of ₹ 9480.15 Lakhs (previous year ₹ 7988.80 Lakhs). The profit before tax was ₹ 706.56 Lakhs (₹ 157.40 Lakhs) and total comprehensive income was ₹ 706.30 Lakhs (₹ 198.22).

4. SHARE CAPITAL:

During the year the authorised share capital of the company increased from ₹ 75,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10/- each and 6,00,00,000 Preference Shares of ₹ 10/- each to ₹ 95,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10/- each and 8,00,00,000 Preference Shares of ₹ 10/- each by alteration of Clause V of Memorandum of Association the company vide shareholders postal ballot resolution dated 26th January, 2018.

Further during the year i.e. on 29th March, 2018, the company issued and allotted 7,66,37,500 further 7% Cumulative Redeemable Preference Shares (CRPS) of face value of ₹ 10/- each aggregating ₹ 76,63,75,000/- to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing unredeemed 4,75,00,000 7% Cumulative Redeemable Preference Shares of face value of ₹ 10/- each aggregating ₹ 47,50,00,000/- and the outstanding accumulated dividend thereon amounting to ₹ 29,13,75,000/- as on 31st March, 2017 pursuant to section 55(3) of the Companies Act, 2013 read with rules made thereunder. Subsequently, the said allotment was ratified by the Board on receipt of the order dated 13th April, 2018 from Hon'ble National Company Law Tribunal, Bench at Hyderabad (NCLT) under section 55(3) of the Companies Act, 2013 and according to NCLT order dated 13th April, 2018 the existing 4,75,00,000 7% Redeemable Preference Shares of ₹ 10/- each deemed to have been redeemed.

The paid-up share capital of the Company as on financial year ended 31st March, 2018 is ₹ 88,58,35,200/- divided into 1,19,46,020 Equity Shares of ₹ 10/- each and 7,66,37,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each.

5. PROMOTERS OF THE COMPANY

The promoters of the company continued to reinforce their confidence in the long term prospects of the Company by infusing further capital in to the Company. The following is the promoter's shareholding as on 31st March, 2018:

S.No.	Promoters	Equity shares		Preference Share	
		No. of shares	%	No. of shares	%
1	Ch. Krishna Murthy	6219790	52.07	71121750	92.80
2	Ch. Manjula	1614048	13.51	5271250	6.88
3	Ch. Siddartha	1125668	9.42	244500	0.32
	Total	8959506	75.00	76637500	100.00

6. SUBSIDIARIES

The Company has three subsidiaries, of which, only one is a major one, namely Vishnu Barium Private Limited (VBPL). Further, Vishnu Hong Kong Ltd, incorporated in Hong Kong is not carrying any effective business activity currently and Vishnu South Africa (Pty) Ltd incorporated in South Africa has not commenced its operations yet. Accordingly, the annual performance of the subsidiaries is as under:

- Vishnu Barium Private Limited reported a profit of ₹ 706.30 Lakhs (₹ 198.23 Lakhs).

- Vishnu Hong Kong Limited reported loss of ₹ -6.41 Lakhs (₹ -38.85 Lakhs).

- Vishnu South Africa Pty Limited - Not yet commenced operations.

In accordance with section 136 of the Companies Act, 2013, The Audited Financial Statement including Consolidated Financial Statement and related information of the Company and audited accounts of the each of its subsidiaries are available on our website www.vishnuchemicals.com. These documents are also available for inspection till the date of Annual General Meeting (AGM) during working hours at our Registered Office and a copy of separate audited accounts of its Subsidiaries will be provided to the members at their request. A statement containing salient features of the financial statements of above subsidiaries are disclosed in Form-AOC 1 as 'Annexure-A' to the Board's Report.

7. WITHDRAWAL OF SCHEME OF MERGER:

During the year, the Company filed a scheme of merger, duly approved by the shareholders of the company vide resolution dated 7th April, 2017, before Regional Director, South East Region, Hyderabad under section 233 of the Companies Act, 2013, for merger of its wholly-owned Subsidiary (WOS) i.e. Vishnu Barium Private Limited in to the Company. However, subsequently the scheme was withdrawn due to non-receipt of NOC from the Bankers and accordingly, the order dated 25th October, 2017 was received from Regional Director, South East Region, Hyderabad confirming such withdrawal.

8. TRANSFER TO THE INVESTORS EDUCATION & PROTECTION FUND (IEPF):

In terms of Section 124 of the Companies Act, 2013 read with Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company shall transfer unclaimed dividend which is lying in unpaid dividend account for a period of seven years to the Investors Education and Protection Fund (IEPF) established by the Central Government along with shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. No amount & shares are required to be transferred to IEPF during the year under review.

9. PUBLIC DEPOSITS

The Company has not accepted any public deposits during the year and in any previous years.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees, security and investments made by/ to the Company are disclosed in the notes to the financial statements forming part of this report.

11. DIRECTORS AND KMPs

During the year under review, four Board Meetings and Five Audit Committees were held. The details of meetings held are given in the Corporate Governance Report which forms part of this Annual Report.

Further, during the year under review, Dr. S Chandrasekhar, Independent Director of the Company retired on 13th August, 2017 on completion of his term of appointment; and Mr. Pradip Saha was appointed as Independent Director (ID) of the Company w.e.f. 10th November, 2017, for a period of two years and his appointment as ID has been ratified by the shareholders by passing ordinary resolution on 26th January, 2018 through postal ballot. Further, Mr. V. Lakshmi Narayana was appointed as Chief Financial Officer of the Company w.e.f. 28th August, 2017 in place of Mr. T. Ramakrishna; and Mr. Kishore Kathri was appointed as Company Secretary of the Company w.e.f. 14th September, 2017 in place of Ms. Shruti Gupta.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Ch. Krishna Murthy retires by rotation at the 25th Annual General Meeting of the Company and is eligible for reappointment. The Board recommended his re-appointment.

The number and details of the meetings of the Board and other Committees are furnished in the Corporate Governance Report.

The Independent Directors have furnished declaration of independence under Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

Familiarization Programme for Independent Directors

The Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes on a continuing basis. The familiarization programme along with terms and conditions of appointment of Independent Directors is disclosed on the Company's website www.vishnuchemicals.com.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 14th December, 2017, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;

- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and

- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors had reviewed the overall performance of the Non-executive directors including the Chairman and the Managing Directors. They also concluded that the Board as a collective body is performing satisfactorily. The Independent Directors also concluded that the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness is satisfactory and suggested for further improvement. The Independent Directors commended the depth and quality of discussions at the Board and the Committee Meetings.

All the Independent Directors attended/participated in the Meeting of Independent Directors and Mr. U. Dileep Kumar was the Lead Independent Director of that Meeting.

Board & Directors' Evaluation

Pursuant to the provisions of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Board, its Committees and the Directors have carried out annual evaluation based on the evaluation parameters formulated by the Nomination and Remuneration Committee and the Board based on SEBI Guidance Note on Board Evaluation. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness. The Directors expressed their satisfaction with the evaluation process.

Directors' Appointment and Remuneration Policy

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company and formulates the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and the Listing Regulations. The Board has, on the recommendations of the Nomination & Remuneration Committee framed a policy for remuneration of the Directors and Key Managerial Personnel. A copy of the Nomination & Remuneration Policy is available on the website of the company http://www.vishnuchemicals.com/downloads/Nomination_Remuneration.pdf

The objective of the Company's remuneration policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of Company's stakeholders.

The Non-Executive Directors (NED) are remunerated by way of Sitting Fee for each meeting attended. NEDs are reimbursed any out of pocket expenses incurred by them in connection with the attendance of the Company's Meetings.

Particulars of Employees and Remuneration

The information required under Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as 'Annexure B'.

12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure C'.

13. INFORMATION ON STOCK EXCHANGES

The equity shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited and the listing fees have been paid to them uptodate.

14. CORPORATE GOVERNANCE

A detailed report on the subject forms part of this Report. The Secretarial Auditors of the Company have examined the Company's compliance and have certified the same as required under the SEBI Guidelines/ Regulations. Such a certificate is reproduced in this Annual Report.

15. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act, 2013:

(a) that in the preparation of the annual accounts/financial statements for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(b) that the accounting policies as mentioned in the financial statements were selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) that proper and sufficient care had been taken 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;

(d) that the annual accounts were prepared on a going concern basis;

(e) that proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively; and

(f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

16. AUDITORS

Statutory / Financial Audit

M/s. Jampani & Associates, Chartered Accountants, Hyderabad (Registration No.0165815) were appointed as Auditors of the Company to hold office from the conclusion of the 23rd Annual General Meeting of the Company until the conclusion of the 28th

Annual General Meeting held in year 2021, at such remuneration as may be agreed upon between the Auditors and the Board of Directors, in addition to actual out-of-pocket expenses incurred by them for the purpose of audit and the applicable taxes.

The company received a certificate from the auditors confirming that they have not attracted any disqualifications as prescribed under the Companies Act, 2013 and the Chartered Accountant Act, 1949 read with rules made thereunder.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the 23rd Annual General Meeting held on September 28, 2016 and are eligible to hold their office until conclusion of 28th Annual General Meeting to be held in 2021.

Auditor's Observations:

The Statutory Auditors have mentioned in their report as point No. 3 and 4 of Annexure – 1 to the Independent Auditors Report regarding interest free unsecured loans/ advances of ₹ 999.51 Lakhs (with a value at amortised cost of ₹ 669.29 lakhs) to its wholly-owned subsidiary companies. Similarly, they have also mentioned in their report as point No. 7.1 of Annexure – 1 that the interest on income tax of ₹ 379.69 Lakhs pertaining to financial year 2015-16 is outstanding.

Management Replies:

The net amount of ₹ 1.31 Lakhs (after considering ₹ 998.20 Lakhs towards interest free advance from subsidiary as stated in Note 21 of notes to financial statements) as interest free unsecured loans/ advances given to its wholly-owned subsidiaries viz. Vishnu Barium Private Limited and Vishnu Hong Kong Limited, as the Board took a decision to infuse the funds as per requirements of the business and for ultimate benefit of the holding company; We are in process of clearing interest on Income Tax dues at the earliest.

Cost Audit

The Ministry of Corporate Affairs had, vide its Order dated 31st December, 2014 directed audit of cost records of the companies covered under the Companies (Cost Records & Audit) Amendment Rules, 2014. The said Order is applicable to the Company, being manufacturer of Chemicals etc. Accordingly, the Board of Directors has appointed Mr. N.V.S. Kapardhi, Cost Accountant, Hyderabad (Firm Reg. No. 100231) as Cost Auditors of the Company for the financial year 2018-19 and approval of members is being sought at ensuing Annual General Meeting for ratification of remuneration to be paid to them for the FY 2018-19.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. L.D.Reddy & Co., Company Secretaries, Hyderabad to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report of FY 2017-18 is annexed herewith as 'Annexure D'.

Auditor's Observations:

Secretarial Auditors mentioned at point no. four of their report that some of the statutory payments made after due dates.

Management Replies:

The Company is taking all possible steps to deposit all statutory dues with stipulated time.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

In compliance with Section 135 of the Companies Act, 2015 and other applicable provisions, the Company has constituted Corporate Social Responsibility Committee consisting of Mr. U. Dileep Kumar, Chairman of the Committee (Independent Director), Mr. Ch. Krishna Murthy (Chairman & Managing Director of the Company) and Mrs. Ch. Manjula (Non-executive Director) as the other Members of the Committee. The Committee met once during the year and reviewed the policy on Corporate Social Responsibility stating therein the objectives, implementation and other issues pertaining to the achievement of the CSR objectives of the Company.

The company spent part of the CSR amount during the financial year and the Board recommended carrying forward the unspent amount of ₹ 24.59 Lakhs relating to financial year 2017-18 along with accumulated unspent amount of ₹ 62.74 Lakhs pertaining to previous financial years, to next financial year due to the reason that the company is evaluating various projects to spend the CSR amount in an efficient manner in its local areas where the manufacturing process is being carried by the company.

The CSR Policy of the Company is displayed on the website of the Company. The Annual Report on CSR activities is annexed herewith as 'Annexure-E'.

18. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the requirements of the Companies Act 2013 and Regulation 22 of Listing Regulations, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism are displayed on the website of the Company. The Audit Committee reviews the functioning of the vigil / whistle blower mechanism from time to time. There were no allegations / disclosures / concerns received during the year under review in terms of the vigil mechanism established by the Company.

19. RELATED PARTY TRANSACTIONS

All the related party transactions / arrangements that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. During the year under review, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

All the related party transactions / arrangements are placed before the Audit Committee for approval, supported by a statement/ declaration from the management as to the adherence of arm's length basis and being in the ordinary course of business. The policy on Related Party Transactions as approved by the Board is displayed on the Company's website.

Details of the transactions with Related Parties are provided in the accompanying financial statements.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

21. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as '**Annexure F**'.

22. Management Discussion & Analysis

The same is enclosed as '**Annexure G**'

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for the continued co-operation and support received from the financial institutions, banks, Government of India and various State Government authorities and agencies, customers, vendors and members during the year under review. The directors take this opportunity to thank the investors for their support and cooperation. Your Directors also place on record their deep appreciation for the dedicated hard work and contribution of all employees of the Company, which has enabled the business growth of the Company in the extremely competitive and challenging market conditions which prevailed in the year under review.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 30, 2018

Sd/-
Ch. Krishna Murthy
Chairman

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

Annexure 'A'

FORM AOC. 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

S.No.	Particulars	Name of the Subsidiary		
		Vishnu Barium Private Limited	Vishnu Hong Kong Ltd, HK	
1	Reporting period	Year ended 31 st March 2018		
2	Reporting currency and Exchange rate of subsidiaries	INR	INR	(Exchange Rate: 1USD = INR 65.0441)
3	Share capital	86,39,49,500	23,48,592	36,108
4	Reserves & Surplus	-67,47,06,596	-32,01,147	-49,215
5	Total assets	75,48,87,744	8,64,000	13,283
6	Total Liabilities (excluding share capital and Reserves and Surplus)	56,56,44840	17,16,555	26,391
7	Investments	1,21,73,125	-	-
8	Turnover	93,07,11,263	-	-
9	Profit before taxation	7,06,56,073	-6,41,596	-9,864
10	Provision for taxation	-	-	-
11	Profit after taxation (Total comprehensive income)	7,06,30,571	-6,41,596	-9,864
12	Proposed Dividend			
	- Equity	-	-	-
	- Preference	-	-	-
13	% of shareholding	100%	100%	100%

Note: (i) Vishnu South Africa (Pty) Ltd, wholly-owned subsidiary of the Company, incorporated in South Africa is yet to commence its operations.

(ii) Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on 31st March, 2018.

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy
Managing Director

Sd/-

P. Anjaneyulu
Chief Financial Officer

Sd/-

Ch. Manjula
Director

Sd/-

Kishore Kathri
Company Secretary

Place: Hyderabad
Date: May 30, 2018

FORM AOC.2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

a) Name(s) of the related party and nature of relationship: b) Nature of contracts/arrangements/transactions: c) Duration of the contracts / arrangements/transactions: d) Salient terms of the contracts or arrangements or transactions including the value, if any: e) Justification for entering into such contracts or arrangements or transactions: f) Date(s) of approval by the Board: g) Amount paid as advances, if any: h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188:	NIL
---	-----

2. Details of material contracts or arrangements or transactions at arm's length basis:

S. No.	Name of the related party and nature of relationship	Nature of contract/ arrangement/ transaction	Duration of contract/ arrangement/ transaction	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Vasanth Transport Corporation Chairman & Managing Director and promoter of the Company is a Proprietor of the said firm.	Availing transport services and to take on contract the trucks of the said firm on hire basis.	Five years w.e.f. 01.10.2014	Availing transport services and to take on contract the trucks at prevailing market prices for five years for a total contract value not exceeding ₹ 40.00 Crores p.a.	6 th August, 2016	₹ 155.42 Lakhs
2	Vishnu Life Sciences Limited Promoter & Joint Managing Director of the Company is major Shareholder (99%) of the above said Company.	The company taken factory premises, furniture and fittings on lease basis.	Five years w.e.f. 01.10.2014	To take factory premises, furniture and fittings on lease basis for a period of five years @ ₹ 6.00 Lakhs p.a.	9 th August 2014	NIL
3	K.M.S. Infrastructure Limited Chairman & Managing Director and Promoter Director of the Company are the majority Directors and Shareholders (80%) of the above said Company.	Availing services relating to civil constructions and related services.	Five years w.e.f. 01.10.2014	Availing services relating to civil constructions and related services from time to time on prevailing market prices for a period of five years.	9 th August 2014	₹ 6.98 Lakhs

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 30, 2018

Sd/-
Ch. Krishna Murthy
Chairman

Annexure 'B'

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- The percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer, Company Secretary (CS), or Manager, if any, in the financial year: The ratio of remuneration of each Director to the Median Remuneration of all employees of the Company for the financial year, who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2017-18 are given below:

Non-Executive Directors	Ratio to Median	Percentage Increase (+) /Decrease (-) in Remuneration
Mrs. Ch. Manjula	Not applicable as the non-executive directors are paid only sitting fee.	
Mr. U. Dileep Kumar		
Mr. T.S. Appa Rao		
Mr. Pradip Saha (from 10th November, 2017)		
Dr. S. Chandrasekhar (Up to 13th August, 2017)		

Executive Directors	Ratio to Median	Percentage Increase (+) /Decrease (-) in Remuneration
Mr.Ch. Krishna Murthy	24.77	Nil
Mr. Ch. Siddartha	18.02	Nil

The percentage of increase in remuneration of CFO and the CS are Nil.

- There is no increase in the median remuneration of employees during the financial year.
- The number of permanent employees on the rolls of the Company: 410.
- 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 percentage increase in the salaries of employees & the managerial personnel in the last financial year is Nil. The increment given to each individual employee is based on the employee's potential, experience as also their performance and contribution to the Company's progress over a period of time.

- Affirmation that the remuneration is as per the Remuneration Policy of the Company: It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 30, 2018

Sd/-
Ch. Krishna Murthy
Chairman

Annexure 'C'

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy:

- The company installed Recuperator to recover heat from the furnace and same is being used in process for drying of product, through this process, the company saves LDO/ Kerosene.
- With respect to derivatives, single effect evaporators under vacuum are being replaced with multiple effect evaporators to save steam energy.

ii. Steps taken by the Company for utilising alternate sources of energy: Same as point (a) and (b) of above.

iii. **The capital investment on energy conservation equipments:** There was no major capital investment on energy conservation equipments during the year.

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

During the year, the company installed Jet Mill Classifier for Pigment Grade Chrome Oxide Green to have a uniform particle size distribution.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: -

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Not applicable as there was no import of technology during the last three years
--	---

iv) Expenditure on R&D:

During the year, the company has not made any expenditure on research & development. However, the company got a project for purification of Acesulfame potassium from France to convert crude to finished Acesulfame Potassium and also methods are being worked out to make anhydrous dichromate in place of dihydrate dichromate to save on transportation costs.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

(₹ in Lakhs)

Total Foreign Exchange used and earned in terms of actual inflows and actual outflow:	2017-18	2016-17
Used / Outflow	15158.67	11850.95
Earned / Inflow	23641.20	18793.10

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 30, 2018

Sd/-
Ch. Krishna Murthy
Chairman

Annexure 'D'

Secretarial Audit Report

For the financial year ended March 31, 2018

[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 Board of Directors
M/s. Vishnu Chemicals Limited
Plot No. C-23, Road No. 8
Film Nagar, Jubilee Hills
Hyderabad - 500 033

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Vishnu Chemicals 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 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 my opinion, the Company has, during the audit period ended on March 31, 2018, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Vishnu Chemicals Limited ("The Company")** for the financial year ended on March 31, 2018 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The Payment of Wages Act, 1936
- vii. Minimum Wages Act, 1948
- viii. Employees Provident Fund and Misc. Provisions Act, 1952
- ix. Employees State Insurance Act, 1948
- x. Payment of Gratuity Act, 1972
- xi. Workmen's Compensation Act, 1923
- xii. Contract Labour (Regulation & Abolition) Act, 1970
- xiii. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xiv. Income Tax Act, 1961
- xv. Telangana Value added tax
- xvi. Finance Act, 1944 (Service Tax)
- xvii. The Insurance Act, 1938 [AS AMENDED BY INSURANCE (AMENDMENT) ACT, 2002]
- xviii. The Factories Act, 1948 and Andhra Pradesh Factories Rules 1980
- xix. Water (Prevention & Control of Pollution) Act, 1974 and rules there under
- xx. Air (Prevention & Control of Pollution) Act, 1981 and rules there under
- xxi. The Environment (Protection) Act, 1986
- xxii. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- xxiii. Customs Act, 1962
- xxiv. Central Excise Act, 1944
- xxv. Newspaper Publications
- xxvi. Service tax
- xxvii. The Boilers Act, 1923 and Indian Boilers Regulations - 1950
- xxviii. The Petroleum Act, 1934 and Petroleum Rules, 2002
- xxix. HMC Act, 1955
- xxx. The Central Goods And Services Tax Act, 2017
- xxxi. the Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited

2. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
 - Closure of the Register of Members.
 - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - Appointment and remuneration of Statutory Auditor, Cost Auditor
 - Borrowings and registration, modification and satisfaction of charges wherever applicable;
 - Investment of the Company's funds including investments and loans to others;
 - Format of Balance Sheet and statement of profit and loss is as per Schedule III of Companies Act, 2013 read with applicable accounting standards
 - Report of the Board of Directors;
 - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
3. We further report that:
 - The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
 - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
4. We Further Report That:
 - Some Statutory payments are made after the due dates as per the provisions of the relevant acts.
 - The Company has allotted 7,66,37,500 further 7% cumulative redeemable preference shares on 29/03/2018 on the basis of orders reserved by National Company Law Tribunal, Hyderabad Bench on 27/03/2018.
 - The company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
 - The company is regular in publishing Audited and Unaudited Financial Result.
 - The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948
 - The Company has filed return under Employment Exchange Act/Rules
 - The Company has renewed the Policy with LIC for Gratuity under Payment of Gratuity Act, 1972
5. We further report that based on the information received and records maintained 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.
6. We further Report that during the audit Period the Company has taken the following major decisions
 - i. The company had withdrawn the proposal of merger of Vishnu Barium Pvt Ltd, Wholly-owned Subsidiary Company. The Company has incorporated a Wholly-owned subsidiary i.e. Vishnu South Africa (Pty) Limited in South Africa.

Date :26.05.2018

Place : Hyderabad

For L.D.Reddy & C o.,
Company Secretaries
Sd/-
L. Dhanamjay Reddy
(Proprietor)
 CP. No.3752

Note: This report is to be read with our letter of even date which is annexed as annexure and Forms an integral part of this report.

ANNEXURE

To

The Board of Directors
M/s.Vishnu Chemicals Limited
Plot No. C-23, Road No. 8
Film Nagar, Jubilee Hills
Hyderabad - 500 033

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 on our audit.
2. We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the information and relevant documents including representation given by the management about the compliance of laws, rules and regulations and happening of events etc.
5. The compliances of the provisions of corporate and other applicable laws. Rules, regulations, standards are 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 company efficiency of effectiveness with which the management has conducted the affairs of the company.

Date :26.05.2018

Place : Hyderabad

For L.D.Reddy& C o.,
Company Secretaries

Sd/-

L. Dhanamjay Reddy
(Proprietor)

CP. No.3752

Annexure 'E'

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

(as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the web link: http://www.vishnuchemicals.com/downloads/csr_policy.pdf
2	The Composition of the CSR Committee.	1. Mr. U. Dileep Kumar (Chairman) 2. Mr. Ch. Krishna Murthy (Member) 3. Mrs. Ch. Manjula (Member)
3	Average net profit of the Company for last three financial years.	₹ 2898.35 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 57.96 Lakhs
5	Details of CSR spent for the financial year:	
a)	Total amount to be spent for the financial year:	₹ 57.96 Lakhs
b)	Amount unspent, if any:	₹ 24.59 Lakhs (Refer to para 17 of Board's Report for further details)
c)	Manner in which the amount spent during the financial year	Details given below.

Details of amount spent on CSR activities during the financial year 2017-18:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in Lakhs.)	Amount spent on the projects or programs Sub – heads: (in Lakhs.)		Cumulative expenditure upto to the reporting period (₹ in Lakhs.)	Amount spent : Direct or through implementing agency*
					(1) Direct expenditure on projects or programs	(2) Over-heads		
1	Provided Bore Connections & Water Treatment plants.	Making available safe drinking water	Krishna Dist., in AP, Hyderabad in Telangana & Bhilai in Chhattisgarh	24.00	2.81	-	2.81	Direct
2	Centre for Training and Research Development	Promotion of education	Vishakapatnam Dist in AP	15.00	3.05	-	3.05	Direct
3	Green Vishaka Project-Plants provided	Environmental Sustainability	Visakhapatnam District, Andhra Pradesh	9.00	2.24	-	2.24	Direct
4	Contribution for Swatch Bharat Mission	Swatch Bharat Mission	Visakha-patnam & Srikalahasti of Andhra Pradesh, Hyderabad in Telangana.	23.00	0	-	0	Direct
5	Contribution for CC Roads.	Rural Development	to Persipalli Village, Krishna Dist, AP	15.00	14.27	-	14.27	Direct
6	Contribution for construction of hospital	Promoting health care	Parawada Village, Andhra Pradesh	11.00	11.00	-	11.00	Direct
				97.00	33.37	-	33.37	

Responsibility Statement:

A responsibility statement of the CSR Committee of the Board of Directors of the company is reproduced below:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Date: May 30, 2018
Place: Hyderabad

Sd/-
U. Dileep Kumar
Chairman - CSR Committee

Sd/-
Ch. Krishna Murthy
Managing Director

Annexure 'F'

FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

CIN	L85200TG1993PLC046359
Registration Date	15.01.1993
Name of the Company	Vishnu Chemicals Limited
Category/Sub-Category of the Company	Public Listed Company Limited by Shares
Address of the Registered Office	H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad, Telangana 500033 Tel: 040-23396817, 23327723/ 29; Fax: 040-23314158 Mail id: Vishnu@vishnuchemicals.com Website: www.vishnuchemicals.com
Whether Listed Company	Yes
Name, address and contact details of Registrar & Transfer Agent (RTA), if any.	Bigshare Services Pvt. Ltd 306, Right Wing, 3rd Floor, Amrutha Ville, Opp.Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500082, India Phone No: 040 401 44582 Mail id: bsshyd1@bigshareonline.com Web: www.bigshareonline.com

II. Principal Business Activities of the Company:

All business activities contributing 10% or more of the total turnover of the Company:

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
Chrome based Products	24117	99%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl.No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Vishnu Hong Kong Limited Address: 23/F B07 Hover Industrial Building No. 26-38, Kwai Cheong Road, Kwai Chung N.T. Hong Kong	No. 2164536	Subsidiary Company	100%	2(87)(ii)
2	Vishnu Barium Private Limited (Formerly Solvay Vishnu Barium Private Limited) Plot No. 23,Road No. 8 Film Nagar, Jubilee Hills, Hyderabad Telangana 500033	U24120TG2001PTC036807	Subsidiary Company	100%	2(87)(ii)
3	Vishnu South Africa (Pty) Limited 18 Turnberry Avenue, Dainfern, Johannesburg,Gauteng - 2055	2017/179393/07	Subsidiary Company	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	8959506	-	8959506	75.00	8959506	-	8959506	75.00	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1) :	8959506	-	8959506	75.00	8959506	-	8959506	75.00	0
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2) :	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A) (1) +(A2)	8959506	-	8959506	75.00	8959506	-	8959506	75.00	0
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	10217	-	10217	0.09	2255	-	2255	0.02	(0.07)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/ FPIs	-	-	-	-	99039	-	99039	0.83	0.83
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	10217	-	10217	0.09	101294	-	101294	0.85	0.76
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	288624	1375	289999	2.43	365811	1375	367186	3.07	0.64
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1254732	180789	1435521	12.02	1111642	169734	1281376	10.73	(1.29)

ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	933330	0	933330	7.81	964490	0	964490	8.07	(0.26)
d) Others (specify)									
i) NBFC	4158	-	4158	0.03	1800	0	1800	0.02	(0.01)
ii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Non-Resident Indians	169887	42240	212127	1.78	134482	42240	176722	1.48	0.30
iv) Clearing Members	101162	-	101162	0.85	93646	0	93646	0.78	(0.06)
v) Trusts	-	-	-	-					
vi) Qualified Foreign Investor	4158	-	4158	0.03	1800	-	1800	0.02	(0.01)
Sub-total (B)(2):-	2751893	224404	2976297	24.91	2671871	213349	2885220	24.16	(0.76)
Total Public Shareholding (B)=(B)(1)+(B)(2)	2762110	224404	2986514	25.00	2773165	213349	2986514	25.00	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11721616	224404	11946020	100	11732671	213349	11946020	100	-

(ii) Shareholding of Promoters:

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Ch. Krishna Murthy	6219790	52.07	61.54	6219790	52.07	61.54	-
2	Mrs. Ch. Manjula	1614048	13.51	01.33	1614048	13.51	01.33	-
3	Mr. Ch. Siddartha	1125668	9.42	-	1125668	9.42	-	-

(iii) Change in Promoters' Shareholding: (Please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Increase / Decrease in shareholding during the year				Cumulative shareholding during the year	
	No. of Shares	% of holding	Date	Reason	No. of shares	%	No. of Shares	% of holding
Ch. Krishna Murthy	6219790	52.07	02.06.2017	Decrease	25705	0.22	6194085	51.85
Ch. Krishna Murthy	6194085	51.85	09.06.2017	Decrease	3824	0.03	6190261	51.82
Ch. Krishna Murthy	6190261	51.82	30.06.2017	Increase	29529	0.25	6219790	52.07

(iv). Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	Name of the Shareholder	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
1	Ashish Kacholia	5,58,793	31.03.2017	0	Transfer	558793	4.68
			26.01.2018	16670	Transfer	575463	4.82
			02.02.2018	5158	Transfer	580621	4.86
			09.02.2018	8172	Transfer	588793	4.93
		5,88,793	31.03.2018	0	Transfer	588793	4.93
2	Kuber India Fund	0	31.03.2017		Transfer	0	0.00
			13.10.2017	53148	Transfer	53148	0.44
			20.10.2017	495	Transfer	53643	0.45
			03.11.2017	23683	Transfer	77326	0.65
			10.11.2017	-2326	Transfer	75000	0.63
			24.11.2017	4736	Transfer	79736	0.67
		79,736	31.03.2018	0	Transfer	79736	0.67
3	Prakash Chand	76,000	31.03.2017	0	Transfer	76000	0.64
		76,000	31.03.2018	0	Transfer	76000	0.64
4	Vijayalakshmi Adusumalli	75,242	31.03.2017	0	Transfer	75242	0.63
			21.07.2017	-17095	Transfer	58147	0.49
			28.07.2017	-13245	Transfer	44902	0.38
			04.08.2017	-370	Transfer	44532	0.37
			18.08.2017	-12191	Transfer	32341	0.27
			25.08.2017	-1612	Transfer	30729	0.26
			08.09.2017	-19564	Transfer	11165	0.09
		11,165	31.03.2018	0	Transfer	11165	0.09
5	Harry Hassomal Mohinani	70,000	31.03.2017	0	Transfer	70000	0.59
		70,000	31.03.2018	0	Transfer	70000	0.59
6	Adusumilli S Chandrabose	55,000	31.03.2017	0	Transfer	55000	0.46
			14.07.2017	-55000	Transfer	0	0.00
			31.03.2018	0	Transfer	0	0.00
7	IL and FS securities Services Limited	51,866	31.03.2017	0	Transfer	51866	0.43
			07.04.2017	-40600	Transfer	11266	0.09
			14.04.2017	-292	Transfer	10974	0.09
			21.04.2017	3200	Transfer	14174	0.12
			28.04.2017	2224	Transfer	16398	0.14
			05.05.2017	-2800	Transfer	13598	0.11
			12.05.2017	-11	Transfer	13587	0.11
			19.05.2017	100	Transfer	13687	0.11
			26.05.2017	-150	Transfer	13537	0.11
			02.06.2017	900	Transfer	14437	0.12

S.No.	Name of the Shareholder	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
			09.06.2017	150	Transfer	14587	0.12
			23.06.2017	480	Transfer	15067	0.13
			30.06.2017	-4433	Transfer	10634	0.09
			07.07.2017	-1500	Transfer	9134	0.08
			14.07.2017	-2864	Transfer	6270	0.05
			21.07.2017	1388	Transfer	7658	0.06
			04.08.2017	-920	Transfer	6738	0.06
			11.08.2017	32	Transfer	6770	0.06
			18.08.2017	-317	Transfer	6453	0.05
			25.08.2017	-222	Transfer	6231	0.05
			01.09.2017	-200	Transfer	6031	0.05
			15.09.2017	11861	Transfer	17892	0.15
			27.09.2017	-5061	Transfer	12831	0.11
			29.09.2017	-100	Transfer	12731	0.11
			13.10.2017	1887	Transfer	14618	0.12
			20.10.2017	1531	Transfer	16149	0.14
			27.10.2017	-4068	Transfer	12081	0.10
			03.11.2017	-1150	Transfer	10931	0.09
			10.11.2017	2310	Transfer	13241	0.11
			17.11.2017	7325	Transfer	20566	0.17
			24.11.2017	-1175	Transfer	19391	0.16
			01.12.2017	575	Transfer	19966	0.17
			08.12.2017	-3000	Transfer	16966	0.14
			15.12.2017	-50	Transfer	16916	0.14
			22.12.2017	3225	Transfer	20141	0.17
			29.12.2017	-1250	Transfer	18891	0.16
			05.01.2018	-228	Transfer	18663	0.16
			12.01.2018	-132	Transfer	18531	0.16
			19.01.2018	-750	Transfer	17781	0.15
			26.01.2018	-50	Transfer	17731	0.15
			02.02.2018	1116	Transfer	18847	0.16
			19.02.2018	-900	Transfer	17947	0.15
			16.02.2018	435	Transfer	18382	0.15
			23.02.2018	400	Transfer	18782	0.16
			02.03.2018	4583	Transfer	23365	0.20
			16.03.2018	20200	Transfer	43565	0.36
			23.03.2018	1084	Transfer	44649	0.37
			30.03.2018	-2514	Transfer	42135	0.35

S.No.	Name of the Shareholder	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
		42,135	31.03.2018	0	Transfer	42135	0.35
8	Reliance Financial Limited	0	31.03.2017		Transfer	0	0.00
			02.03.2018	6579	Transfer	6579	0.06
			09.03.2018	-55	Transfer	6524	0.05
			16.03.2018	41817	Transfer	48341	0.40
			23.03.2018	-90	Transfer	48251	0.40
			30.03.2018	-779	Transfer	47472	0.40
		47,472	31.03.2018	0	Transfer	47472	0.40
9	Edelweiss Custodial Services Limited	5,255	31.03.2017	0	Transfer	5255	0.04
			07.04.2017	-483	Transfer	4772	0.04
			14.04.2017	7090	Transfer	11862	0.10
			21.04.2017	-2278	Transfer	9584	0.08
			28.04.2017	-5018	Transfer	4566	0.04
			05.05.2017	1000	Transfer	5566	0.05
			12.05.2017	10	Transfer	5576	0.05
			19.05.2017	-1125	Transfer	4451	0.04
			02.06.2017	-55	Transfer	4396	0.04
			09.06.2017	55	Transfer	4451	0.04
			16.06.2017	75	Transfer	4526	0.04
			23.06.2017	175	Transfer	4701	0.04
			30.06.2017	1	Transfer	4702	0.04
			07.07.2017	10	Transfer	4712	0.04
			14.07.2017	950	Transfer	5662	0.05
			21.07.2017	-1933	Transfer	3729	0.03
			28.07.2017	2559	Transfer	6288	0.05
			04.08.2017	398	Transfer	6686	0.06
			11.08.2017	1019	Transfer	7705	0.06
			18.08.2017	653	Transfer	8358	0.07
			25.08.2017	-4963	Transfer	3395	0.03
			01.09.2017	4000	Transfer	7395	0.06
			08.09.2017	70	Transfer	7465	0.06
			15.09.2017	-4111	Transfer	3354	0.03
			20.09.2017	80	Transfer	3434	0.03
			22.09.2017	-3	Transfer	3431	0.03
			27.09.2017	7	Transfer	3438	0.03
			29.09.2017	-436	Transfer	3002	0.03
			06.10.2017	4500	Transfer	7502	0.06
			13.10.2017	13162	Transfer	20664	0.17

S.No.	Name of the Shareholder	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
			20.10.2017	5434	Transfer	26098	0.22
			27.10.2017	4064	Transfer	30162	0.25
			31.10.2017	139	Transfer	30301	0.25
			03.11.2017	-6028	Transfer	24273	0.20
			10.11.2017	24883	Transfer	49156	0.41
			17.11.2017	-6091	Transfer	43065	0.36
			24.11.2017	-630	Transfer	42435	0.36
			15.12.2017	25	Transfer	42460	0.36
			22.12.2017	-33704	Transfer	8756	0.07
			29.12.2017	-5	Transfer	8751	0.07
			19.01.2018	-850	Transfer	7901	0.07
			26.01.2018	-1064	Transfer	6837	0.06
			02.02.2018	350	Transfer	7187	0.06
			09.02.2018	16344	Transfer	23531	0.20
			16.02.2018	1100	Transfer	24631	0.21
			23.02.2018	-82	Transfer	24549	0.21
			02.03.2018	300	Transfer	24849	0.21
			09.03.2018	1105	Transfer	25954	0.22
			16.03.2018	8137	Transfer	34091	0.29
			23.03.2018	5021	Transfer	39112	0.33
			30.03.2018	697	Transfer	39809	0.33
		39,809	31.03.2018	0	Transfer	39809	0.33
10	Satyanarayan Karwa	35,997	31.03.2017	0	Transfer	35997	0.30
			13.10.2017	-15997	Transfer	20000	0.17
			20.10.2017	-20000	Transfer	0	0.00
			31.03.2018	0	Transfer	0	0.00
11	Padma Attal	35,734	31.03.2017	0	Transfer	35734	0.30
			18.08.2017	1757	Transfer	37491	0.31
			15.09.2017	4613	Transfer	42104	0.35
			13.10.2017	-850	Transfer	41254	0.35
			24.11.2017	2000	Transfer	43254	0.36
			30.12.2017	-37827	Transfer	5427	0.05
			05.01.2018	7181	Transfer	12608	0.11
		12,608	31.03.2018	0	Transfer	12608	0.11
12	Anuj Shah	35,000	31.03.2017	0	Transfer	35000	0.29
			07.04.2017	-14000	Transfer	21000	0.18
		21,000	31.03.2018	0	Transfer	21000	0.18

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.	Particulars	Shareholding at the beginning of the year		Date	Increase/ Decrease (No. of Shares)	Reason	Cumulative Shareholding During the year	
		No. of Shares	% of total Shares of the company				No. of shares	% of total shares of the company
A. Directors								
1	Mr. Ch. Krishna Murthy	6219790	52.07	Refer point No. III above			6219790	52.07
2	Mrs. Ch. Manjula	1614048	13.51	-	-	-	1614048	13.51
3	Mr. Ch. Siddartha	1125668	9.42	-	-	-	1125668	9.42
4	Mr. U. Dileep Kumar	-	-	-	-	-	-	-
5	Mr. T. S. Appa Rao	-	-	-	-	-	-	-
6	Mr. Pradip Saha	-	-	-	-	-	-	-
7	Dr. S. Chandrasekhar	-	-	-	-	-	-	-
B. Key Managerial Personnel								
8	Mr. T. Ramakrishna	19117	0.16	14.07.2017	19063	Sale	54	0
9	Mr. V. Lakshmi Narayana	-	-	-	-	-	-	-
10	Ms. Shruti Gupta	-	-	-	-	-	-	-
11	Mr. Kishore Kathri	-	-	13.09.2017	01	Purchase	01	0
				10.01.2018	03	Purchase	04	0

V. Indebtedness of the Company including interest outstanding / accrued but not due for payment for the year ended 31st March, 2018:

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24089.05	1213.79	-	25302.84
ii) Interest due but not paid	140.38	-	-	140.38
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	24229.43	1213.79	-	25443.22
Change in Indebtedness during the financial year				
* Additions	108.78	802.56	-	911.34
* Reduction#	1864.60	-	-	1864.60
* Reduction in Interest due but not paid	73.20	-	-	73.20
Net Change	1829.02	802.56	-	1026.46
Indebtedness at the end of the financial year				
i) Principal Amount	22333.23	2016.35	-	24349.58
ii) Interest due but not paid	67.18	-	-	67.18
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	22400.41	2016.35	-	24416.76

VI. Remuneration of Directors and Key Managerial Personnel:

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

(₹ in lakhs)

S.No.	Particulars of Remuneration	FY 2017-18	FY 2017-18
		Mr.Ch. Krishna Murthy	Mr. Ch. Siddartha
		Managing Director	Joint Managing Director
1	Gross salary	66.00	48.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as a % of profit	-	-
	- others, specify...	-	-
Total		66.00	48.00

B. Remuneration to other Directors:

i. Independent Directors:

(₹ in lakhs)

S.No.	Particulars of Remuneration	Name of the Director				Total Amount
		Mr. U. Dileep Kumar	Mr. T.S. Appa Rao	Mr. Pradip Saha (from 10.11.2017)	Dr. S. Chandrasekhar (till 13.08.2017)	
1	Fee for attending board / committee meetings	2.20	2.20	0.60	0.40	5.40
2	Commission	-	-	-	-	-
3	Others, please specify	-	-	-	-	-
Total (B1)		2.20	2.20	0.60	0.40	5.40

ii. Non-Executive Directors

S.No.	Name of the Director	Mrs. Ch. Manjula	Total Amount
1	Fee for attending board / committee meetings	0.80	0.80
2	Commission	0	0
3	Others, please specify	0	0
Total (B2)		0.80	0.80
Total (B)=(B1+B2)			6.20
Total Sitting Fees			6.20
Total Commission			0

C. Remuneration to Key Managerial Personnel Other than MD / Manager/ WTD

(₹ In Lakh)

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr.T. Ramakrishna, CFO (till 28.08.2017)	Ms. Shruti Gupta, CS (till 14.09.2017)	Mr. V. Lakshmi Narayana, CFO (from 28.08.2017)	Mr. Kishore Kathri, CS (from 14.09.2017)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	8.33	1.17	23.26	3.85	36.61
2	Stock Options	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as a % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-

VII. Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed.	Authority (RD/ NCLD/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place : Hyderabad
Date : May 30, 2018

Sd/-
Ch. Krishna Murthy
Chairman

Annexure 'G'

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company will continue to be in the forefront of its diverse interests and sustain growth activities through emphasis on total Quality Management, adoption of emerging technologies, innovation through research, good corporate governance, adherence to fair business practices and effective use of physical, technological, Research & Development (R&D), information and financial resources, thus fulfilling the aspirations of all the stakeholders of the Company.

2. BOARD OF DIRECTORS

(A) Composition and category of Directors:

The Board of Directors of the Company consists of the following Directors as on 31st March 2018:

(i) Executive Director:

(a) Promoter Group	Mr. Ch. Krishna Murthy, Chairman & Managing Director
	Mr. Ch. Siddartha, Joint Managing Director

(ii) Non-Executive Directors:

(a) Promoter Group	Mrs. Ch. Manjula
(b) Independent	Mr. U. Dileep Kumar
	Mr. T. S. Appa Rao
	Mr. Pradip Saha (from 10 th November, 2017)
	Dr. S. Chandrasekhar (Up to 13 th August, 2017)

(B) Attendance of each director at the Board Meetings, last Annual General Meeting (AGM) and the details of membership(s)/ chairmanship(s) of Directors in Board and Board Committees:

Name of the Director	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships of Boards as on 31st March 2018@	Number of Memberships of Board Committees*	Number of Chairmanships in Board Committees*
Mr. Ch. Krishna Murthy	4	Yes	3	1	0
Mrs. Ch. Manjula	4	No	2	1	1
Mr. Ch. Siddartha	4	Yes	3	1	0
Mr. U. Dileep Kumar	5	Yes	1	1	1
Mr. T. S. Appa Rao	5	No	1	1	0
Mr. Pradip Saha (from 10 th November, 2017)	2	NA	1	1	0
Dr. S. Chandrasekhar (Up to 13 th August, 2017)	1	NA	NA	NA	NA

@ Includes private limited companies and companies registered outside India.

* As per Regulation 26(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only Audit Committee and Stakeholders Relationship Committees of Indian public companies have been considered.

Board Agenda

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may take up any matter for consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Information placed before the Board:

Apart from the items that are required to be placed before the Board for its approval, the following are also tabled, inter alia, for the Board's periodic review / information, as applicable under SEBI (LODR) Regulations, 2015 as amended from time to time:

- Performance against plan including business-wise financials in respect of revenue, profits, cash flow, balance sheet, investments and capital expenditure.
- Periodic summary of all long term borrowings and applications thereof.
- Internal Audit findings (through the Audit Committee).
- Status of safety, security and legal compliance.
- Status of business risk exposures, its management and related action plans.
- Show cause, demand and adjudication notices, if any, from revenue authorities and other regulatory bodies, which are considered material.
- Information on strikes, lockouts, retrenchment, fatal accidents, etc., if any
- Write offs / disposals (property, plant & equipment, inventories, receivables, advances, etc.)

(C) Brief profiles of the Directors being appointed/re-appointed have been given in the AGM Notice, forming part of the Annual Report.

(D) Details of Board Meetings held during the Year 2017-18:

Date of the Meeting	Board Strength	No. of Directors Present
29 th May, 2017	6	5
28 th August, 2017	5	5
14 th September, 2017	5	4
14 th December, 2017	6	5
09 th February 2018	6	6

(E) Disclosure of relationship between directors inter-se:

The Promoter Directors are relatives of each other in terms of Section 2(77) of the Companies Act, 2013 and none of the other Directors has any relationship with each other.

(F) Shares held by non-executive Directors:

Mrs. Ch. Manjula holds 16,14,048 equity shares of ₹ 10/- each (13.51%) and 52,71,250 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (CRPS) (6.88%) of the Company as on 31st March 2018 and none of the other non-executive directors hold any shares in the Company.

(G) Web-link where details of familiarization programmes imparted to independent Directors:

Web-link: <http://www.vishnuchemicals.com/downloads/Familiarisation.pdf>

CODE OF CONDUCT:

The Board has laid down Code of Conduct for its Directors and Senior Management of the Company. The text of the Code of Conduct is uploaded on the website of the Company – www.vishnuchemicals.com. The Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended 31st March, 2018. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

3. AUDIT COMMITTEE

The terms of reference of the Audit Committee encompass the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Mandate, Role and Responsibilities of the Audit Committee:

As specified under the Companies Act, 2013, and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Regulations and regulatory requirements that may come into force from time to time; and as may be mandated by the Board of Directors from time to time.

Composition of the Audit Committee as on March 31, 2018:

Name	Designation
Mr. U. Dileep Kumar	Chairman
Mr. T. S. Appa Rao	Member
Mr. Pradip Saha (from 14 th December, 2017)	Member
Mr. Siddartha (Up to 09 th February, 2018)	Member
Dr. S. Chandrasekhar (Up to 13 th August, 2017)	Member

The Audit Committee consists of Independent Directors as members and all the members of the Committee are financially literate and Mr. U. Dileep Kumar & Mr. Pradip Saha have accounting and related financial management expertise. The Company Secretary of the Company is secretary to the Committee.

Meetings and Attendance:

Five Audit Committee Meetings were held during the year ended 31st March 2018. The maximum time gap between any of the two meetings was not more than one hundred twenty days.

Audit Committee Meetings held during the year 2017-18 and attendance details:

Date of the Meeting	Committee Strength	No. of Directors present
29 th May, 2017	4	3
28 th August, 2017	3	3
14 th September, 2017	3	3
14 th December, 2017	3	3
09 th February 2018	4	4

Managing Director, Chief Financial Officer and Internal Auditors are invitees for all the Audit Committee Meetings. The Statutory Auditors, Secretarial Auditors and Cost Auditors are invited for Audit Committee meetings on need basis.

4. NOMINATION & REMUNERATION COMMITTEE

The terms of reference of Nomination & Remuneration Committee encompass the requirements of section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The key role of this Committee is as follows:

- Provide oversight on strategic Human Capital issues.
- Search for, evaluate, shortlist and recommend the incumbent for the position of Managing Director and other Directors and their engagement terms to the Board.
- Evaluate and approve for appointment candidates recommended by Managing Directors for key senior positions.
- Review the succession plan for critical positions and suggest actions.
- Have the responsibility for setting the remuneration for the Managing Director and Whole Time Directors. Review remuneration for the Key Managerial Personnels of the Company. Remuneration in this context will include salary and performance based variable component and any compensation payments, such as retiral benefits or stock options.

Mandate, Role and Responsibilities of the Nomination and Remuneration Committee:

As specified under the Companies Act, 2013, Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; and as may be mandated by the Board of Directors from time to time.

Composition of the Nomination and Remuneration Committee as on March 31, 2018:

Name	Designation
Mr. U. Dileep Kumar	Chairman
Mr. T. S. Appa Rao	Member
Mr. Pradip Saha (from 14 th December, 2017)	Member
Dr. S. Chandrasekhar (Up to 13 th August, 2017)	Member

Meetings and Attendance:

Date of the Meeting	Committee Strength	No. of Directors present
28 th August, 2017	2	2
09 th February, 2018	3	3

Performance evaluation criteria for Independent Directors:

The performance evaluation of the Independent Directors was carried out by the entire Board.

The criteria for performance evaluation are as follows:

Role & Accountability:

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

Objectivity:

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

Leadership & Initiative:

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

Personal Attributes:

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

5. REMUNERATION OF DIRECTORS

i) For Executive Directors: The elements of remuneration package of Managing Directors, are as under:

(₹ in Lakhs)

Particulars	Managing Director	Joint Managing Director
Salary (Including perquisites)	66.00	48.00
Commission	0	0
Contribution to Provident Fund and Superannuation Fund	0	0
Benefits	0	0
Total	66.00	48.00

Having regard to the fact that there is a global contribution to Gratuity Fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to Gratuity Fund has not been considered in the above computation.

Managing Director & Joint Managing Director are under contract of employment with the company. There is no severance fee payable to the Executive Directors. The Company does not have any stock option scheme.

ii) For Non-executive Directors:

a) The sitting fees paid to the Directors for attending the Board meeting is ₹ 20,000/-; ₹ 20,000/- for attending Audit Committee meeting; ₹ 10,000/- for Nomination & Remuneration Committee, CSR Committee and Stakeholders Relationship Committee meeting until 14th December, 2017. The Board of Director has approved discontinuation of sitting for Nomination & Remuneration Committee, CSR Committee and Stakeholders Relationship Committee meeting w.e.f. 14th December, 2017.

b) Commission to the Non-executive Directors – NIL

(₹ in lakhs)

Non-executive Directors	Sitting Fees
Mrs. Ch. Manjula	0.80
Mr. U. Dileep Kumar	2.20
Mr. T. S. Appa Rao	2.20
Mr. Pradip Saha	0.60
Dr. Chandra Sekhar	0.40
Total	6.20

* exclusive of service tax/ GST.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The terms of reference of Stakeholders' Relationship Committee encompass the requirements of section 178 of Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015 as amended.

Composition as on March 31, 2018:

Name	Designation
Mrs. Ch. Manjula	Chairperson
Mr. Ch. Krishna Murthy	Member
Mr. Ch. Siddartha	Member

Mr. Kishore Kathri, Company Secretary is Compliance Officer of the Company w.e.f. 14th September, 2017 and Ms. Shruti Gupta, Company Secretary was Compliance Officer of the Company up to 14th September, 2017.

Meetings and Attendance:

Date of the Meeting	Committee Strength	No. of Directors present
29th May, 2017	3	2
14th September, 2017	3	2
14th December, 2017	3	2
9th February, 2018	3	3

The Stakeholder's Relationship Committee specifically looks into redressal of shareholders/ investors complaints in matters such as transfer of shares, non-receipt of declared dividends and ensures expeditious share transfer process and also approves issue of duplicate/split share certificates, transmission of shares etc.,

Number of shareholders complaints received during the year	NIL
Solved to the satisfaction of the shareholders	NIL
Number of pending complaints	NIL

7. GENERAL BODY MEETINGS

Location, time and venue where last three Annual General Meetings were held:

Financial Year	Location of AGM	Date & Time of AGM
2016-17	Wednesday, 27th September, 2017 at 4.00 P.M	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad Telangana – 500096
2015-16	Wednesday, 28th September, 2016 at 11.00 AM	Hotel I K London, 6-3-656, Kapadia Lane, Somajiguda,
2014-15	Monday, 29th June, 2015 at 10.30 AM	Hyderabad – 500082

Special Resolutions:

Special resolutions were passed at last three annual general meetings as under:

I) 22nd AGM held on 29th June, 2015 - Special Resolutions.

- To invest in Equity Share Capital of Solvay Vishnu Barium Private Limited
- To approve the Borrowing Limits along with guarantee or counter-guarantee
- To hypothecate/mortgage and/or charge any of its movable and/or immovable properties wherever situated both present and future.

II) 23rd AGM held on 28th September 2016 - Special Resolutions.

1. To Re-appoint Mr. Ch. Krishna Murthy (DIN: 00030274) as Managing Director of the Company
2. To Appoint Mr. Ch. Siddartha (DIN 01250728) as Joint Managing Director of the Company

III) 24th AGM held on 27th September 2017 - Special Resolutions - Nil

IV) During the year, one special resolution was passed through postal ballot.

1. Issue of further 7% Cumulative Redeemable Preference Shares (CRPS) of face value of ₹ 10/- (Rupees Ten only) each under sub-section (3) of section 55 read with section 48 of the Companies Act, 2013 and rules made thereunder:

8. MEANS OF COMMUNICATION

The quarterly unaudited results and annual audited results are published in Financial Express and in the local newspaper – Andhra Prabha/ Nava Telangana and are displayed on the website of the Company www.vishnuchemicals.com. Official press releases and official media releases, if any, are sent to Stock Exchanges and are uploaded on the website of the Company along with the presentations made to institutional investors or to analysts, if any.

The Management Discussion and Analysis Report forms part of the Board's Report.

Financial Calendar (Tentative):

- Unaudited results for 1st quarter of next Financial Year – by 14th August, 2018
- Unaudited results for 2nd quarter of next Financial Year – by 14th November, 2018
- Unaudited results for 3rd quarter of next Financial Year – by 14th February 2019
- Audited results for next Financial Year – by 30th May 2019

9. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting:

Date	-	Monday, September 24, 2018
Venue	-	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad, Telangana – 500096
Time	-	11.00 a.m IST
Financial Year	-	2017-18 (1st April, 2017 to 31st March, 2018)
Date of Book Closure	-	September 18, 2018 to September 24, 2018 (both days inclusive)
Date of Dividend Payment	-	From September 25, 2018 to October 24, 2018
Dividend for the last three years	-	2016-17 : Nil 2015-16 (Interim) : 10% 2014-15 (Final) : 10% 2014-15 (Interim) : 10%

Name and address of Stock Exchanges where the shares of the Company are listed:

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza
Dalal Street	Bandra Kurla Complex
Mumbai- 400 001	Bandra (E), Mumbai - 400 051

BSE Limited	-	Scrip Code: 516072
National Stock Exchange of India Ltd	-	VISHNU
ISIN for the Equity Shares	-	INE270I01014

The Company has paid listing fee to both Stock Exchanges for the financial year 2017-18.

Market Price Data: in respect of the Company's shares on BSE Limited, monthly high and low during the Financial Year 2017-18:

Month & Year	High (₹)	Low (₹)
April 2017	302.60	264.10
May 2017	272.00	220.00
June 2017	238.00	214.10

July 2017	330.95	215.00
August 2017	299.00	236.10
September 2017	308.50	244.50
October 2017	416.70	246.10
November 2017	436.50	333.00
December 2017	400.00	323.60
January 2018	435.65	363.05
February 2018	400.00	321.00
March 2018	329.90	258.50

Market Price Data: in respect of the Company's shares on National Stock Exchange of India Limited, monthly high and low during the Financial Year 2017-18:

Month & Year	High (₹)	Low (₹)
April 2017	304.80	287.00
May 2017	272.00	219.90
June 2017	238.65	215.00
July 2017	331.00	218.30
August 2017	298.40	236.50
September 2017	308.40	245.00
October 2017	416.60	243.60
November 2017	435.90	330.50
December 2017	401.00	336.60
January 2018	442.90	375.00
February 2018	404.00	318.60
March 2018	330.00	256.65

Details of Share Transfer System:

The authority relating to approval of share transfers has been delegated to the Stakeholder's Relationship Committee consisting of Mrs. Ch. Manjula, Chairperson, Mr. Ch. Krishna Murthy and Mr. Siddartha, Members; and to Registrar & Share Transfer Agent (RTA) of the Company, for recording the transfers. However, transmission of shares and issue of duplicate share certificates are processed by RTA with the approval of the Committee. The Committee has met four times during the year for approving transfers, transmissions, issue of duplicate share certificates etc. Operations with regard to dematerialization are being complied with, in conformity with the regulations prescribed.

Distribution of Shareholding as on 31st March 2018:

Paid-up share capital (in ₹)	Shareholders		Value	
	No.	%	₹	%
Up to 5000	4453	86.85	5294680	4.43
5001- 10000	343	6.69	2632780	2.20
10001- 20000	159	3.10	2371910	1.98
20001- 30000	58	1.13	1520650	1.27
30001- 40000	17	0.33	612440	0.51
40001- 50000	18	0.35	866110	0.72
50001- 100000	34	0.66	2464510	2.06
100001 & Above	45	0.87	103697120	86.80
Total	5127*	100.00	119460200	100.00

*No. of the shareholders without considering PAN No.

Pattern of Shareholding as on 31st March 2018:

Category	No. of shareholders	No. of Shares	% of shareholding
Promoters	3	8959506	75.00
Public :			
Institutional Investors:			
- Mutual Funds	-	-	-
- Foreign Portfolio investors	2	99039	0.83
- Financial Institutions, Banks & Others	2	2255	0.02
Overseas Corporate Bodies	-	-	-
Central Govt/ State Govt	-	-	-
Non-Institutional Investors:	-	-	-
Indian Public	4590	2245866	18.80
NBFCs	1	1800	0.02
Bodies Corporate	118	367186	3.07
Foreign Nationals/NRIs	110	176722	1.48
Clearing Members	60	93646	0.78
Trust	0	0	0
GRAND TOTAL	4886*	11946020	100

*No. of shareholders based on PAN No.

Dematerialization of shares and liquidity: 1,17,32,671 (NSDL: 82,24,043; CDSL: 35,08,628) equity shares were dematerialized amounting to 98.21% of the total paid-up capital of the Company and the shares of the company are traded on BSE and NSE.

The Registrar and Share Transfer Agent is handling all the share transfers and related transactions. As on March 31, 2018, there were no requests pending for demats / overdue beyond the due dates.

Name and Designation of Compliance Officer: Mr. Kishore Kathri, Company Secretary & Compliance Officer.

Plant Locations:

Kazipally Plant: Survey No.15, Gaddapotharam Medak District, Telangana - 502319	Vizag Plant: Plot No.29, J.N.Pharma City, IOCL Road, Visakhapatnam (Dist.), Andhra Pradesh – 531019
Jeedimetla Plant: Plot No.57, Phase III, IDA, Jeedimetla, Hyderabad, Telangana - 500055	Bhilai Plant: Survey No.18-26, Nandini Road, Bhilai, Chattishgarh - 490026

Address for correspondence from shareholders:

Regd. & Corporate Office of the Company: H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad, Telangana 500033 Phone: 040 23396817/ 23327723/29 Mail id: Vishnu@vishnuchemicals.com Website: www.vishnuchemicals.com	Registrar and Share Transfer Agents: Bigshare Services Pvt. Ltd 306, Right Wing, 3 rd Floor, Amrutha Ville, Opp.Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500082, India Phone No: 040 401 44582 Mail id: bsshyd1@bigshareonline.com Web: www.bigshareonline.com
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10. OTHER DISCLOSURES**a. Disclosure on materially significant related party transactions:**

There were no materially significant related party transactions which may have potential conflict with the interests of the Company. The Company maintains a Register of Contracts containing the transactions, if any in which the directors are interested and same is

placed before the Board. Transactions with related parties as required under Accounting Standard 24, Related Party Transactions are disclosed in Note 35 forming part of the financial statements. Web-link for the Policy on dealing with related party transactions is <http://www.vishnuchemicals.com/downloads/Transactions.pdf>

b. Disclosure of non-compliance by company:

There were no strictures or penalties imposed on the Company by either Stock Exchanges or SEBI or any Statutory Authority for non-compliance on any matter related to Capital Market during the last three years.

c. Vigil mechanism / Whistle Blower Policy:

In terms of the requirements of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism are displayed on the website of the Company. The Audit Committee reviews the functioning of the vigil / whistle blower mechanism from time to time. There were no allegations / disclosures / concerns received during the year under review in terms of the vigil mechanism established by the Company.

d. Subsidiaries:

The Company does not have material unlisted Indian Subsidiary. However, the minutes of the meetings of the subsidiaries are placed at the meetings of the Board of Directors of the Company. Annual Financial Statements of subsidiaries are reviewed by Audit Committee and the Board of Directors. Web-link for the policy for determining 'material' subsidiaries is <http://www.vishnuchemicals.com/downloads/Subsidiaries.pdf>

e. Risk Management:

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically. Detailed report on Risk Management forms part of the Board's Report.

f. Code of Conduct for Directors and members of senior management:

The Company adopted a Code of Business Conduct and Ethics for its Directors and members of senior management. The Code has also been posted on the Company's website. The Chairman & Managing Director has given a declaration that all the Directors and members of senior management have affirmed compliance with the Code of Conduct.

g. CEO/CFO Certification:

A certificate duly signed by Chairman & Managing Director and CFO relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 was placed before the Board and was taken on record.

11. Disclosure with respect to demat suspense account/ unclaimed suspense account

- (a) Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year - Nil.
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - Nil
- (c) Number of shareholders to whom shares were transferred from suspense account during the year - Nil
- (d) Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year - Nil
- (e) That the voting rights on these shares, if any shall remain frozen till the rightful owner of such shares claims the shares.

By order of the Board of Directors
Sd/-

Ch. Krishna Murthy
Chairman

Date: May 30, 2018
Place: Hyderabad

Declaration on Code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2018 as envisaged in Listing Regulations.

By order of the Board of Directors
Sd/-

Ch. Krishna Murthy
Chairman

Date: May 30, 2018
Place: Hyderabad

CEO & CFO COMPLIANCE CERTIFICATE

[Under Regulation 17(8) of SEBI (LODR) Regulations, 2015]

To

The Board of Directors

Vishnu Chemicals Limited

Hyderabad

- A. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
- (1) the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) the statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- (1) There were no significant changes in internal control over financial reporting during the year;
 - (2) There were no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date: 30.05.2018

Sd/-
Ch. Krishna Murthy
Managing Director

Sd/-
P. Anjaneyulu
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Vishnu Chemicals Limited

1. This certificate is issued in accordance with the terms of our engagement letter
2. This report contains details of compliance of conditions of Corporate Governance by **Vishnu Chemicals Limited** ('the Company') for the year ended 31 March 2018, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations.

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March, 2018.
6. We conducted our examination in accordance with the, Guidance Note on Corporate Governance Certificate, issued by the Institute of Company Secretaries of India ('ICSI'), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Date : 30.05.2018
Place: Hyderabad.

For L.D.Reddy & Co,
Company Secretaries
Sd/-
L.Dhanamjay Reddy
(Proprietor)
CP No. 3752

Annexure 'H'

Management Discussion & Analysis

A Global and Domestic Economic Outlook

In 2017, global economic growth is estimated to have reached 3.0 percent, a significant improvement compared to growth of just 2.4 percent in 2016 and highest rate of global growth recorded since 2011. Roughly two-thirds of countries worldwide experienced stronger growth in 2017 than in the previous year. At the global level, growth is expected to remain steady at 3.0 per cent in 2018 and 2019. However, the longer-term potential of the global economy carries a scar from the extended period of weak investment and low productivity growth that followed the global financial crisis (UN Report).

Domestically, after registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy is into slower growth, estimated to be 6.5 per cent in 2017-18, as per first Advance Estimates released by CSO. This is slightly lower than the range of 6.5 per cent to 6.75 per cent being currently projected based on recent developments. Even with this lower growth for 2017-18, GDP growth has averaged 7.3 percent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. (Economic Survey)

In addition to the introduction of GST, the year was also witnessed significant steps being undertaken towards resolution of non-performing assets of the banks, further liberalization of FDI etc., thus strengthening the momentum of reforms.

Recent trends of raising crude price could play the spoilsport for Indian economy. However, with world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should be supporting higher growth.

B Industry Structure and Developments

We are in a very niche Industry with very few companies operating and considerable entry barriers. Globally, the demand for our products is shifting to Asia-Pacific countries from Western Countries. However, imports continue to pose challenge the domestic industry.

We are the only major producer of our products in India. We have high level of reputation among our customers. Our technical excellence combined with customer service helps us in retaining the existing customers and improving the customer base to new areas.

Our products find applications active pharma ingredients in metal treating, pigment preparation, screen printing, leather industry, dye stuff manufacturing etc. Improvement in economy augurs well for our products. We are also looking to improve the turnover from value added products to improve the topline and margins.

C Future Plans

The company will continue to grow in export segment while retaining its leadership in domestic market. During the year 2018-19, it is envisaged that the major growth would come from exports segment including export of derivative products and also it is well predicted that increase in turnover, favourable foreign currency movements and ease in the prices of the key raw materials is expected to improve the margins. Moreover, increase in exports and foreign currency inflows, will give flexibility of resorting to import of raw material needs which enables the company for faster utilization of the export

benefits under Indirect Taxes. The company is planning to make all exports from one unit to achieve maximum coordination in export logistics.

Also to improve the margins and decrease the forex out flow, the company is entering in to long-term supply contracts with the key raw material suppliers to have competitive advancement in terms of price and availability of material; and the company is planning to start manufacture of Sodium Bichromate (SB) at its Bhilai plant to meet the increase in captive consumption requirement.

Efforts such as availing Pre-shipment Credit in Foreign Currency (PCFC) and conversion of existing term loan into foreign currency term loan, has eased the interest burden during the last months of the year under review and we are expecting the full benefits of the same during the current financial year subject to fluctuations in foreign currency.

The company is planning for capital outlay on certain debottlenecking items in Vishnu Barium Private Limited which will improve its capacity and turnover. However, as the fixed costs are not expected to increase, it will have positive impact on margins.

D Opportunities and Threats

- Favorable business environment, increase in demand for the products particularly in export segment
- Ease in liquidity as the Capital outlay is almost completed.
- Expansion in the Product Base as a result of recent expansion
- Favorable foreign currency movements
- Ease in domestic and international prices of raw materials
- Improvement in the operations of subsidiary

However, cheaper imports of Sodium Bichromate into India continue to pose threat in the domestic market.

E Risks & Concerns and Risk Management

Pursuant to the Companies Act 2013 and the SEBI Regulations, the Board has authorized the Audit Committee to review the risk management systems of the Company from time to time. There is a Risk Management Committee functioning at the senior executive level that facilitates identification and evaluation of business risks related to the Company and its major subsidiary VBPL from time to time.

Risk Management Committee has been entrusted with the responsibility to assist the Board/ Audit Committee in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed.

The Board reviews the risk management framework/ systems of the Company and renders advice for minimizing adverse impact, if any. Apart from the usual risks and concerns that affect any commercial, manufacturing organization, the key business risks and concern areas identified by the Company are as under:

a. Operational Issues

Major raw material and other inputs of the Company and its major subsidiary are imported, availability of which is affected by global

market situations. Timely availability of raw materials is critical for continuous plant operations.

Our majority suppliers are regular in nature, keeping the confidence on each other, getting raw material from our suppliers will not be problem for the company.

b. Financial Risks:

i) Currency Value and Interest Rate Fluctuations

Financial risk management is done by the Finance Department of respective locations and at Corporate Office. The Company considers natural hedge available to it from its export earnings to mitigate currency fluctuation risks. Interest risks arising out of financial debt, are normally done at fixed rates or linked to LIBOR and appropriate Bank lending rates. Adverse movement of Rupee from current levels may further impact landed cost of imported materials.

ii) Credit Risk

The Company and its major subsidiary sometimes sell their products by extending credit to customers, with the attendant risk of payment delays and defaults. To mitigate the risk, our marketing team ensures that sale of products are made to customers after evaluation of their ability to meet financial commitments through allotment of specific credit limits to respective customers. Credit availability and exposure is another area of risk.

iii) Liquidity Risk

The Company and its major subsidiary operate in working capital intensive industries. The Company realizes that its ability to meet its obligations to its suppliers and others is linked to timely and regular collection of receivables and maintaining a healthy credit rating. Review of working capital constituents like inventory of raw materials, finished goods and receivables are done regularly by the respective Divisions and closely monitored by Corporate Finance.

c. Legal and Statutory issues:

All major contracts are reviewed / vetted by the in-house Legal Department before the same are executed. In addition, the Company engages the services of reputed independent legal counsels, on need basis. In matters of tax law and other statutory obligations the outcome of litigation cannot always be predicted. Hence, appropriate financial provisions, insurance policies and credit lines are taken to limit the risk for the Company.

d. IT Risks

The Company is dependent on intra-office and inter-office networks, as well as several business software operated from the Corporate Office and the business Divisions. Viral attacks, failure of system networks and consequential loss of business is attempted to be minimized by critical systems being operated on secured servers with regular maintenance, regular back up and off-site storage of data, selection of suitable firewall and virus protection systems / software.

F Internal Control Systems

The Company has internal and financial control systems that commensurate with the size, scale and complexity of its operations and such policies and processes designed to ensure reliability of financial reporting, timely feedback on achievement of goals, compliance with policies, procedures, applicable laws and regulations, safeguarding of assets and economical & efficient use of resources. Internal and Financial control system assists the Board and Management to fulfill the business objectives of the company.

During the year the Board, with recommendations of Audit Committee, appointed M/s. C. Ramachandran & Co., Chartered Accountants as

its Internal Auditors in place of G.R. Kumar & Co LLP, Chartered Accountants, Hyderabad, who provides the Audit Committee and the Board of Directors an independent, objective and reasonable assurance of the adequacy, efficiency and effectiveness of the Organization's risk management, internal, financial and operational controls and corporate governance processes. Internal Audit reviews are conducted on an on-going basis, based on a comprehensive risk-based audit plan approved by the Audit Committee at the beginning of the year. The Internal Auditors review and evaluate the efficacy and adequacy of internal and financial control systems, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its major subsidiary. The function also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the organization in consultation with the Senior Management.

Further, significant observations, corrective actions and good practices suggested by Statutory and Internal Auditors are reviewed by the Audit Committee for appropriate implementation and to monitor and strengthen controls on various business processes. During the year, the Audit Committee met five times to review key findings and recommendations of the internal auditors including status of implementation through Action Taken Reports.

G Human Resources / Industrial Relations

Your company's greatest strength is its highly committed work force with low attrition rate compared to industry standards. During the year, Human Resources and Industrial Relations Departments ensured high morale amongst the employees in the Company and its subsidiary Vishnu Barium Private Limited (VBPL) which resulted in increased production volumes and revenues. A healthy and positive working relationship was maintained through continuing programs on behavioral competencies for the Management staff.

As a continuing trend, strong emphasis was laid on quality improvement and process wastages through training programs in statistical quality control and material flow cost accounting system in the Company and its major subsidiary VBPL. Training programs in Technical, Safety and Employees development programmes such as Communication, Leadership, Team Work, Safety and Internal Audit on ISO 9001:2015 have been successfully conducted for employees in the Company.

i) Employment Practices

The Company believes in fair employment practices and is committed to provide an environment that ensures that every employee is treated with dignity and respect and is provided equitable treatment. The Company has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under and has constituted internal complaints committee under the said Act. No complaint was received in this regard, during the year.

The Government of Andhra Pradesh recognized the management practices of vizag unit of the company and honored with Best Management Award on the occasion of Mayday Celebrations 2018. An Award was received from Hon'ble Chief Minister of A.P. on 1st May, 2018.

ii) Safety

Safety awareness has been enhanced by way of training on hazard identification, risk assessment and continuous training to the newly inducted employees and regular training to the employees on SOPs, mock drills on emergency preparedness and mitigation exercises;

INDEPENDENT AUDITOR'S REPORT

To the Members of VISHNU CHEMICALS LIMITED

Report on the Standalone IND AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **VISHNU CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone IND AS 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 preparation of these standalone IND AS financial statements that give a true and fair view of the state of affairs (financial position, profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act.

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 standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone IND AS financial statements based on our audit.

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 thereunder.

We conducted our audit of standalone IND AS financial statements 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 standalone IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS financial statements,

whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone IND AS 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 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 standalone IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND AS 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 including the IND AS:

- a) of the state of affairs (financial position) of the Company as at March 31, 2018;
- b) of the profit for the year (financial performance including other comprehensive income); and
- c) of the cash flows and the changes in equity 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 issued by the Central Government in terms of section 143(11) of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure – 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone IND AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

- e. On the basis of written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of 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 has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements;
 - ii. The Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses;
 - iii. During the year under review, there are no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company;

**For Jampani & Associates
Chartered Accountants
(F.R.No. 0165815)**

**Sd/-
J. Ram Sesh Choudary
Partner
M.No. 202150**

Hyderabad
May 30, 2018

ANNEXURE - 1 TO THE INDEPENDENT AUDITORS' REPORT:

(Referred to in Paragraph 1 under section 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- 1.1 According to the information and explanations given to us, the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2 All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- 1.3 All the title deeds of the immovable properties are held in the name of the Company.
2. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. In our opinion and according to the information and explanations given to us during the earlier years, the Company has granted *interest-free unsecured loans* to its wholly owned subsidiary companies covered in the register maintained under Section 189 of the Companies Act, 2013. The total loan amount granted and the actual balance outstanding at the end of the year is ₹ 999.51 lakhs (with a value at amortised cost of ₹ 669.29 lakhs). According to the information and explanations given to us, the terms and conditions of the grant of such loans are not prima facie prejudicial to the interest of the Company. *As no specific terms and conditions with regard to repayment have been specified, we are not able to comment on the repayment and overdue amount.*
4. In our opinion and according to the information and explanations given to us, in respect of loans and investments, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with *except for the granting of interest free loan/advance of ₹ 999.51 lakhs (with a value at amortised cost of ₹ 669.29 lakhs) to its wholly owned subsidiaries.*
5. According to the information and explanations given to us, the Company has not accepted any deposits in terms of the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7.1 According to the information and explanations given to us, the company is generally regular in depositing 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 statutory dues, as are applicable, with the appropriate authorities.

According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable, except interest on income tax of ₹ 379.69 lakhs pertaining to financial year 2015-16.

- 7.2 According to the information and explanations given to us, the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as follows:

Nature of dues	₹ in lakhs	Period to which the amount relates	Forum where the dispute is pending
Central Excise	46.82	1998-99	CESTAT, Bengaluru

8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions or banks.
9. According to the information and explanations given to us, during the year under review, the Company has not raised any money by way of initial public offer or further public offer. According to the information given to us, during the year, the Company has received the disbursement of unsecured term loan of ₹ 300.00 lakhs from a bank towards working capital requirements and the same was applied for the purpose for which it was received.
10. According to the information and explanations given to us and based upon the audit procedures performed by us, no fraud by the Company or on the Company committed by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration paid or provided during the year is in compliance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. As the Company is not a Nidhi Company in terms of the provisions of the Companies Act, 2013 read with Nidhi Rules, 2014, the matters to be reported under clause (xii) are not applicable.
13. According to the information and explanations given to us, in our opinion, with respect to the transactions with related parties, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013, wherever applicable. In our opinion, the details as required by the applicable accounting standards have been disclosed in the financial statements for the year under review.
14. According to the information and explanations given to us, during the year under review, the Company has issued new preference shares in lieu of the redemption of existing preference shares and accumulated dividend thereon to the same shareholders. As the Company, has not raised any funds by such issue, reporting requirement on compliance with Section 42 of the Companies Act, 2013 and purpose of

application of the funds so raised, in our view, is not applicable for the year under review.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence, reporting requirement on compliance with the provisions of Section 192 of the Companies Act, 2013 is not applicable.
16. According to the information and explanations given to us and in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Jampani & Associates
Chartered Accountants
(F.R.No. 0165815)**

Sd/-

**J. Ram Sesh Choudary
Partner
M.No. 202150**

Hyderabad
May 30, 2018

ANNEXURE - 2 TO THE INDEPENDENT AUDITORS' REPORT:

Report on the Internal Financial Controls 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 **VISHNU CHEMICALS LIMITED** ("the Company") as of March 31, 2018 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 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, 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 March 31, 2018, 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 Jampani & Associates
Chartered Accountants
(F.R.No. 0165815)**

Sd/-

**J. Ram Sesh Choudary
Partner
M.No. 202150**

Hyderabad
May 30, 2018

Balance Sheet as at 31st March, 2018

Particulars	Note No.	31-Mar-18 ₹	31-Mar-17 ₹	1-Apr-16 ₹
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	1	3,316,673,665	2,705,534,623	1,807,589,183
(b) Capital work-in-progress	1	71,091,195	536,741,029	616,798,357
(c) Intangible Assets	1	142,303	281,083	354,367
		3,387,907,163	3,242,556,735	2,424,741,907
(d) Financial Assets				
(i) Investments	2	53,965,189	56,522,313	16,959,779
(iii) Loans	3	65,878,109	60,091,648	-
(e) Other non-current assets	4	131,103,387	172,084,792	148,527,261
		3,638,853,848	3,531,255,488	2,590,228,947
(2) Current assets				
(a) Inventories	5	1,675,544,373	1,601,651,088	1,636,291,680
(b) Financial Assets				
(i) Trade receivables	6	970,364,033	858,874,082	1,116,079,923
(ii) Cash and cash equivalents	7	9,975,653	9,013,871	4,447,217
(iii) Bank balances other than (ii) above	8	166,345,079	118,254,263	103,026,488
(iv) Other Financial Assets	9	10,815,087	8,491,698	13,464,900
(c) Other current assets	10	426,320,655	399,175,591	352,638,949
		3,259,364,880	2,995,460,593	3,225,949,157
Total Assets		6,898,218,728	6,526,716,081	5,816,178,104
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	119,460,200	119,460,200	119,460,200
(b) Other Equity	12	876,615,955	782,662,759	731,822,330
		996,076,155	902,122,959	851,282,530
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	1,648,364,827	1,141,201,418	999,042,357
(ii) Other Longterm Liabilities	14	7,500,000	25,000,000	45,000,000
(b) Provisions	15	25,775,984	19,414,230	12,199,572
(c) Deferred tax liabilities (Net)	16	336,248,279	313,308,556	288,117,543
(d) Other Non-Current Liabilities	17	285,200,000	275,000,000	340,000,000
		2,303,089,090	1,773,924,204	1,684,359,472
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	1,352,058,201	1,646,075,803	1,243,786,235
(ii) Trade payables	19	1,620,342,211	1,196,844,352	1,129,451,764
(iii) Other financial liabilities	20	307,542,444	583,315,279	514,275,469
(b) Other current liabilities	21	179,555,432	273,587,319	304,799,160
(c) Provisions	22	2,896,585	2,956,577	982,127
(d) Current Tax Liabilities (Net)	23	136,658,610	147,889,588	87,241,347
		3,599,053,483	3,850,668,918	3,280,536,102
Total Equity and Liabilities		6,898,218,728	6,526,716,081	5,816,178,104

Accompanying Notes 1-43 Form an Integral part of the financial statements

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 0165815

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman& Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary

Statement of Profit or Loss for the year ended 31st March, 2018

Particulars	Note No.	31-Mar-18	31-Mar-17
		₹	₹
1 Revenue			
a. Revenue from Operations	24	5,697,391,441	4,722,625,738
b. Other Income	25	79,445,800	65,142,457
Total Revenue		5,776,837,241	4,787,768,195
2 Expenses			
a. Cost of Materials Consumed	26	2,967,235,998	1,904,989,750
b. Changes in Inventories of Finished Goods and Work-in-Progress	27	(156,034,307)	142,279,649
c. Excise Duty on Sale of Goods		78,058,571	334,794,239
d. Employee Benefit Expense	28	222,386,730	194,377,778
e. Finance Costs	29	418,497,862	383,834,805
f. Depreciation and Amortisation Expense		162,780,565	133,160,965
g. Corporate Social Responsibility Expenses	30	3,337,327	3,201,278
h. Other Expenses	31	1,909,567,068	1,567,712,603
Total Expenses		5,605,829,814	4,664,351,067
3 Profit Before Tax		171,007,427	123,417,128
4 Tax Expense	32		
a. Current Tax		56,573,979	43,209,324
b. MAT Credit Entitlement		(39,274,328)	(23,167,952)
c. Deferred Tax		59,431,523	49,804,320
		76,731,174	69,845,692
5 Profit / (Loss) For the Period from Continuing Operations		94,276,253	53,571,436
6 Other Comprehensive Income/ Expense (Net of Taxes)		(494,025)	(4,176,361)
Less: Deferred Tax on above		(170,972)	(1,445,355)
7 Other Comprehensive Income/ Expense (Net of Taxes)		(323,053)	(2,731,006)
8 Total Comprehensive Income for the Period (5+7)		93,953,200	50,840,430
9 Earnings Per Share			
Basic & Diluted		7.89	4.48

Accompanying Notes 1-43 Form an Integral part of the financial statements

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman& Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary

Cash Flow Statement for the year ended 31st March, 2018

Particulars	31-Mar-18 ₹	31-Mar-17 ₹
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax and Extraordinary items	94,276,253	53,571,436
Adjustments for :		
Depreciation	162,780,565	133,160,965
Deferred Tax	20,157,195	26,636,368
Net Income Tax Provision	56,573,979	43,209,324
Finance Cost	418,497,862	383,834,805
Interest Earnings	(12,032,283)	(10,925,738)
Sundry Balances written back	-	(6,808,701)
Fair Value Gain on Investments	194,999	(754,182)
Loss on sale of fixed assets	2,564,504	-
Provision for loss of investment in subsidiary	2,362,125	-
Provision for doubtful debts	2,055,238	-
Provision for obsolete stores	457,639	-
Effect of unwinding of interest on loan from Directors	6,391,986	58,30,541
Effect of unwinding of interest on loan to Subsidiary	(5,786,461)	-
Other comprehensive income	(494,025)	-
Operating profit before working Capital changes	747,999,576	627,754,818
Adjustments for Changes in:		
Trade Receivables	(113,545,189)	257,205,841
Inventories	(74,350,924)	34,640,591
Other current and non current assets	(39,731,016)	(179,248,747)
Trade Payables	423,497,858	74,201,290
Other current and non current liabilities	(68,844,158)	(95,837,423)
Net changes in working capital	127,026,569	90,961,552
Direct Tax paid	(91,354,921)	(736,748)
	35,671,648	90,224,804
Net Cash Flow from operating activities	783,671,224	717,979,622
B. CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets / capital work in progress	(309,345,961)	(950,975,791)
Sale of fixed assets	3,000,000	-
Interest Received	12,032,283	10,925,738
Net Cash Flow from Investing Activities	(294,313,678)	(940,050,054)
C. CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from long-term borrowings	-	735,400,791
Repayment of long term borrowings	(208,578,803)	(172,658,418)
Increase in short term borrowings	105,982,399	2,289,568
Finance Cost	(385,799,360)	(338,394,855)
Net Cash Flow from financing activities	(488,395,764)	226,637,086
Net increase / Decrease in cash and cash equivalents	961,782	4,566,654
Cash and cash equivalents as at 01-04-2017	9,013,871	4,447,217
Cash and Cash equivalents as at 31.3.2018	9,975,653	9,013,871

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 0165815

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary

Statement of changes in Equity as at 31st March, 2018

a. Equity Share Capital

(Amount in ₹)

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of shares		Amount	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Balance as at the beginning of the year	11,946,020	11,946,020	119,460,200	119,460,200
Changes in Share Capital during the year	-	-	-	-
Balance as at the end of the year	11,946,020	11,946,020	119,460,200	119,460,200

NOTE:12

b. Other Equity

For the year ended 31st March 2018

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free Advance from Promoters	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2017 (as per Ind AS)	86,040	65,907,106	692,501,527	26,899,093	(2,731,006)	782,662,759
Add/(less): Profit for the year (Net of taxes)			94,276,253			94,276,253
Add/(less): Total Comprehensive Income for the year					(323,053)	(323,053)
Less: Dividend			-			-
Less: Dividend Distribution Tax			-			-
Less :Transfer to General Reserve			-			-
Balance as at 31st March, 2018	86,040	65,907,106	786,777,780	26,899,093	(3,054,059)	876,615,955

For the year ended 31st March 2017

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free Advance from Promoters	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2016 (as per Ind AS)	86,040	65,907,106	638,930,091	26,899,093	-	731,822,330
Add/(less): Profit for the year (Net of taxes)			53,571,436			53,571,436
Add/(less) Total Comprehensive Income for the year					(2,731,006)	(2,731,006)
Less: Dividend						-
Less: Dividend Distribution Tax						-
Less :Transfer to General Reserve						-
Restated Balance as at 31st March, 2017 (as per Ind AS)	86,040	65,907,106	692,501,527	26,899,093	(2,731,006)	782,662,759

For the year ended 31st March 2016

Particulars	Reserves and surplus				Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free Advance from Promoters	Remeasurement of Net Defined Benefit Plans	
Balance as at 31st March, 2016 (as per existing GAAP)	86,040	65,907,106	948,911,719	-	-	1,014,904,865
Add: Proposed Dividend adjustment						-
Add/ (less) : Transition Impact due to Ind AS adjustments			(309,981,628)	26,899,093	-	(283,082,535)
Add/ (less) : Any other adjustment						-
Restated Balance as at April 01, 2016 (as per Ind AS)	86,040	65,907,106	638,930,091	26,899,093	-	731,822,330

per our Report of even date

For Jampani & Associates

Chartered Accountants
FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary

BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements

a) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable. Previous periods have been restated to Ind AS.

b) Basis of Measurement

The financial statements have been prepared on a going concern basis and on an accrual method of accounting. Historical cost is used, in preparation of the financial statements except as otherwise mentioned in the policy.

c) Functional and Presentation currency

The financial statements are prepared in INR, which is the Company's functional currency.

d) Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS, requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the income and expenditure for the reporting year. Though, these estimates and assumptions are based on the information available at that point of time, the actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical estimates and judgments in applying accounting policies

Estimates and judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

i) Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by management at the time the asset is acquired and reviewed during each financial year.

ii) Employee Benefit Plans

Employee defined benefit plans and long term benefit plans are measured on the basis of actuarial assumptions. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

2. Significant Accounting Policies:

i. Property, Plant and Equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of reimbursable taxes), attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Depreciation is provided on Straight Line Method in respect of assets situated at Bhilai, Jeedimetla (API), Corporate Office and Vizag Units and on Written down value Method in respect of assets situated at Kazipally Unit, by considering the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

ii. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life, reviewed regularly, and are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Expenditure on research activities is recognized in profit or loss as incurred. Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset.

iii. Investments in Subsidiaries

Investments in subsidiaries are accounted at cost less impairment losses, if any.

If the intention of the management is to dispose the investment in near future, it is classified as held for sale and measured at lower of its carrying amount and fair value less costs to sell.

iv. Financial Instruments

Financial instruments are classified as:

- Financial assets, measured at (a) amortized cost and (b) fair value through Profit and Loss ("FVTPL")
- Financial liabilities carried at amortized cost.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

Subsequently, financial assets are measured as follows:

a) Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets 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 payment of principal and interest on the principal amount outstanding.

Financial assets under this category are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

b) Fair Value Through Profit and Loss Account

Financial instruments classified in this category are subsequently carried at fair value with changes recorded in the statement of profit or loss. Directly attributable transaction costs are recognized in Profit and Loss account as incurred.

Financial liabilities are measured subsequently at amortized cost using effective interest method.

V. Impairment of Assets

a. Non-Financial Assets

The carrying amount of cash generating units is reviewed at each reporting date where there is any indication of impairment. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. Recoverable amount is the higher of cash-generating unit's fair value less costs of disposal and its value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

b. Financial Assets

The loss allowance in respect of trade receivables is at an amount equal to lifetime expected credit losses. The loss allowance in respect of all other financial assets is measured at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Otherwise, the loss allowance is measured at an amount equal to 12-month expected credit losses.

vi. Inventories

Inventories are valued at lower of cost, determined on First-in-First-Out (FIFO) basis, or net realizable value. Inventories comprise of raw materials, stores, spares & consumables and finished goods. Cost of Inventories comprises all cost of purchase (net of reimbursable taxes), cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Net realizable 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.

vii. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

a) Sale of goods:

Revenue from sale of goods is recognized on dispatch (in respect of exports on the date of the bill of lading or airway bill) which coincides with transfer of significant risks and rewards to customer and is net of trade discounts, sales returns, where applicable and recognized based on the terms of the agreements entered into with the customers. Revenue is also recognized on sale of goods in case where the delivery is kept pending at the instance of the customer, the risk and rewards are transferred and customer takes title and accepts billing as per usual payment terms.

Sales include amounts recovered towards excise duty but exclude Goods and Services Tax/ Sales tax/ Value added tax. However, with the introduction of GST from July, 2017, applicability of excise duty, sales tax and Value added tax doesn't arise.

b) Income from Services

Income from services rendered is recognized based on the agreements/arrangements with the concerned parties and when services are rendered.

c) Other Income

- Interest Income is recognized using effective interest rate method.
- Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted for on accrual basis.

viii. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Where the effect of time value of money is material, provisions are determined and maintained by discounting the expected future cash flows, wherever applicable.

ix. Borrowing Costs

Borrowing costs attributable to a qualifying asset are capitalized as a part of the cost of such assets and other borrowing costs are recognized as an expense in the year of incurrence.

x. Leases

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. Upon initial recognition, assets taken on finance lease are capitalized at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease rentals arising under operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease term except where the increment in lease rentals is in line with general rate of inflation.

xi. Employee Benefits

The Company's contribution to Provident and Pension fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit or loss in the periods during which services are rendered by employees.

The Company's Gratuity scheme for its employees is a defined benefit retirement benefit plan. The liability recognized in the balance sheet in respect of defined benefit 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 independent actuaries using the projected unit credit method.

Defined benefit costs are categorized as follows:

- service cost
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Re-measurements comprising actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefits liability (asset) are recognized in other comprehensive income, net of income tax.

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year. Liability is measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Re-measurements and other expenses related to long term benefit plans are recognized in statement of profit or loss.

xii. Foreign Currency Transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

xiii. Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including any potential dilution resulting in issue of additional equity shares based on contractual terms and obligations. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

xiv. Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities

xv. Taxes on Income

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period.

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. 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 liability simultaneously.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred tax is measured using the tax rates and laws enacted or substantially enacted at the reporting date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOTE 1 : PROPERTY, PLANT AND EQUIPMENT; CAPITAL WORK-IN-PROGRESS; INTANGIBLE ASSETS

(Amount in ₹)

	Free hold land	Buildings	Improve-ments to Leasehold Buildings	Plant and equipment	Lab Equipments	R & D Equipment	Data Process Equipment	Office equip-ment	Furniture and Fixtures	Vehicles	Total	Intangibles (Computer Software)	Grand Total
Cost													
At April 1, 2016	77,004,872	668,608,347	-	1,961,212,652	5,381,135	39,282,883	7,382,770	7,089,033	11,596,480	40,826,960	2,818,385,132	1,707,438	2,820,092,570
Additions	-	3,975,000	-	824,237	-	-	567,159	847,873	158,280	6,573,074	12,945,623	-	12,945,623
Capitalised during the year	-	180,537,990	-	816,143,141	12,801,729	-	-	7,304,771	1,299,867	-	1,018,087,498	-	1,018,087,498
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
March 31, 2017	77,004,872	853,121,337	-	2,778,180,030	18,182,864	39,282,883	7,949,929	15,241,677	13,054,627	47,400,034	3,849,418,253	1,707,438	3,851,125,691
Additions	-	1,862,383	-	11,601,037	-	-	246,888	5,981,406	7,097,416	5,618,875	32,408,006	-	32,408,006
Capitalised during the year	-	24,804,282	31,067,198	691,065,845	-	-	-	-	-	-	746,937,325	-	746,937,325
Deletions during the year	-	-	-	-	-	-	-	-	-	10,793,367	10,793,367	-	10,793,367
March 31, 2018	77,004,872	879,788,002	31,067,198	3,480,846,912	18,182,864	39,282,883	8,196,817	21,223,083	20,152,043	42,225,542	4,617,970,217	1,707,438	4,619,677,655
Depreciation													
At April 1, 2016	-	187,720,465	-	749,823,197	4,979,735	28,536,112	6,653,898	4,979,541	6,877,910	21,225,089	1,010,795,948	1,353,072	1,012,149,020
Charge for the year	-	31,653,143	-	82,846,275	2,949,560	9,035,205	461,955	745,549	980,480	4,415,515	133,087,682	73,283	133,160,965
Disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	-	219,373,608	-	832,669,472	7,929,295	37,571,317	7,115,853	5,725,090	7,858,390	25,640,604	1,143,883,630	1,426,355	1,145,309,985
Charge for the year	-	37,372,705	269,533	113,082,888	2,723,891	947,929	451,970	2,287,078	1,136,321	4,369,470	162,641,785	138,780	162,780,565
Disposals/discard	-	-	-	-	-	-	-	-	-	5,228,863	5,228,863	-	5,228,863
At March 31, 2018	-	256,746,313	269,533	945,752,360	10,653,186	38,519,246	7,567,823	8,012,168	8,994,711	24,781,211	1,301,296,552	1,565,135	1,302,861,687
Net Block													
At March 31, 2018	77,004,872	623,041,689	30,797,665	2,535,094,552	75,29,678	7,63,637	628,994	13,210,915	11,157,332	17,444,331	3,316,673,665	142,303	3,316,815,968
At March 31, 2017	77,004,872	633,747,729	-	1,945,510,558	10,253,569	171,156	834,076	9,516,587	5,196,237	21,759,430	2,705,534,623	281,083	2,705,815,706

Capital Works in Progress:

	Civil Works Under Construction	Plant & Machinery under erection	Pre-Operative Exp., Pending Capitalisation	Total
At April 1, 2017	27,302,081	456,154,702	53,284,246	536,741,029
Additions	29,664,577	199,770,663	51,852,251	281,287,491
Capitalised during the year	55,871,480	595,421,514	95,644,331	746,937,325
March 31, 2018	1,095,178	60,503,851	9,492,166	71,091,195
March 31, 2017	27,302,081	456,154,702	53,284,246	536,741,029

Note 2**NON CURRENT FINANCIAL ASSETS - INVESTMENTS**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
i Investment in Equity Instruments of Subsidiary Companies			
Unquoted (At Cost)			
a. 283,000 Equity Shares of face value of HKD 1 each in			
Vishnu Hong Kong Limited	2,362,225	2,362,225	2,362,225
Less: Provision for Impairment	(2,362,125)	-	-
Net Value of Investment	100	2,362,225	2,362,225
b. 863,949,500 Equity Shares of face value of ₹ 10/- each in	48,808,352	48,808,352	10,000,000
Vishnu Barium Private Limited *			
ii Investment in Equity Instruments of Other Companies			
Unquoted (At Fair Value through P&L)			
a. Equity Shares in Koganti Power Limited	100	600,000	600,000
(60,000 Nos each ₹ 10/- each fully paid up, acquired at a cost of ₹ 600,000) - Net of Impairment recognised			
b. Equity Shares in Sireen Drugs Private Limited	100	10,000	10,000
(1,000 Nos each ₹ 10/- each fully paid up, acquired at a cost of ₹ 10,000) (net of Impairment recognised)			
iii Investment in Bonds			
(Unquoted, at cost)			
a. IDBI Bonds - 6 Bonds of ₹ 5,000/- each	30,000	30,000	30,000
iv Investment in Mutual Funds			
Quoted (At Fair Value through P&L)			
a. PNB Mutual Fund - 39138 units Cost ₹ 10,00,000	2,284,540	2,081,409	1,694,716
b. UBI Mutual Fund - 39990 Units Cost ₹ 4,00,000	604,689	567,138	517,751
c. SBI Mutual Funds - 12136 Units Cost ₹ 5,00,000	1,123,632	1,043,774	883,251
d. SBI Life Wealth Builder - 26959 Units Cost ₹ 10,00,000	1,113,676	1,019,415	861,836
	53,965,189	56,522,313	16,959,779

Disclosures:

Aggregate amount of quoted investments	2,900,000	2,900,000	2,900,000
Aggregate amount of market value of quoted investments	5,126,537	4,711,736	3,957,554
Aggregate amount of unquoted investments *	48,838,652	51,810,577	13,002,225
Aggregate amount of impairment in value of investments	2,362,125	-	-

* The amount of fair value adjustment on account of interest free loan given to subsidiary company is included in the cost of investment.

Note 3**NON CURRENT FINANCIAL ASSETS - LOANS**

Unsecured, Considered Good:			
Advances to Subsidiaries (at amortized cost)	65,878,109	60,091,648	-
	65,878,109	60,091,648	-

Note 4**OTHER NON-CURRENT ASSETS**

Unsecured, Considered Good:			
1. Capital Advances	79,208,621	119,415,982	107,297,752
2. Deposits	51,894,766	52,668,810	41,229,509
	131,103,387	172,084,792	148,527,261

Note 5
INVENTORIES

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
Valued at Cost or Realisable Value, whichever is lower			
a Raw Materials	421,400,508	508,784,381	419,905,698
b Work-in-progress	323,110,286	283,994,722	267,061,554
c Finished Goods	765,019,641	648,100,898	807,313,715
d Stock in transit	8,680,102	52,975,958	2,652,906
e Stores, Spares & Packing	157,791,475	107,795,129	139,357,807
Less: Provision for obsolescence of non-moving stores	(457,639)	-	-
	157,333,836	107,795,129	139,357,807
	1,675,544,373	1,601,651,088	1,636,291,680

Note 6
CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

a Unsecured, Considered Good	970,364,033	858,874,082	1,116,079,923
b Unsecured, Considered Doubtful	2,055,238	-	-
Less: Provision for Doubtful Debts	(2,055,238)	-	-
	970,364,033	858,874,082	1,116,079,923

Disclosures:

The above debtors include ₹ 544,223 (2016-17: ₹ 542,504; 2015-16: ₹ 3,50,41,950) receivable from Subsidiary Company.

Note 7
CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

a. Balances with Banks	9,811,112	8,788,211	3,211,028
b. Cash on Hand	164,541	225,660	1,236,189
	9,975,653	9,013,871	4,447,217

Note 8
CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE

a. Margin Money Deposit in Banks against LCs & BGs	165,766,683	117,675,867	99,634,098
b. Unpaid Dividend Accounts	578,396	578,396	3,392,390
	166,345,079	118,254,263	103,026,488

Note 9
CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Staff and Other Advances recoverable in cash	4,060,211	3,447,344	9,450,976
Interest Receivable	6,754,876	5,044,354	4,013,924
	10,815,087	8,491,698	13,464,900

Note 10
OTHER CURRENT ASSETS

1. Loans and Advances to Related Parties			
a. Advances to an interested concern against Services	16,240,432	24,829,718	29,847,844
b. Advances to Subsidiary	1,051,037	726,268	30,221,154
2. Others			
a. Advances to Suppliers	115,247,230	106,936,949	106,757,369
b. Balances with Government Authorities	290,526,228	235,861,483	154,573,667
c. Prepaid Expenses	3,255,728	4,915,973	5,085,837
d. Power Incentives Receivable	-	25,905,200	26,153,078
	426,320,655	399,175,591	352,638,949

Note 11**EQUITY SHARE CAPITAL**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
Authorised Share Capital			
15,000,000 Equity Shares of ₹ 10/- par value each	150,000,000	150,000,000	150,000,000
	150,000,000	150,000,000	150,000,000
Issued,Subscribed and Fully Paid-up Capital			
At the beginning and close of the year			
11,946,020 Equity Shares of ₹ 10/- par value each	119,460,200	119,460,200	119,460,200
	119,460,200	119,460,200	119,460,200

Disclosures:

1. All the equity shares carry equal rights and obligations with respect to dividend and voting rights.
2. Names of shareholders holding more than 5% of the Share capital and their shareholding.

EQUITY SHARES

S.No.	Name of shareholder	31-Mar-18	31-Mar-17	1-Apr-16
1	Ch. Krishna Murthy - No of Shares	6,219,790	6,219,790	6,219,790
	- % held	52.07	52.07	52.07
2	Ch. Manjula - No of Shares	1,614,048	1,614,048	1,614,048
	- % held	13.51	13.51	13.51
3	Ch. Sidhartha - No of Shares	1,125,668	1,125,668	1,125,668
	- % held	9.42	9.42	9.42

Note 12

Pls refer page no. 58 for the same.

Note 13**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

A. Secured:			
1. Term Loans:			
From Banks	801,372,808	996,543,920	462,195,922
2. Long Term Maturities of Finance Lease Obligations:			
From Banks	7,845,094	3,277,559	1,297,036
B. Unsecured:			
1. Loans and Advances from Related Parties:			
Loans from directors (at amortized value)	72,771,925	66,379,939	60,549,399
2. Redeemable Preference Shares:			
76,637,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- par value each (March 31, 2017: 7,500,000, April 01, 2016: 47,500,000)	766,375,000	75,000,000	475,000,000
	1,648,364,827	1,141,201,418	999,042,357

Disclosures:**A. Secured:**

1. Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, Andhra Bank, Indian Overseas Bank and Union Bank of India. Term Loans are secured by charge on the assets acquired out of the term loan including mortgage of building constructed and charge on entire existing movable/immovable assets of the Company. The above loans are further secured by personal guarantee of Directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2. The term loans are repayable in equated periodic instalments outstanding up to 7 years period from the date of respective loan. These are repayable by 2023-24 and carry an average interest of 13.175% p.a. The aggregate amount of instalments outstanding as on March 31, 2018 is ₹ 10,008.93 Lakhs (March 31, 2017: ₹ 12,163.43 Lakhs, April 01, 2016: ₹ 6,476.45 Lakhs)

3. The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2018 is ₹ 198.12 lakhs (March 31, 2017: ₹ 286.76 lakhs, April 01, 2016 ₹ 257.82 Lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. Instalment payments are apportioned between finance charge and principal which is disclosed under secured loans. The details are as follows:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
Minimum Lease Payments outstanding			
Within one Year	5,456,112	2,699,220	6,622,840
Later than one year and not later than 5 years	8,747,488	4,229,940	1,397,700
Future Interest on outstanding Lease payments			
Within one Year	596,330	143,101	480,574
Later than one year and not later than 5 years	902,394	952,381	100,664
Present Value of Minimum Lease Payments			
Within one Year	4,859,782	2,556,119	6,142,266
Later than one year and not later than 5 years	7,845,094	3,277,559	1,297,036

B) Unsecured Loans:

1 Loans from Directors:

The loans from Directors are non-interest bearing and are unsecured in nature. There are no specified terms and conditions. However, the same are amortized using effective interest rate over a period of 5 years.

2 Redeemable Preference Shares:

During the year, the Company has issued and allotted 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of face value of ₹ 10/- each aggregating ₹ 76,63,75,000/- to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing 4,75,00,000 7% Cumulative Redeemable Preference Shares of face value of ₹ 10/- each aggregating ₹ 47,50,00,000/- and the outstanding accumulated dividend thereon up to March 31, 2017 amounting to ₹ 29,13,75,000. For details, refer to Note No. 37.

S.No.	Name of shareholder		31-Mar-18	31-Mar-17	1-Apr-16
1	Ch. Krishna Murthy	- No of Shares	71,121,750	44,100,000	44,100,000
		- % held	92.80	92.84	92.84
2	Ch. Manjula	- No of Shares	5,271,250	3,250,000	3,250,000
		- % held	6.88	6.84	6.84
3	Ch. Sidhartha	- No of Shares	244,500	150,000	150,000
		- % held	0.32	0.32	0.32

Note 14

OTHER NON-CURRENT FINANCIAL LIABILITIES

Other Long Term Liabilities	7,500,000	25,000,000	45,000,000
	7,500,000	25,000,000	45,000,000

Note 15

NON-CURRENT PROVISIONS

Provision for Employee Benefits (Net of Fund Assets)	25,775,984	19,414,230	12,199,572
	25,775,984	19,414,230	12,199,572

Note 16**DEFERRED TAX LIABILITIES (NET)**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
1. Deferred Tax Liability			
Property, Plant and Equipment	411,201,429	348,562,925	294,927,073
2. Deferred Tax Assets			
Provisions allowable on payment basis	12,510,870	7,742,089	4,222,028
On transition items	-	1,390,828	(365,998)
Unused Tax Credits (MAT Credit Entitlement)	62,442,280	26,121,452	2,953,500
Net Deferred Tax Liability	336,248,279	313,308,556	288,117,543

Note 17**OTHER NON-CURRENT LIABILITIES**

Security Deposits	285,200,000	275,000,000	340,000,000
	285,200,000	275,000,000	340,000,000

Note 18**CURRENT FINANCIAL LIABILITIES - BORROWINGS**

A. Secured:			
Loans repayable on demand			
a From Banks	1,223,195,471	1,191,077,365	1,209,056,000
B. Unsecured:			
a Loans from Directors	62,688,622	6,889,390	-
b Inter Corporate Loans	-	-	1,632,000
c Other Short Term obligations	66,174,108	48,109,048	33,098,235
d Redeemable Preference Shares due within one year	-	400,000,000	-
	1,352,058,201	1,646,075,803	1,243,786,235

Disclosures:**A) Secured Loans:**

- The Rate of Interest for loans repayable on demand from Banks ranges from respective Banks MCLR+2.75% to + 4.00%
- Security:
Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India, Indian Overseas Bank, Andhra Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the company, and second pari passu charge on the fixed assets of the company. The directors have extended their personal security i.e Land, Plots, Buildings & Shares etc.
- Guarantees:
All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:

Loans from Directors disclosed here are short term in nature. No repayments terms are specified.

Note 19**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**

Trade payables	1,620,342,211	1,196,844,352	1,129,451,764
	1,620,342,211	1,196,844,352	1,129,451,764

Disclosure:

The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.

Note 20**OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
Current maturities of long term debt	196,050,000	196,700,000	166,700,000
Current maturities of finance lease obligations	4,859,782	2,556,119	6,142,266
Interest accrued and due on borrowings	6,718,245	14,038,661	8,617,629
Term Loan Instalment due but not paid	-	18,750,000	18,750,000
Cumulative Unpaid Preference Dividend	33,250,000	291,375,000	258,125,000
Dividend Distribution Tax on Preference Dividend	66,086,021	59,317,103	52,548,184
Unpaid dividends	578,396	578,396	3,392,390
	307,542,444	583,315,279	514,275,469

Note 21**OTHER CURRENT LIABILITIES**

Advance from Subsidiary against Sales	99,820,645	65,293,133	-
Creditors for Capital Expenditure	17,201,756	17,984,464	29,982,066
Advance from Customers secured against Bank Guarantee	-	64,838,600	132,665,800
Advance from Customers	38,242,187	16,486,761	3,663,053
Advance from others	999,590	721,713	455,812
Other payables			
a. Sales Tax Deferment	-	-	1,337,720
b. Statutory dues Payable	23,291,254	108,262,648	136,694,709
	179,555,432	273,587,319	304,799,160

Note 22**CURRENT PROVISIONS**

Provision for Employee Benefits (Net of Fund Assets)	2,896,585	2,956,577	982,127
	2,896,585	2,956,577	982,127

Note 23**CURRENT TAX LIABILITIES**

Provision for Income Tax			
a Provision for Tax (Net of TDS)	136,658,610	147,889,588	139,511,735
Less : MAT Credit Utilisation	-	-	52,270,388
Net Provision for Tax	136,658,610	147,889,588	87,241,347

Note 24**REVENUE FROM OPERATIONS**

Particulars	31-Mar-18	31-Mar-17
	₹	₹
1. Sale of Products (including excise duty)	5,626,043,168	4,675,251,393
2. Other Operating Revenues		
a. Sale of Scrap	6,818,623	9,105,022
b. Testing Charges	11,095,140	6,940,413
c. Export Incentives	53,434,510	31,328,910
	71,348,273	47,374,345
	5,697,391,441	4,722,625,738

Note 25**OTHER INCOME**

Particulars	31-Mar-18	31-Mar-17
	₹	₹
1. Interest Income		
a. Interest Income on bank and other deposits	12,032,283	10,925,738
b. Fair Value gain on Financial Instruments at amortised cost	5,786,461	-
2. Other Non-Operating Income		
a. Insurance Claim Received	99,851	15,463,973
b. Net Gain on Foreign Currency Translation and Transactions	61,722,204	31,189,864
c. Balances Written Back (Net)	-	6,808,700
d. Fair value gain / (loss) on Investments	(194,999)	754,182
	79,445,800	65,142,457

Note 26**COST OF MATERIAL CONSUMED**

Opening Stock	508,784,381	419,905,698
Add: Purchases	2,879,852,125	1,993,868,433
Total	3,388,636,506	2,413,774,131
Less: Closing Stock	421,400,508	508,784,381
	2,967,235,998	1,904,989,750

Note 27**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

1. Finished Goods		
a. Opening Stock:	648,100,898	807,313,715
b. Closing Stock:	765,019,641	648,100,898
	(116,918,743)	159,212,817
2. Work-in-progress		
a. Opening Stock:	283,994,722	267,061,554
b. Closing Stock:	323,110,286	283,994,722
	(39,115,564)	(16,933,168)
Total Decrease / (Increase)	(156,034,307)	142,279,649

Note 28**EMPLOYEE BENEFITS EXPENSE**

Salaries & Wages	195,662,467	171,325,004
Contribution to Provident and Other Funds	9,582,174	14,004,023
Staff Welfare Expenses	17,142,089	9,048,751
	222,386,730	194,377,778

Note 29**FINANCE COSTS**

Interest Expense	238,082,986	232,961,851
Interest on Others	60,452,687	56,772,189
Unwinding of Interest/Discount on Financial instruments	6,391,986	5,830,540
Other Borrowing Costs	73,551,285	48,251,307
Preference Dividend	33,250,000	33,250,000
Dividend Distribution Tax on Preference Dividend	6,768,918	6,768,918
	418,497,862	383,834,805

Note 30**CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

Particulars	31-Mar-18	31-Mar-17
	₹	₹
Water Treatment Plant & Swachh Bharat	48,500	3,022,078
Plantation Expenses	3,288,827	179,200
	3,337,327	3,201,278

Disclosures

a. Gross amount required to be spent by the company during the year	5,951,160	6,128,688
b. Amount Spent during the year on the above	3,337,327	3,201,278

Note 31**OTHER EXPENSES**

Consumables - Furnace Oil , Diesel & Pet Coke	376,383,445	287,581,522
Consumables - Husk & Coal	266,972,359	92,089,913
Power	260,067,776	226,754,893
Rent	60,971,134	55,376,535
Equipment Hire Charges	46,701,431	43,283,248
Repairs & Maintenance - Buildings	987,623	4,956,132
Repairs & Maintenance - Machinery	82,260,156	146,154,096
Insurance	13,626,663	14,548,298
Rates & Taxes	20,677,698	28,385,326
Labour costs	56,414,619	28,181,618
Packing Charges	161,728,784	122,502,028
Shipping & forwarding Charges	253,597,634	177,251,739
Other Selling Cost	43,441,958	49,710,194
Bank charges	24,644,882	21,962,721
Transportation Charges	60,439,979	76,490,675
Effluent Disposal Expenses	111,379,498	112,975,016
Factory/Godown Maintenance	33,979,426	26,611,551
Travelling, Vehicle Maintenance & Conveyance	32,673,354	30,409,590
Professional & Consultancy Charges	17,730,140	16,768,497
Security Charges	6,544,023	5,657,051
Excise Duty adjustment on opening / closing stock	(70,949,391)	(27,386,488)
Miscellaneous Expenses	49,293,879	27,448,448
	1,909,567,068	1,567,712,603

Disclosures:

The details of payments to auditors included in Professional & Consultancy charges above, are given below:

i Audit Fee	750,000	750,000
ii For Taxation Matters	250,000	400,000
iii For Other Services	90,000	72,000

Note 32**TAX EXPENSE**

Current Tax for the year	53,546,008	42,472,576
Income Tax adjustments pertaining to earlier year	3,027,971	736,748
Deferred Tax for the year	59,431,523	49,804,320
MAT Credit Entitlement recognised for the year	(39,274,328)	(23,167,952)
	76,731,174	69,845,692

Disclosures:

Particulars	31-Mar-18	31-Mar-17
	₹	₹
Reconciliation of tax expense with tax on accounting profit:		
Profit before tax as per Statement of Profit & Loss	171,007,427	123,417,128
Income Tax at 34.608%	59,182,250	42,712,200
Adjustments for:		
Tax effect of expenses not deductible	27,675,390	31,807,777
Tax effect of expenses allowed on payment basis	13,154,437	5,411,033
Income Tax adjustments pertaining to earlier year	3,027,971	736,748
	76,731,174	69,845,692

Note 33**CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for):**

Sl	Particulars	31-Mar-18	31-Mar-17	1-Apr-16
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1.	Contingent Liabilities:			
	a. Claims against company not acknowledged as debt	46.82	628.92	671.99
	a. Indemnity given by company to the banks for Bank guarantees and Letters of Credit	1592.43	1318.92	1126.29
2.	Commitments:			
	a. Estimated amount of contracts remaining to be executed on capital account and not provided for.	1195.70	1229.14	793.26

Note 34**SEGMENT REPORTING:**

Operating segment is defined as a component of an entity which earns revenue, whose operating results are regularly reviewed by Chief Operating Decision Maker and for which discrete financial information is available. The Chairman and Managing Director of the Company, who regularly reviews the entity's operating results to make decisions about allocation of resources and assessment of performance has been identified as the Chief Operating Decision Maker of the Company. As the Company is engaged in manufacture and sale of chemicals, the same has been identified as the sole operating segment.

Details of Revenue from manufacture and sale of chemicals by location of operations:

Geographic Location	31-Mar-18	31-Mar-17
	₹ in Lakhs	₹ in Lakhs
Domestic	29,955.27	29,651.01
Overseas	26,305.16	17,101.50

Details of Non-Current Assets*

(₹ in Lakhs)

Geographic Location	31-Mar-18	31-Mar-17	1-Apr-16
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Domestic	35,190.11	34,146.42	25,732.69
Overseas	-	-	-

*Non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets and rights under insurance contracts.

Note 35**RELATED PARTY DISCLOSURES:****a) Details of Related Parties:**

Sl No	Name of the Related Party	Nature of Relationship
1	Sri. Ch. Krishna Murthy	Chairman and Managing Director
2	Smt. Ch. Manjula	Director
3	Sri Ch. Siddartha	Joint Managing Director
4	Sri T. Ramakrishna	Chief Financial Officer (Till 28/08/2017)
5	Sri V. Lakshmi Narayana	Chief Financial Officer (from 28/08/2017 onwards)
6	Smt. Sruthi Gupta	Company Secretary (Till 14/09/2017)
7	Sri Kishore Kathri	Company Secretary (from 14/09/2017)
8	M/s. Vasantha Transport Corporation	Entity in which Key Management Personnel are interested
9	KMS Infrastructure Limited	Entity in which Key Management Personnel are interested
10	Vishnu Life Sciences Limited	Entity in which Key Management Personnel are interested
11	Vishnu Hongkong Limited	Wholly Owned Subsidiary
12	Vishnu Barium Private Limited	Wholly Owned Subsidiary
13	Vishnu South Africa Pty Ltd.	Wholly Owned Subsidiary

b) Details of Transactions:

Nature of Transaction	Key Management Personnel		Concerns in which Key Management is interested	
	2017-18	2016-17	2017-18	2016-17
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Remuneration	150.61	136.74	–	–
Rent	34.98	–	6.00	6.00
Maintenance services	–	–	19.22	16.27
Transportation Charges	–	–	1616.12	1737.00
Purchases	–	–	363.26	209.74
Sales	–	–	1053.93	174.93
Hire Charges	1.50	3.60	64.11	46.10
Contract Service	–	–	22.48	–
Advances to Interested Concerns against services	–	–	162.40	248.29
Advances to Subsidiary (at amortised cost)	–	–	669.29	608.17
Advances from Subsidiary against Sales	–	–	998.21	652.93
Trade Receivables from Subsidiary	–	–	5.44	5.43
Payables as on 31st March 2018	8.00	–	51.71	38.99

36. There is no change in Equity Share Capital during the year. The Public Shareholding as on March 31, 2018 is 25%.

37. During the year the authorized share capital of the company increased from ₹ 75,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10/- each and 6,00,00,000 Preference Shares of ₹ 10/- each to ₹ 95,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10/- each and 8,00,00,000 Preference Shares of ₹ 10/- each by alteration of Clause V of Memorandum of Association the company vide shareholders postal ballot resolution dated 26th January, 2018.

Further during the year i.e. on 29th March, 2018, the company issued and allotted 7,66,37,500 further 7% Cumulative Redeemable Preference Shares (CRPS) of face value of ₹ 10/- each aggregating ₹ 76,63,75,000/- to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing unredeemed 4,75,00,000 7% Cumulative Redeemable Preference Shares of face value of ₹ 10/- each aggregating ₹ 47,50,00,000/- and the outstanding accumulated dividend thereon amounting to ₹ 29,13,75,000/- as on 31st March, 2017 pursuant to section 55(3) of the Companies Act, 2013 read with rules made there under. Subsequently, the said allotment was ratified by the Board on receipt of the order dated 13th April, 2018 from Hon'ble National Company Law Tribunal, Bench at Hyderabad (NCLT) under section 55(3) of the Companies Act, 2013 and according to NCLT order dated 13th April, 2018 the existing 4,75,00,000 7% Redeemable Preference Shares of ₹ 10/- each deemed to have been redeemed.

The paid-up share capital of the Company as on financial year ended 31st March, 2018 is ₹ 88,58,35,200/- divided into 1,19,46,020 Equity Shares of ₹ 10/- each and 7,66,37,500 Cumulative Redeemable Preference Shares of ₹ 10/- each.

38. These financial statements, for the year ended 31 March 2018, are the first time the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position and financial performance is set out in the following tables and notes.

i. Exemptions and Exceptions available:

In the Ind AS Opening Balance Sheet as on 1st April 2016, the carrying amounts of assets and liabilities from the Indian GAAP as at 31st March 2015 are generally recognized and measured according to Ind AS in effect as on 31st March 2018.

For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has used the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

ii. Optional Exemptions Available:

- **Property, plant and equipment & Intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous Indian GAAP (IGAAP) and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their erstwhile Indian GAAP carrying value.

- **Investment in subsidiary and joint ventures:**

The Company has elected to measure its investments in subsidiary and joint ventures in the separate financial statements at cost. The cost of investment for the purpose of first financial statements shall be previous Indian GAAP carrying amount net of impairment on the date of transition.

iii. Notes to First Time Adoption:

1) Investments at Fair Value

As per Ind AS, the Company has classified certain investments as at FVTPL. The fair value of these investments has been calculated as on the reporting day. The gain is adjusted to retained earnings as on 1st April, 2016. In FY 2016-17, the fair value impact is accounted through Profit and Loss account.

2) Amortization of Long Term Loans

- a) Processing fee on long-term loans is amortized as per the requirement of Ind-AS 109. Accordingly, processing fee which was shown under capital work in progress as per the earlier GAAP was reversed.
- b) Loan from the Directors is amortized using effective interest rate. The difference between the present value and the actual loan amount is accounted as capital contribution from the Promoters.
- c) Loan to subsidiary is amortized and the difference between the present value and actual loan amount is accounted as component of investment in subsidiary.

3) Preference Dividend (Ref Note 37)

On account of issue of new preference shares along with accumulated dividends, accumulated dividend on preference share capital upto 31st March 2016, which was shown as contingent liability has become certain liability.

Accumulated preference dividend upto 31st March 2016 is adjusted to opening retained earnings as on 01st April 2016. Preference Dividend pertaining to the year 2016-17 is adjusted in comparative profit and loss account of previous year.

4) Reconciliation of Other Equity as per Previous GAAP and Ind - AS

Particulars	Opening Transition Date 01.04.16	As on 31.03.2017	Note
	₹	₹	
Retained Earnings as per Previous GAAP	1,01,49,04,865	1,13,48,88,949	
Adjustments for the year:			
Effect of Measuring Long-term Loans at amortized Cost	-	43,49,536	38(2)
Effect of Measuring Investments at Fair Value	10,57,554	7,54,182	38(1)
Recognition of Long-term Loans from Directors at Present Value - Difference shown as Equity Contribution from Promoters	2,68,99,093	-	38(2)
Unwinding of Interest on Loans from Directors	-	(58,30,540)	38(2)
Reversal of Processing Fee from Capital Work in Progress which was amortized	-	(46,32,000)	38(2)
Capitalization of Interest due to amortization of Long-term Loans	-	2,82,464	38(2)
Prior Period Adjustments	-	(2,58,05,204)	
Dividends on 7% Cumulative Redeemable Preference Shares	(25,81,25,000)	(3,32,50,000)	38(3)
Dividend Distribution Tax on Preference dividend recognized above	(5,25,48,184)	(67,68,919)	38(3)
Tax impact on above adjustments	(3,65,998)	17,56,826	
Net Effect of Ind AS Transition	(28,30,82,535)	(6,91,43,655)	
Opening Transition Effect		(28,30,82,535)	
Other Equity as per Ind AS	73,18,22,330	78,26,62,759	

5) Reconciliation of Total Comprehensive Income as per Previous GAAP and Ind AS for the year 2016-17

Particulars	For the year 31.03.2017
Net Profit as per Erstwhile Indian GAAP for 2016-17	11,99,84,084
Adjustments for the year:	
Effect of Measuring Long-term Loans at amortized Cost	43,49,536
Effect of Measuring Investments at Fair Value	7,54,182
Unwinding of Interest on Long-term loans from	(58,30,540)
Reversal of Processing Fee from Capital Work in Progress which was amortized	(46,32,000)
Capitalization of Interest due to amortization of Long-term Loans	2,82,464
Prior Period Adjustments	(2,58,05,204)
Dividends on 7% Cumulative Redeemable Preference Shares	(3,32,50,000)
Dividend Distribution Tax on Preference dividend recognized above	(67,68,919)
Tax impact on above adjustments	17,56,826
Total Comprehensive Income as per Ind AS	5,08,40,430
Net Impact of Ind AS for 2016-17	(6,91,43,655)

6) Reconciliation of Ind AS Compliant Balance Sheet as at 01-04-2016

Particulars	01-04-2016	Ind As Adj	01-04-2016	Note
	As per Pre GAAP		As per Ind AS	
	₹		₹	
I ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	1,80,75,89,184		1,80,75,89,184	
(b) Capital work-in-progress	61,67,98,357		61,67,98,357	
(c) Intangible Assets	3,54,367		3,54,367	
(d) Financial Assets				
(i) Investments	1,59,02,225	10,57,554	1,69,59,779	38 (1)
(ii) Loans	-		-	
(e) Other non-current assets	14,85,27,261		14,85,27,261	
2 Current assets				
(a) Inventories	1,63,62,91,680		1,63,62,91,680	
(b) Financial Assets				
(i) Trade receivables	1,11,60,79,923		1,11,60,79,923	
(ii) Cash and cash equivalents	44,47,217		44,47,217	
(iii) Bank balances other than (ii) above	10,30,26,488		10,30,26,488	
(iv) Other Financial Assets	1,34,64,900		1,34,64,900	
(c) Other current assets	35,26,38,948		35,26,38,948	
Total Assets	5,81,51,20,550	10,57,554	5,81,61,78,104	
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	11,94,60,200		11,94,60,200	
(b) Other Equity	1,01,49,04,865	(28,30,82,535)	73,18,22,330	38(4)
2 Liabilities				
i Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,02,59,41,451	(2,68,99,093)	99,90,42,357	38 (2)
(ii) Other financial liabilities	4,50,00,000		4,50,00,000	
(b) Provisions	1,21,99,572		1,21,99,572	
(c) Deferred tax liabilities (Net)	28,77,51,545	3,65,998	28,81,17,543	
(d) Other Non-Current Liabilities	34,00,00,000		34,00,00,000	
ii Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,24,37,86,235		1,24,37,86,235	
(ii) Trade payables	1,12,94,51,764		1,12,94,51,764	
(iii) Other financial liabilities	20,36,02,285	31,06,73,184	51,42,75,469	38(3)
(b) Other current liabilities	30,47,99,160		30,47,99,160	
(c) Provisions	9,82,127		9,82,127	
(d) Current Tax Liabilities (Net)	8,72,41,346		8,72,41,346	
Total Equity and Liabilities	5,81,51,20,550	10,57,554	5,81,61,78,104	

7) Reconciliation of Ind AS Compliant Balance Sheet as at 31-03-2017

Particulars	31-03-2017	Ind As Adj	31-03-2017	Note
	As per Pre GAAP		As per Ind AS	
	₹		₹	
I ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	2,70,55,34,623		2,70,55,34,623	
(b) Capital work-in-progress	54,10,90,565	(43,49,536)	53,67,41,029	38(2)
(c) Intangible Assets	2,81,083		2,81,083	
(d) Financial Assets				
(i) Investments	1,59,02,225	4,06,20,088	5,65,22,313	38(1)
(ii) Loans	9,89,00,000	(3,88,08,352)	6,00,91,648	38(2)
(e) Other non-current assets	17,20,84,792		17,20,84,792	
2 Current assets				
(a) Inventories	1,60,16,51,088		1,60,16,51,088	
(b) Financial Assets				
(i) Trade receivables	85,88,74,082		85,88,74,082	
(ii) Cash and cash equivalents	90,13,871		90,13,871	
(iii) Bank balances other than (ii) above	11,82,54,263		11,82,54,263	
(iv) Other Financial Assets	84,91,698		84,91,698	
(c) Other current assets	39,91,75,591		39,91,75,591	
Total Assets	6,52,92,53,881	(25,37,800)	6,52,67,16,081	
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	11,94,60,200		11,94,60,200	
(b) Other Equity	1,13,48,88,949	(35,22,26,190)	78,26,62,759	38(4)
2 Liabilities				
i Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,16,66,19,507	(2,54,18,089)	1,14,12,01,418	38(2)
(ii) Other financial liabilities	2,50,00,000		2,50,00,000	
(b) Provisions	1,94,14,230		1,94,14,230	
(c) Deferred tax liabilities (Net)	31,46,99,384	(13,90,828)	31,33,08,556	
(d) Other Non-Current Liabilities	27,50,00,000		27,50,00,000	
ii Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,64,60,75,803		1,64,60,75,803	
(ii) Trade payables	1,19,12,51,013	55,93,340	1,19,68,44,353	
(iii) Other financial liabilities	23,26,23,176	35,06,92,103	58,33,15,279	38(3)
(b) Other current liabilities	27,35,87,319		27,35,87,319	
(c) Provisions	29,56,577		29,56,577	
(d) Current Tax Liabilities (Net)	12,76,77,724	2,02,11,864	14,78,89,588	
Total Equity and Liabilities	6,52,92,53,881	(25,37,800)	6,52,67,16,081	

Note 39**EMPLOYEE BENEFITS:****1. Defined Contribution Plan:**

The company makes contributions towards provident fund and employee state insurance regularly at the applicable rates based on the salaries of the eligible employees. The obligation of the Company is limited to making the contributions and there is no further contractual or constructive obligation. The following are the details of contributions made during the year which are debited to Statement of Profit & Loss:

Particulars	31-Mar-18	31-Mar-17
	₹ in Lakhs	₹ in Lakhs
Contribution to Provident Fund	83.06	79.20
Contribution to Employee State Insurance	17.70	10.42

2. Defined benefit plans as per actuarial valuation as on 31st March, 2018. (₹ in lakhs)

SL No	Particulars	Gratuity (Funded) 2017-18	Gratuity (Funded) 2016-17	Leave Encashment (Funded) 2017-18	Leave Encashment (Funded) 2016-17
1	Assumptions: Discount Rate Escalation	7.42% 3%	6.69% 3%	7.46% 3%	6.69% 3%
2	Changes in present value of obligations: Present value of obligations at beginning of year Interest Cost Current Service Cost Past Service Cost – (vested benefits) Benefits Paid Actuarial (gain)/ loss on obligation Present Value of obligation at end of year	233.62 15.20 24.60 9.18 (12.72) 2.98 272.85	165.84 12.26 16.52 - (3.09) 42.09 233.62	98.51 6.45 24.35 - (4.31) (18.83) 106.16	69.09 5.14 18.61 - (0.30) 5.96 98.51
3	Net Liability PVO at beginning of period Fair Value of the Assets at beginning report Net Liability	233.62 40.86 192.76	165.84 40.31 125.53	98.51 67.56 30.95	69.09 62.81 6.29
4	Actuarial (Gain)/Loss on obligation Due to demographic assumption Due to financial assumption Due to experience Total Actuarial (Gain)/Loss	- (16.25) 19.22 2.98	- 15.91 26.18 42.09	- (6.96) (11.87) (18.83)	- 6.38 (0.42) 5.96
5	Fair Value of Plan Assets Opening fair value of plan asset Adjustment to opening Fair Value of Plan Asset Return on Plan Assets excl. interest income Interest Income Contributions by Employer Contributions by Employee Benefits paid Fair Value of plan Assets at end	40.86 (1.50) (1.96) 2.26 1.59 - (12.72) 28.53	40.31 (0.78) 0.33 2.88 1.22 - (3.09) 40.86	67.56 (0.23) (4.32) 4.38 0.68 - (4.31) 63.76	62.81 (0.12) 0.50 4.67 - - (0.30) 67.56
6	Amount to be recognized in the balance sheet PVO at end of period Fair Value of plan Assets at end of period Funded status Net Asset/(liability) recognized in the balance sheet.	272.85 28.53 (244.33) (244.33)	233.62 40.86 (192.76) (192.76)	106.16 63.76 (42.40) (42.40)	98.51 67.56 (30.95) (30.95)

7	Expenses recognized in the statement of P&L a/c:				
	Current service cost	24.60	16.52	24.35	18.61
	Net interest	12.94	9.38	2.06	0.48
	Past Service cost – (non vested benefits)	-	-	-	-
	Past Service cost – (vested benefits)	9.18	-	-	-
	Curtailment effect	-	-	-	-
	Settlement effect	-	-	-	-
	Unrecognised past service cost- non vested benefits	-	-	-	-
	Expense recognized in the statement of P&L a/c	46.72	25.90	11.90	24.54
8	Other Comprehensive Income (OCI):				
	Actuarial gain/(loss) recognized for the period	2.98	42.09	(18.83)	5.96
	Asset limit effect	-	-	-	(0.50)
	Return on plan assets excluding net interest	1.97	(0.33)	4.32	-
	Unrecognised Actuarial (Gain)/Loss from previous period	-	-	-	-
	Total actuarial (gain)/ loss recognized in (OCI)	4.94	41.76	-	-

Sensitivity Analysis:

Particulars	31.03.2018		31.03.2017	
	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligation	252.89	295.50	294.97	253.05

Categories of Plan Assets:

Particulars	31-Mar-18	31-Mar-17
	₹ in Lakhs	₹ in Lakhs
Gratuity Fund managed by Life Insurance Corporation of India	28.53	40.86

Note 40

EARNINGS PER SHARE (EPS)

Particulars	31-Mar-18	31-Mar-17
	₹	₹
Net profit after tax	94,276,253	53,571,436
Weighted No. of Equity shares for Basic EPS	11,946,020	119,46,020
Nominal value of equity share (in ₹ per share)	10	10
Basic and Diluted EPS (in ₹ per share)	7.89	4.48

Note 41

DISCLOSURES PURSUANT TO SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186(4) OF THE COMPANIES ACT, 2013:

Loans and advances in the nature of loans to Subsidiaries:

Name of the Subsidiary Company	Amount outstanding as at		Maximum amount outstanding during the year	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Vishnu Barium Private Limited (at amortised cost)	658.78	600.91	658.78	600.91
Vishnu Hong Kong Limited	10.51	7.26	10.51	7.26

The above loans are given to the Subsidiary Companies on interest free basis for general corporate purposes.

Note 42**UNHEDGED FOREIGN CURRENCY EXPOSURE:**

The details of foreign currency exposure at the end of the year which are not hedged by any derivative instruments are given below:

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
Trade Receivables	6181.23	4013.03
Trade Payables	6706.36	4813.59

43. Figures for the previous year have been regrouped, rearranged and reclassified, wherever considered necessary, to conform to the classification/ presentation of the current year.

Per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 0165815

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISHNU CHEMICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **VISHNU CHEMICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Ind AS consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "The Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, 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 thereunder.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including Ind AS,

- a) of the Consolidated state of affairs (financial position) of the Company as at March 31, 2018;
- b) of the consolidated profit for the year (financial performance including other comprehensive income); and
- c) of the consolidated cash flows and the changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of the foreign subsidiary, whose financial statements reflect total assets of ₹ 8.64 lakhs as at 31st March, 2018, and Net Loss of ₹ 6.41 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid Ind AS 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 of the Holding company and subsidiary company incorporated in India as on 31st March, 2018 and taken on record by the Board of Directors of the Holding Company and Subsidiary Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii. The Group, does not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and the subsidiary has no amounts which are required to be transferred to the Investor Education and Protection Fund.

For Jampani & Associates

Chartered Accountants
(F.R.No. 0165815)

Sd/-

J. Ram Sesh Choudary

Partner
M.No. 202150

Hyderabad
May 30, 2018

ANNXURE A TO THE INDEPENDENT AUDITOR'S REPORT:

Report on the Internal Financial Controls 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 **VISHNU CHEMICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company incorporated in India as of March 31, 2018 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 respective Board of Directors of the Holding Company and its subsidiary company incorporated in India are 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 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, 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 March 31, 2018, 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 Jampani & Associates

Chartered Accountants
(F.R.No. 016581S)

Sd/-

J. Ram Sesh Choudary

Partner

M.No. 202150

Hyderabad
May 30, 2018

Consolidated Balance Sheet as at 31st March , 2018

Particulars	Note No.	31-Mar-18 ₹	31-Mar-17 ₹	1-Apr-16 ₹
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	1	3,485,764,193	2,895,161,922	2,022,626,471
(b) Capital work-in-progress	1	169,486,904	618,953,320	661,197,075
(c) Intangible Assets	1	142,303	281,083	354,367
		3,655,393,400	3,514,396,325	2,684,177,913
(d) Financial Assets				
(i) Investments	2	2,794,612	5,851,736	4,997,554
(e) Other non-current assets	3	147,346,839	181,829,428	162,995,615
		3,805,534,851	3,702,077,489	2,852,171,082
(2) Current assets				
(a) Inventories	4	1,823,302,263	1,702,752,733	1,729,241,581
(b) Financial Assets			-	-
(i) Investments	5	12,173,125	-	-
(ii) Trade receivables	6	1,041,602,466	955,975,866	1,153,700,244
(iii) Cash and cash equivalents	7	11,879,655	10,390,390	7,578,563
(iv) Bank balances other than (ii) above	8	171,766,107	122,244,263	103,026,488
(v) Other Financial Assets	9	12,049,904	9,055,048	25,101,144
(c) Other current assets	10	537,150,132	433,978,104	330,556,669
		3,609,923,652	3,234,396,404	3,349,204,689
Total Assets		7,415,458,503	6,936,473,893	6,201,375,771
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	119,460,200	119,460,200	119,460,200
(b) Other Equity	12	993,769,939	849,893,590	783,042,191
		1,113,230,139	969,353,790	902,502,391
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	1,708,455,867	1,219,695,330	1,095,906,530
(ii) Other Longterm Liabilities	14	7,500,000	25,000,000	45,000,000
(b) Provisions	15	34,143,464	26,470,681	17,810,515
(c) Deferred tax liabilities (Net)	16	336,248,279	313,308,556	288,117,543
(d) Other Non-Current Liabilities	17	385,491,590	304,000,000	340,231,287
		2,471,839,200	1,888,474,567	1,787,065,875
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	1,484,685,521	1,787,604,589	1,318,780,631
(ii) Trade payables	19	1,781,043,989	1,270,310,905	1,240,061,294
(iii) Other financial liabilities	20	327,151,541	607,863,140	529,800,892
(b) Other current liabilities	21	97,676,809	261,739,929	330,132,217
(c) Provisions	22	3,172,694	3,176,518	5,728,905
(d) Current Tax Liabilities (Net)	23	136,658,610	147,950,455	87,303,566
		3,830,389,164	4,078,645,536	3,511,807,505
Total Equity and Liabilities		7,415,458,503	6,936,473,893	6,201,375,771

Accompanying Notes Form an Integral part of the financial statements

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 0165815

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman& Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary

Statement of Consolidated Profit or Loss for the year ended March 31, 2018

Particulars	Note No.	31-Mar-18	31-Mar-17
		₹	₹
1 REVENUE			
a. Revenue from Operations	24	6,523,271,724	5,455,258,598
b. Other Income	25	83,326,809	72,796,729
Total Revenue		6,606,598,533	5,528,055,327
2 EXPENSES			
a. Cost of Materials Consumed	26	3,310,408,487	2,139,456,603
b. Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-trade	27	(173,434,481)	168,406,907
c. Excise Duty on Sale of Goods		93,601,943	386,637,444
d. Employee Benefit Expense	28	276,049,670	247,784,930
e. Finance Costs	29	459,424,563	418,248,615
f. Depreciation and Amortisation Expense		188,115,422	158,883,239
g. Corporate Social Responsibility Expenses	30	3,337,327	3,201,278
h. Other Expenses	31	2,228,127,167	1,870,164,174
Total Expenses		6,385,630,098	5,392,783,190
3 Profit Before Tax		220,968,435	135,272,137
4 Tax Expense			
a. Current Tax		53,546,008	42,472,576
b. Tax Pertaining to Earlier Years		3,027,971	736,748
c. Deferred Tax		20,157,195	26,636,368
		76,731,174	69,845,692
5 Profit / (Loss) For the Period from Continuing Operations		144,237,261	65,426,444
6 Other Comprehensive Income/ Expense (Net of Taxes)		(519,527)	(93,988)
Less: Deferred Tax on above		(170,972)	(1,445,355)
7 Other Comprehensive Income/ Expense (Net of Taxes)		(348,555)	1,351,367
8 Total Comprehensive Income for the Period (9+10)		143,888,707	66,777,811
9 Earnings Per Share			
Basic & Diluted		12.07	5.48

Accompanying Notes Form an Integral part of the financial statements

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 0165815

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman& Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	31-Mar-18 ₹	31-Mar-17 ₹
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax and Extraordinary items	144,237,261	65,426,444
Adjustments for :		
Depreciation	188,115,422	158,883,239
Deferred Tax	20,157,195	26,636,368
Net Income Tax Provision	53,546,008	42,472,576
Income Tax pertaining to earlier years	3,027,971	736,748
Finance Cost	459,424,563	418,248,615
Interest Earnings	(12,903,801)	(11,033,517)
Unwinding of interest on loan from Directors	6,391,986	5,830,540
Sundry Balances written back	-	(6,808,701)
Fair Value (gain) / loss on Investments	201,874	(754,182)
Loss on Sale of Assets	2,564,504	-
Other comprehensive income	(519,527)	(93,988)
Operating profit before working Capital changes	864,243,455	699,544,143
Adjustments for Changes in:		
Trade Receivables	(85,626,600)	197,724,378
Inventories	(120,549,529)	26,488,848
Other current and non current assets	(116,970,952)	(125,058,178)
Trade Payables	510,733,084	37,058,312
Provisions	7,668,959	6,107,779
Other current and non current liabilities	(76,582,433)	(109,263,257)
Net changes in working capital	118,672,528	33,057,883
Direct Tax paid	(91,354,921)	(736,748)
	27,317,607	32,321,135
Net Cash Flow from operating activities	891,561,063	731,865,277
B. CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets / capital work in progress	(330,327,468)	(989,101,710)
Sale of fixed assets	3,000,000	-
Investments	(11,680,000)	(100,000)
Interest Received	10,501,237	10,738,414
Net Cash Flow from Investing Activities	(328,506,231)	(978,463,296)
C. CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from long-term borrowings	-	735,400,792
Repayment of term liabilities	(231,648,341)	(181,695,343)
Increase in Bank Borrowings Working Capital	97,080,933	68,823,958
Finance cost	(426,998,158)	(373,119,561)
Net Cash Flow from financing activities	(561,565,567)	249,409,846
Net increase / Decrease in cash and cash equivalents	1,489,265	2,811,827
Cash and cash equivalents as at April 01	10,390,390	7,578,563
Cash and Cash equivalents as at March 31	11,879,655	10,390,390

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 0165815

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary

Statements of changes in Equity as at March, 2018

a. Equity Share Capital

(Amount in ₹)

Equity shares of INR 10 each issued, subscribed and fully paid	Number of shares		Amount in ₹	
	2017-18	2016-17	2017-18	2016-17
Balance as at the beginning of the period	11,946,020	11,946,020	119,460,200	119,460,200
Issue of share capital	-	-	-	-
Balance as at the end of the period	11,946,020	11,946,020	119,460,200	119,460,200

NOTE:12

b. Other Equity

For the year ended 31st March 2018

	Reserves and surplus					Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	Foreign Currency Translation Reserve	General Reserves	Retained Earnings	Effect of Amortization of Interest free Advance from Promoters	Remeasurement of Net Defined Benefit Plans	
Opening Balance as at 01.04.2017 (as per Ind AS)	98,288,261	56,823	65,907,106	657,390,940	26,899,093	1,351,367	849,893,590
Add/(less) Total Comprehensive Income for the year		-12,358		144,237,262		- 348,555	143,876,349
Less: Dividend							-
Less: Corporate dividend tax							-
Less :Transfer to general reserve							-
Balance as at 31 March, 2018	98,288,261	44,465	65,907,106	801,628,202	26,899,093	1,002,812	993,769,939

For the year ended 31st March 2017

	Reserves and surplus					Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	Foreign Currency Translation Reserve	General Reserves	Retained Earnings	Effect of Amortization of Interest free Advance from Promoters	Remeasurement of Net Defined Benefit Plans	
Opening Balance as at 01.04.2016 (as per Ind AS)	98,288,261	-16,765	65,907,106	591,964,496	26,899,093	-	783,042,191
Add/(less) Total Comprehensive Income for the year		73,588		65,426,444		1,351,367	66,851,399
Less: Dividend							-
Less: Corporate dividend tax							-
Less :Transfer to general reserve							-
Balance as at 31 March, 2018	98,288,261	56,823	65,907,106	657,390,940	26,899,093	1,351,367	849,893,590

For the year ended 31st March 2016

	Reserves and surplus					Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	Foreign Currency Translation Reserve	General Reserves	Retained Earnings	Effect of Amortization of Interest free Advance from Promoters	Remeasurement of Net Defined Benefit Plans	
Balance as at 31 March, 2016	98,288,261	- 16,765	65,907,106	900,810,296	-		1,064,988,898
Add: Proposed Dividend adjustment							-
Add/ (less) : Transition Impact due to Ind AS adjustment				- 308,845,800	26,899,093		- 281,946,707
Add/ (less) : Any other adjustment							-
Opening Balance as at 01.04.2016 (as per Ind AS)	98,288,261	- 16,765	65,907,106	591,964,496	26,899,093		783,042,191

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary

Significant Accounting Policies:

1. Basis of Preparation of Financial Statements

a) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

b) Description of the Group

The Consolidated Financial Statement relate to Vishnu Chemicals Limited (the Holding Company) and its foreign subsidiaries, Vishnu Hong Kong Limited, Vishnu South Africa Pty Limited (Yet to start operations) and its Indian Subsidiary, Vishnu Barium Private Limited ("The group".)

c) Basis of Measurement

The financial statements have been prepared on a going concern basis and on an accrual method of accounting. Historical cost is used, in preparation of the financial statements except as otherwise mentioned in the policy.

d) Functional and Presentation currency

The financial statements are prepared in INR, which is the Company's functional currency.

e) Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind. – AS, requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the income and expenditure for the reporting year. Though, these estimates and assumptions are based on the information available at that point of time, the actual results could differ from these estimates.

Critical estimates and judgments in applying accounting policies

Estimates and judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

i) Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by management at the time the asset is acquired and reviewed during each financial year.

ii) Employee Benefit Plans

Employee defined benefit plans and long term benefit plans are measured on the basis of actuarial assumptions. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

2. Property, Plant and Equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated

impairment losses, if any. Cost includes purchase price (net of reimbursable taxes), attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Depreciation is provided on Straight Line Method in respect of assets situated at Bhilai, Jeedimetla (API), Corporate Office and Vizag Units and on Written down value Method in respect of assets situated at Kazipally Unit, by considering the useful life of the assets as specified in Schedule II of the Companies Act, 2013. Depreciation is provided on Straight line method for Vishnu Barium Private Limited. No assets exist for Vishnu Hong Kong Limited.

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

3. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life, reviewed regularly, and are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Expenditure on research activities is recognized in profit or loss as incurred. Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset.

4. Investments in Subsidiaries

Investments in subsidiaries are accounted at cost less impairment losses, if any.

If the intention of the management is to dispose the investment in near future, it is classified as held for sale and measured at lower of its carrying amount and fair value less costs to sell.

5. Financial Instruments

Financial instruments are classified as:

- Financial assets, measured at (a) amortized cost and (b) fair value through Profit and Loss ("FVTPL")
- Financial liabilities carried at amortized cost.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

Subsequently, financial assets are measured as follows:

a) Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets 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 payment of principal and interest on the principal amount outstanding.

Financial assets under this category are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

b) Fair Value Through Profit and Loss Account Category

Financial instruments classified in this category are subsequently carried at fair value with changes recorded in the statement of profit or loss. Directly attributable transaction costs are recognized in P&L as incurred.

Financial liabilities are measured subsequently at amortized cost using effective interest method.

6. Impairment of Assets

a) Non-Financial Assets

The carrying amount of cash generating units is reviewed at each reporting date where there is any indication of impairment. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. Recoverable amount is the higher of cash-generating unit's fair value less costs of disposal and its value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

b) Financial Assets

The loss allowance in respect of trade receivables is at an amount equal to lifetime expected credit losses. The loss allowance in respect of all other financial assets is measured at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Otherwise, the loss allowance is measured at an amount equal to 12-month expected credit losses.

7. Inventories

Inventories are valued at lower of cost, determined on First-in-First-Out (FIFO) basis, or net realizable value. Inventories comprise of raw materials, stores, spares & consumables and finished goods. Cost of Inventories comprises all cost of

purchase (net of reimbursable taxes), cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Net realizable 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.

8. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

a) Sale of goods:

Revenue from sale of goods is recognized on dispatch (in respect of exports on the date of the bill of lading or airway bill) which coincides with transfer of significant risks and rewards to customer and is net of trade discounts, sales returns, where applicable and recognized based on the terms of the agreements entered into with the customers. Revenue is also recognized on sale of goods in case where the delivery is kept pending at the instance of the customer, the risk and rewards are transferred and customer takes title and accepts billing as per usual payment terms.

Sales include amounts recovered towards excise duty but exclude Goods and Services Tax / Sales tax / Value added tax. However, with the introduction of GST from July, 2017, applicability of excise duty, sales tax and Value added tax doesn't arise.

b) Income from Services

Income from services rendered is recognized based on the agreement/arrangements with the concerned parties and when services are rendered.

c) Other Income

- Interest Income is recognized using effective interest rate method.
- Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted for on accrual basis.

9. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Where the effect of time value of money is material, provisions are determined and maintained by discounting the expected future cash flows, wherever applicable.

10. Borrowing Costs

Borrowing costs attributable to a qualifying asset are capitalized as a part of the cost of such assets and other borrowing costs are recognized as an expense in the year of incurrence.

11. Leases

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. Upon initial recognition, assets taken on finance lease are capitalized at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease rentals arising under operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease term except where the increment in lease rentals is in line with general rate of inflation.

12. Employee Benefits

The Company's contribution to Provident and Pension fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit or loss in the periods during which services are rendered by employees.

The Company's Gratuity scheme for its employees is a defined benefit retirement benefit plan. The liability recognized in the balance sheet in respect of defined benefit 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 independent actuaries using the projected unit credit method.

Defined benefit costs are categorized as follows:

- service cost
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Re-measurements comprising actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefits liability (asset) are recognized in other comprehensive income, net of income tax.

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year. Liability is measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Re-measurements and other expenses related to long term benefit plans are recognized in statement of profit or loss.

13. Foreign Currency Transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in

the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

14. Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including any potential dilution resulting in issue of additional equity shares based on contractual terms and obligations. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

15. Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

16. Taxes on Income

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

c) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period.

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. 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 liability simultaneously.

The foreign subsidiary recognizes the tax liability as per the tax rates and tax laws of that country.

d) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred tax is measured using the tax rates and laws enacted or substantially enacted at the reporting date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOTE 1 : PROPERTY, PLANT AND EQUIPMENT; CAPITAL WORK-IN-PROGRESS; INTANGIBLE ASSETS

(Amount in ₹)

	Free hold land	Buildings	Improvements to Leasehold Buildings	Plant and equipment	Lab Equipments	R & D Equipment	Data Process Equipment	Office equipment and Fixtures	Furniture and Fixtures	Vehicles	Total	Intangibles (Computer Software)	Grand Total
Cost													
At April 1, 2016	80,656,172	739,812,582	-	2,450,061,916	5,381,135	39,282,883	9,648,579	9,491,023	14,763,413	43,534,928	3,392,632,631	1,707,438	3,394,340,069
Additions	-	3,975,000	-	824,237	-	-	717,758	1,009,618	158,280	6,573,074	13,257,967	-	13,257,967
Capitalised during the year	-	180,537,990	-	816,143,141	12,801,729	-	-	7,304,771	1,299,867	-	1,018,087,498	-	1,018,087,498
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
March 31, 2017	80,656,172	924,325,572	-	3,267,029,294	18,182,864	39,282,883	10,366,337	17,805,412	16,221,560	50,108,002	4,423,978,096	1,707,438	4,425,685,534
Additions	-	1,960,228	-	16,164,641	-	-	316,328	5,988,606	7,097,416	5,678,875	37,206,095	-	37,206,095
Capitalised during the year	-	24,804,282	31,067,198	691,065,845	-	-	-	-	-	-	746,937,325	-	746,937,325
Deletions during the year	-	-	-	-	-	-	-	-	-	10,793,367	10,793,367	-	10,793,367
March 31, 2018	80,656,172	951,090,082	31,067,198	3,974,259,780	18,182,864	39,282,883	10,682,665	23,794,018	23,318,976	44,993,510	5,197,328,149	1,707,438	5,199,035,587
Depreciation													
At April 1, 2016	-	224,868,693	-	1,064,285,460	4,979,735	28,536,112	8,901,465	6,896,445	9,824,887	21,713,420	1,370,006,218	1,353,072	1,371,359,290
Charge for the year	-	34,022,448	-	105,503,619	2,949,560	9,035,205	578,324	976,905	1,008,680	4,735,215	158,809,956	73,283	158,883,239
Disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	-	258,891,141	-	1,169,789,079	7,929,295	37,571,317	9,479,789	7,873,350	10,833,567	26,448,635	1,528,816,174	1,426,355	1,530,242,529
Charge for the year	-	39,739,585	269,533	135,396,809	2,723,891	947,929	502,151	2,526,085	1,166,026	4,704,633	187,976,642	138,780	188,115,422
Disposals/discard	-	-	-	-	-	-	-	-	-	5,228,863	5,228,863	-	5,228,863
At March 31, 2018	-	298,630,726	269,533	1,305,185,888	10,653,186	38,519,246	9,981,940	10,399,435	11,999,593	25,924,405	1,711,563,953	1,565,135	1,713,129,088
Net Block													
At March 31, 2018	80,656,172	652,459,356	30,797,665	2,669,073,892	75,29,678	7,63,637	700,725	13,394,583	11,319,383	19,069,105	3,485,764,193	142,303	3,485,906,499
At March 31, 2017	80,656,172	665,434,431	-	2,097,240,215	10,253,569	1,711,566	886,548	9,932,062	5,387,993	23,659,367	2,895,161,922	281,083	2,895,443,005

Capital Works in Progress:

	Civil Works Under Construction	Plant & Machinery under erection	Pre-Operative Exp., Pending Capitalisation	Total
At April 1, 2017	28,517,433	537,151,641	53,284,246	618,953,320
Additions	30,907,776	214,808,727	51,852,252	297,568,754
Capitalised during the year	55,969,325	595,421,514	95,644,331	747,035,170
March 31, 2018	3,455,884	156,538,854	9,492,166	169,486,904
March 31, 2017	28,517,433	537,151,641	53,284,246	618,953,320

Note 2**INVESTMENTS**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
1 Investment in Equity Instruments			
Unquoted (At Cost)			
a. Equity Shares in Koganti Power Limited	100	600,000	600,000
(60,000 Nos each ₹ 10/- Fully paid up) Net of Impairment loss			
b. Equity Shares in Sireen Drugs Private Limited	100	10,000	10,000
(1,000 Nos each ₹ 10/- Fully paid up) Net of Impairment loss			
2 Investment in Bonds			
Unquoted (At Cost)			
a. IDBI Bonds - 6 Bonds of ₹ 5000/- each	30,000	30,000	30,000
3 Investment in Mutual Funds			
Quoted (At Fair Value through P&L)			
a. PNB Mutual Fund - 39138 units	2,284,540	2,081,409	1,694,716
b. UBI Mutual Fund -39990 Units(2017-79097;01-04-16-73159)	604,689	1,107,211	984,118
c. SBI Mutual Funds - 12136 Units	1,123,632	1,043,774	883,251
d. SBI Life Wealth Builder - 26959 Units	1,113,676	1,019,415	861,836
	5,156,737	5,891,809	5,063,921
4 Adjustment for impairment/write down	2,362,125	40,073	66,367
	2,794,612	5,851,736	4,997,554

Note 3**OTHER NON-CURRENT ASSETS****Unsecured, Considered Good:**

1. Capital Advances	82,208,621	122,415,983	108,797,752
2. Deposits	65,138,218	59,413,445	54,197,863
	147,346,839	181,829,428	162,995,615

CURRENT ASSETS**Note 4****INVENTORIES**

Valued at Cost or Realisable Value, whichever is lower			
a Raw Materials	459,045,525	522,812,444	429,679,179
b Work-in-progress	342,767,728	300,194,082	274,438,857
c Finished Goods	776,905,950	674,902,546	869,064,678
d Stock-in-trade (goods acquired for trading)	28,857,431	-	-
e Stock in transit	8,680,102	52,975,958	2,652,906
f Stores, Spares & Packing	208,508,632	152,873,170	154,411,427
Less: Provision for obsolescence of non moving stores	(1,463,105)	(1,005,466)	(1,005,466)
	207,045,527	151,867,703	153,405,961
	1,823,302,263	1,702,752,733	1,729,241,581

Note 5
INVESTMENTS

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
Investments in Mutual Funds (Quoted, at FVTPL)			
Units of UBI Mutual Fund	12,173,125	-	-
	12,173,125	-	-

Disclosures:

Aggregate amount of quoted investments	12,180,000	-	-
Aggregate amount of market value of quoted investments	12,173,125	-	-

Note 6
TRADE RECEIVABLES

a Unsecured, Considered Good	1,041,602,466	955,975,866	1,153,700,244
b Unsecured, Considered Doubtful	2,311,738	151,050	151,050
Provision for Doubtful Debts	(2,311,738)	(151,050)	(151,050)
	1,041,602,466	955,975,866	1,153,700,244

Note 7
CASH AND CASH EQUIVALENTS

1. Balances with Banks	11,704,667	10,151,372	6,342,374
2. Cash on Hand	174,988	239,018	1,236,189
	11,879,655	10,390,390	7,578,563

Note 8
BANK BALANCES OTHER THAN ABOVE

a. Margin Money Deposit in Banks against LCs & BGs	171,187,711	121,665,867	99,634,098
b. Unpaid Dividend Accounts	578,396	578,396	3,392,390
	171,766,107	122,244,263	103,026,488

Note 9
OTHER FINANCIAL ASSETS

Salary and other Advances	4,568,551	3,976,259	20,317,458
Interest Receivable	7,481,353	5,078,789	4,783,686
	12,049,904	9,055,048	25,101,144

Note 10
OTHER CURRENT ASSETS

1. Loans and Advances to Related Parties			
a. Advances against Services to an interested concern	16,240,432	24,829,718	29,847,844
2. Others			
a. Advances to Suppliers	209,945,663	117,902,751	106,757,369
b. Balances with Government Authorities	307,146,463	259,423,799	162,712,541
c. Prepaid Expenses	38,17,574	5,617,036	5,085,837
d. Power Incentives Receivable	-	25,905,200	26,153,078
e. Assets held for Sale	-	299,600	-
	53,71,50,132	433,978,104	330,556,669

Note 11**EQUITY SHARE CAPITAL**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
Authorised Share Capital			
15,000,000 Equity Shares of ₹ 10/- par value each	150,000,000	150,000,000	150,000,000
	150,000,000	150,000,000	150,000,000
Issued,Subscribed and Fully Paid-up Capital			
EQUITY SHARES			
At the beginning and close of the year			
11,946,020 Equity Shares of ₹ 10/- par value each	119,460,200	119,460,200	119,460,200
	119,460,200	119,460,200	119,460,200

Disclosures:

- All the equity shares carry equal rights and obligations with respect to dividend and voting rights.
- Names of shareholders holding more than 5% of the share capital and their shareholding.

S.No.	Name of shareholder	31-Mar-18	31-Mar-17	1-Apr-16
1	Ch. Krishna Murthy - No of Shares	6,219,790	6,219,790	6,219,790
	- % held	52.07	52.07	52.07
2	Ch. Manjula - No of Shares	1,614,048	1,614,048	1,614,048
	- % held	13.51	13.51	13.51
3	Ch. Sidhartha - No of Shares	1,125,668	1,125,668	1,125,668
	- % held	9.42	9.42	9.42

Note 12

Pls refer page no. 88 for the same.

Note 13**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

A. Secured:			
1. Term Loans:			
From Banks	861,463,847	1,075,037,833	559,060,095
2. Long Term Maturities of Finance Lease Obligations:			
From Banks	7,845,094	3,277,559	1,297,036
B. Unsecured:			
1. Loans and Advances from Related Parties:			
Loans from directors	72,771,926	66,379,939	60,549,399
2. Redeemable Preference Shares: 76,637,500 7% Redeemable Preference Shares of ₹ 10 par value each (March 31, 2017: 7,500,000, April 01, 2016: 47,500,000)	766,375,000	75,000,000	475,000,000
	1,708,455,867	1,219,695,330	1,095,906,530

Disclosures:**I. Loans of Holding Company:****A. Term Loans from Banks:**

- Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, Andhra Bank, Indian Overseas Bank and Union Bank of India. Term Loans are secured by charge on the assets acquired out of the term loan including mortgage of building constructed and charge on entire existing movable/immovable assets of the Company. The above loans are further secured by personal guarantee of Directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.

- 2) The term loans are repayable in equated periodic instalments outstanding up to 7 years period from the date of respective loan. These are repayable by 2023-24 and carry an average interest of 13.175% p.a. The aggregate amount of instalments outstanding as on March 31, 2018 is ₹ 10,008.93 Lakhs (March 31, 2017: ₹ 12,163.43 Lakhs, April 01, 2016: ₹ 6,476.45 Lakhs)

B. Hire Purchase Loans:

The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2018 is ₹ 198.12 lakhs (March 31, 2017: ₹ 286.76 lakhs, April 01, 2016 ₹ 257.82 Lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. Instalment payments are apportioned between finance charge and principal which is disclosed under secured loans. The details are as follows:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
Minimum Lease Payments outstanding			
Within one Year	5,456,112	2,699,220	6,622,840
Later than one year and not later than 5 years	8,747,488	4,229,940	1,397,700
Future Interest on outstanding Lease payments			
Within one Year	596,330	143,101	480,574
Later than one year and not later than 5 years	902,394	952,381	100,664
Present Value of Minimum Lease Payments			
Within one Year	4,859,782	2,556,119	6,142,266
Later than one year and not later than 5 years	7,845,094	3,277,559	1,297,036

C. Loans from Directors:

The loans from Directors are non-interest bearing and are unsecured in nature. There are no specified terms and conditions. However, the same are amortized using effective interest rate over a period of 5 years.

D. Redeemable Preference Shares:

During the year, the Company has issued and allotted 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of face value of ₹ 10/- each aggregating ₹ 76,63,75,000/- to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing 4,75,00,000 7% Cumulative Redeemable Preference Shares of face value of ₹ 10/- each aggregating ₹ 47,50,00,000/- and the outstanding accumulated dividend thereon up to March 31, 2017 amounting to ₹ 29,13,75,000. For details, refer to Note No. 37.

S. No.	Name of shareholder	31-Mar-18	31-Mar-17	1-Apr-16
1	Ch. Krishna Murthy - No of Shares	71,121,750	44,100,000	44,100,000
	- % held	92.80	92.84	92.84
2	Ch. Manjula - No of Shares	5,271,250	3,250,000	3,250,000
	- % held	6.88	6.84	6.84
3	Ch. Sidhartha - No of Shares	244,500	150,000	150,000
	- % held	0.32	0.32	0.32

II. Loans of Subsidiary Company:

A) Term Loans from Banks:

- a) The Secured Term Loan from Union Bank of India, Secunderabad, carries an interest rate of 13.70% p.a. The loan is repayable in 24 quarterly equal instalments and matures in the year 2022-23. The aggregate amount of instalments outstanding (including current maturities presented in Note 19 below) as on March 31, 2018 is ₹ 787.57 lakhs (March 31, 2017: ₹ 1018.27 lakhs and April 01, 2016: ₹ 1108.64 lakhs).
- b) This Loan is secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture and fixtures of the company. The loan has been guaranteed by personal guarantee of Mr. Ch. Siddhartha, Managing Director of the company and Mr. Ch. Krishnamurthy and Mrs. Ch. Manjula, Directors of the Holding Company, Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 344000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.

Note 14**OTHER NON-CURRENT FINANCIAL LIABILITIES**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
Other Long Term Laibilities	7,500,000	25,000,000	45,000,000
	7,500,000	25,000,000	45,000,000

Note 15**NON-CURRENT PROVISIONS**

Provision for Employee Benefits (Net of Fund Assets)	34,143,464	26,470,681	17,810,515
	34,143,464	26,470,681	17,810,515

Note 16**DEFERRED TAX LIABILITIES (NET)**

1. Deferred Tax Liability			
Property, Plant and Equipment	411,201,429	348,562,925	294,927,073
2. Deferred Tax Assets			
Provisions allowable on payment basis	12,510,870	7,742,089	4,222,028
On transition items	-	1,390,828	(365,998)
Unused Tax Credits (MAT Credit Entitlement)	62,442,280	26,121,452	2,953,500
	336,248,279	313,308,556	288,117,543

Note 17**OTHER NON-CURRENT LIABILITIES**

Security Deposits	321,200,000	304,000,000	340,231,287
Advance from Customers (long term)	64,291,590	-	-
	385,491,590	304,000,000	340,231,287

Note 18**BORROWINGS**

A. Secured:			
Loans repayable on demand			
From Banks :	1,355,822,792	1,332,606,151	1,284,050,396
B. Unsecured:			
a Loans and Advances from related parties:			
Loans from Directors	62,688,622	6,889,390	1,632,000
b Loans and Advances from others:			
Other Short Term obligations	66,174,107	48,109,048	33,098,235
c Redeemable Preference Shares due within one year	-	400,000,000	-
	1,484,685,521	1,787,604,589	1,318,780,631

Disclosures:**I. Loans of Holding Company:****A) Loans repayable on demand, from banks:**

- The Rate of Interest for loans repayable on demand from Banks ranges from respective Banks MCLR+2.75% to + 4.00%
- Security:** Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India, Indian Overseas Bank, and Andhra Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the company, and second pari passu charge on the fixed assets of the company. The directors have extended their personal security i.e Land, Plots, Buildings & Shares etc.
- Guarantees:** All the above loans are guaranteed by the Promoter Directors.

B) Loans from Directors:

Loans from Directors disclosed here are short term in nature. No repayments terms are specified.

II. Loans of Subsidiary Company:**A) Loans repayable on demand, from banks:**

- The Cash Credit from bank is repayable on demand and carries interest rate of 13.30% p.a.
- This cash credit is secured by hypothecation of all stocks and book debts of the Company, and is guaranteed by personal guarantee of Mr.Ch. Siddartha, Managing Director of the Company and Mr.Ch. Krishna Murthy and Mrs. Ch. Manjula, Directors of the Holding Company, Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 344000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishna Murthy.

Note 19**TRADE PAYABLES**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	₹	₹	₹
Trade payables	1,781,043,989	1,270,310,905	1,240,061,294
	1,781,043,989	1,270,310,905	1,240,061,294

Disclosure:

The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.

Note 20**OTHER CURRENT FINANCIAL LIABILITIES**

Current maturities of long term debt	214,716,668	215,366,668	180,700,000
Current maturities of finance lease obligations	4,859,782	2,556,119	6,142,266
Interest accrued and due on borrowings	7,660,674	15,253,187	10,143,052
Cumulative Unpaid Preference Dividend	33,250,000	291,375,000	258,125,000
Dividend Distribution Tax on Preference Dividend	66,086,021	59,317,103	52,548,184
Term Loan Instalment due but not paid	-	23,416,667	18,750,000
Unpaid dividends	578,396	578,396	3,392,390
	327,151,541	607,863,140	529,800,892

Note 21**OTHER CURRENT LIABILITIES**

Creditors for Capital Expenditure	17,201,756	17,984,464	29,982,066
Advance from Customers secured against Bank Guarantee	-	64,838,600	147,301,159
Advance from Customers	54,707,490	62,799,373	4,804,310
Advance from others	1,598,145	1,151,642	455,812
Other payables	-	-	-
Statutory dues Payable	24,169,418	114,965,850	146,251,150
	97,676,809	261,739,929	330,132,217

Note 22**CURRENT PROVISIONS**

Provision for Employee Benefits (Net of Fund Assets)	3,172,694	3,176,518	5,728,905
	3,172,694	3,176,518	5,728,905

Note 23**CURRENT TAX LIABILITIES**

Provision for Income Tax			
a Provision for Tax (Net of TDS)	136,658,610	147,950,455	139,573,954
Less : MAT Credit Utilisation	-	-	52,270,388
Net Provision for Tax	136,658,610	147,950,455	87,303,566

Note 24**REVENUE FROM OPERATIONS**

Particulars	31-Mar-18	31-Mar-17
	₹	₹
1. Sale of Products (including excise duty)	6,438,500,332	5,397,969,060
2. Other Operating Revenues		
a. Sale of Scrap	8,233,511	11,945,222
b. Testing Charges	11,095,140	6,940,413
c. Export Incentives	65,442,741	38,403,903
	84,771,392	57,289,538
	6,523,271,724	5,455,258,598

Note 25**OTHER INCOME**

1. Interest Income		
a. Interest Income on bank and other deposits	12,903,801	11,033,517
b. Fair Value gain on Financial Instruments at amortised cost	5,786,461	-
2. Other Non-Operating Income		
a. Insurance Claim Received	99,851	15,463,973
b. Dividend received	-	20,911
b. Net Gain on Foreign Currency Translation and Transactions	64,139,976	35,063,360
c. Balances Written Back (Net)	591,719	10,460,786
d. Fair value gain /(loss) on Investments at FVTPL	(194,999)	754,182
	83,326,809	72,796,729

Note 26**COST OF MATERIAL CONSUMED**

Opening Stock	522,812,444	429,679,179
Add: Purchases	3,246,641,567	2,232,589,868
Total	3,769,454,011	2,662,269,047
Less: Closing Stock	459,045,524	522,812,444
	3,310,408,487	2,139,456,603

Note 27**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

1. Finished Goods		
a. Opening Stock:	674,902,546	869,064,678
b. Closing Stock:	776,905,950	674,902,546
	(102,003,404)	194,162,132
2. Work-in-progress		
a. Opening Stock:	300,194,082	274,438,857
b. Closing Stock:	342,767,728	300,194,082
	(42,573,646)	(25,755,225)
3. Stock-in-Trade		
a. Opening Stock:	-	-
b. Closing Stock:	28,857,431	-
	(28,857,431)	-
Total Decrease / (Increase)	(173,434,481)	168,406,907

Note 28**EMPLOYEE BENEFITS EXPENSE**

Particulars	31-Mar-18	31-Mar-17
	₹	₹
Salaries & Wages	242,007,239	210,459,755
Contribution to Provident and Other Funds	14,076,888	21,742,406
Staff Welfare Expenses	19,965,543	15,582,769
	276,049,670	247,784,930

Note 29**FINANCE COSTS**

Interest Expense	271,080,960	259,604,599
Interest on Others	36,339,427	58,366,741
Other Borrowing Costs	99,806,810	54,427,817
Preference Dividend	33,250,000	33,250,000
Dividend Distribution Tax on Preference Dividend	6,768,918	6,768,918
Unwinding of Discount/Interest on Financial Instruments	12,178,448	5,830,540
	459,424,563	418,248,615

Note 30**CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

Water Treatment Plant & Swachh Bharat	48,500	3,022,078
Plantation Expenses	3,288,827	179,200
	3,337,327	3,201,278

Disclosures

a. Gross amount required to be spent by the company during the year	5,951,160	6,128,688
b. Amount Spent during the year on:	3,337,327	3,201,278

Note 31**OTHER EXPENSES**

Consumables - Furnace Oil , Diesel & Pet Coke	505,111,934	414,945,790
Consumables - Husk & Coal	266,972,359	92,089,913
Power	331,228,097	292,555,935
Rent	61,314,380	55,988,669
Equipment Hire Charges	49,029,446	44,975,027
Repairs & Maintenance - Buildings	1,969,783	5,137,508
Repairs & Maintenance - Machinery	110,231,253	174,493,040
Insurance	14,952,013	16,854,731
Rates & Taxes	22,570,136	30,740,436
Labour costs	77,777,966	40,942,373
Packing Charges	173,752,266	132,433,308
Shipping & forwarding Charges	280,661,076	206,406,457
Other Selling Cost	51,139,670	57,105,498
Bank charges	26,559,337	23,054,584
Transportation Charges	61,498,946	81,212,522
Effluent Disposal Expenses	111,379,498	112,975,016
Factory/Godown Maintenance	34,914,130	28,068,907
Travelling, Vehicle Maintenance & Conveyance	34,411,975	32,628,027
Professional & Consultancy Charges	19,856,067	23,335,310
Security Charges	8,529,899	7,720,082
Excise Duty Adjustment on Opening Stock	(73,927,352)	(31,107,056)
Miscellaneous Expenses	58,194,290	27,608,096
	2,228,127,167	1,870,164,174

Note 32

Vishnu Hong Kong Limited and Vishnu Barium Private Limited are the wholly owned subsidiaries of the Company. During the year, Vishnu South Africa Pty Limited has been incorporated and is yet to commence operations.

Note 33**Contingent Liabilities and Commitments (To the Extent Not Provided for):**

Sl	Particulars	31-Mar-18	31-Mar-17	1-Apr-16
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1. Contingent Liabilities:				
a.	Claims against company not acknowledged as debt	140.89	705.98	749.05
a.	Indemnity given by company to the banks for Bank guarantees and Letters of Credit	1592.43	1518.39	1126.29
2. Commitments:				
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	1197.93	1231.37	921.60

Note 34**Segment Reporting:**

As the Company is engaged in manufacture and sale of chemicals, the same has been identified as the sole operating segment.

Details of Revenue from manufacture and sale of chemicals by location of operations:

Geographic Location	2017-18 Revenue	2016-17 Revenue
Domestic	34069.28	33726.46
Overseas	30315.72	20253.23

Details of Non-Current Assets*

Geographic Location	31-Mar-18	31-Mar-17	1-Apr-16
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Domestic	38027.40	36962.26	28471.74
Overseas	-	-	-

* Non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets and rights under insurance contracts.

Note 35**Related Party Disclosures:****a) Details of Related Parties:**

Sl No	Name of the Related Party	Nature of Relationship
1	Sri. Ch. Krishna Murthy	Chairman and Managing Director
2	Smt. Ch. Manjula	Director
3	Sri Ch. Siddartha	Joint Managing Director
4	Sri T. Ramakrishna	Chief Financial Officer (Till 28/08/2017)
5	Sri V. Lakshmi Narayana	Chief Financial Officer (from 28/08/2017 onwards)
6	Smt. Shruthi Gupta	Company Secretary (Till 14/09/2017)
7	Sri Kishore Kathri	Company Secretary (from 14/09/2017)
8	M/s. Vasantha Transport Corporation	Entity in which Key Management Personnel are interested
9	KMS Infrastructure Limited	Entity in which Key Management Personnel are interested
10	Vishnu Life Sciences Limited	Entity in which Key Management Personnel are interested

b) Details of Transactions:

Nature of Transaction	Key Management Personnel		Concerns in which Key Management is interested	
	31-Mar-18 ₹ in Lakhs	31-Mar-17 ₹ in Lakhs	31-Mar-18 ₹ in Lakhs	31-Mar-17 ₹ in Lakhs
Remuneration	150.61	138.90	--	--
Rent	--	--	6.00	6.00
Maintenance Services	--	--	19.22	16.27
Transportation Charges	--	--	1680.34	1831.95
Hire Charges	1.50	3.60	64.11	46.10
Contract Service	--	--	22.48	--
Advances to Interested Concerns	--	--	162.40	248.29
Payables as on 31 st March 2018	--	--	42.50	38.99

Note 36

These financial statements, for the year ended 31 March 2018, are the first time the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position and financial performance is set out in the following tables and notes.

Exemptions and Exceptions availed

In the Ind AS Opening Balance Sheet as on 1st April 2016, the carrying amounts of assets and liabilities from the Indian GAAP as at 31st March 2015 are generally recognized and measured according to Ind AS in effect as on 31st March 2018.

For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has used the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

Optional Exemptions Availed:

- Property, plant and equipment & Intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous Indian GAAP (IGAAP) and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their erstwhile Indian GAAP carrying value.

- Investment in subsidiary and joint ventures:**

The Company has elected to measure its investments in subsidiary and joint ventures in the separate financial statements at cost. The cost of investment for the purpose of first financial statements shall be previous Indian GAAP carrying amount net of impairment on the date of transition.

Notes to First Time Adoption:

1) Investments at Fair Value

As per Ind AS, the Company has classified certain investments amounting to as at FVTPL. The fair value of these investments has been calculated as on the reporting day. The gain is adjusted to retained earnings as on 1st April, 2016. In FY 2016-17, the fair value impact is accounted through P&L.

2) Amortization of Long Term Loans

- Processing fee on long-term loans is amortized as per the requirement of Ind-AS 109. Accordingly, processing fee which was shown under capital work in progress as per the earlier GAAP was reversed.
- Loan from the Directors is amortized using effective interest rate. The difference between the present value and the actual loan amount is accounted as capital contribution from the Promoters.

3) Preference Dividend

On account of issue of new preference shares along with accumulated dividends, accumulated dividend on preference share capital upto 31st March 2016, which was shown as contingent liability has become certain liability.

Accumulated preference dividend upto 31st March 2016 is adjusted to opening retained earnings as on 01st April 2016. Preference Dividend pertaining to the year 2016-17 is adjusted in comparative profit and loss account of previous year.

4) Reconciliation of other equity as per earlier GAAP and Ind AS

Particulars	Opening Transition Date 01.04.16	As on 31.03.2017
Retained Earnings as per Erstwhile Indian GAAP	1,06,49,88,898	1,20,12,80,355
Adjustments for the year:		
Effect of Measuring Long-term Loans at amortized Cost	11,35,828	40,53,127
Effect of Measuring Investments at Fair Value	10,57,554	7,54,182
Recognition of Long-term Loans from Directors at Present Value - Difference shown as Equity Contribution from Promoters	2,68,99,093	-
Unwinding of Interest on Loans from Directors		(58,30,540)
Reversal of Processing Fee from Capital Work in Progress which was amortized		(46,32,000)
Capitalization of Interest due to amortization of Long-term Loans		2,82,464
Prior Period Adjustments		(2,58,05,204)
Dividends on 7% Cumulative Redeemable Preference Shares	(25,81,25,000)	(3,32,50,000)
Dividend Distribution Tax on Preference dividend recognized above	(5,25,48,184)	(67,68,919)
Deferred Tax impact on above adjustments	(3,65,998)	17,56,826
Net Effect of Ind AS Transition	(28,19,46,707)	(6,94,40,064)
Opening Transition Effect		(28,19,46,707)
Other Equity as per Ind AS	78,30,42,191	84,98,93,590

5) Reconciliation of other comprehensive income for 2016-17 as per earlier GAAP and Ind AS

Particulars	For the year 31.03.2017
Net Profit as per Erstwhile Indian GAAP for 2016-17	13,62,17,875
Adjustments for the year:	
Effect of Measuring Long-term Loans at amortized Cost	40,53,127
Effect of Measuring Investments at Fair Value	7,54,182
Unwinding of Interest on Long-term loans from	(58,30,540)
Reversal of Processing Fee from Capital Work in Progress which was amortized	(46,32,000)
Capitalization of Interest due to amortization of Long-term Loans	2,82,464
Prior Period Adjustments	(2,58,05,204)
Dividends on 7% Cumulative Redeemable Preference Shares	(3,32,50,000)
Dividend Distribution Tax on Preference dividend recognized above	(67,68,919)
Deferred Tax impact on above adjustments	17,56,826
Total Comprehensive Income as per Ind AS	6,67,77,811
Net Impact of Ind AS for 2016-17	(6,94,40,064)

6. Reconciliation of Ind AS Compliant Balance Sheet as at 01-04-2016

	Particulars	01-04-2016 As per Pre GAAP	Ind As Adj	01-04-2016 As per Ind AS
I	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	2,022,626,471		2,022,626,471
	(b) Capital work-in-progress	661,197,075		661,197,075
	(c) Intangible Assets	354,367		354,367
	(d) Financial Assets			
	(i) Investments	3,940,000	1,057,555	4,997,555
	(ii) Loans	-		-
	(e) Other non-current assets	162,995,615		162,995,615
2	Current assets			
	(a) Inventories	1,729,241,582		1,729,241,582
	(b) Financial Assets			
	(i) Trade receivables	1,153,700,244		1,153,700,244
	(ii) Cash and cash equivalents	7,578,563		7,578,563
	(iii) Bank balances other than (ii) above	103,026,488		103,026,488
	(iv) Other Financial Assets	25,101,143		25,101,143
	(c) Other current assets	330,556,669		330,556,669
	Total Assets	6,200,318,217	1,057,555	6,201,375,771
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	594,460,200	(475,000,000)	119,460,200
	(b) Other Equity	1,064,988,898	(281,946,707)	783,042,191
	Liabilities			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	648,941,451	446,965,079	1,095,906,529
	(ii) Other financial liabilities	45,000,000		45,000,000
	(b) Provisions	17,810,515		17,810,515
	(c) Deferred tax liabilities (Net)	287,751,545	365,998	288,117,543
	(d) Other Non-Current Liabilities	340,231,287		340,231,287
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	1,318,780,631		1,318,780,631
	(ii) Trade payables	1,240,061,294		1,240,061,294
	(iii) Other financial liabilities	396,698,644	133,102,248	529,800,892
	(b) Other current liabilities	152,561,281	177,570,936	330,132,217
	(c) Provisions	5,728,905		5,728,905
	(d) Current Tax Liabilities (Net)	87,303,565		87,303,565
	Total Equity and Liabilities	6,200,318,217	1,057,555	6,201,375,771

7. Reconciliation of Ind AS Compliant Balance Sheet as at 31-03-2017

	Particulars	31-03-2017 As per Pre GAAP	Ind As Adj	31-03-2017 As per Ind AS
I	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	2,895,161,922		2,895,161,922
	(b) Capital work-in-progress	623,302,856	(4,349,536)	618,953,320
	(c) Intangible Assets	281,083		281,083
	(d) Financial Assets			
	(i) Investments	4,040,000	1,811,734	5,851,734
	(ii) Loans	-	-	-
	(e) Other non-current assets	181,829,428		181,829,428
2	Current assets			
	(a) Inventories	1,702,752,734		1,702,752,734
	(b) Financial Assets			
	(i) Trade receivables	955,975,866		955,975,866
	(ii) Cash and cash equivalents	10,390,390		10,390,390
	(iii) Bank balances other than (ii) above	122,244,263		122,244,263
	(iv) Other Financial Assets	9,055,047		9,055,047
	(c) Other current assets	460,099,555	(26,121,449)	433,978,106
	Total Assets	6,965,133,144	(28,659,251)	6,936,473,893
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	594,460,200	(475,000,000)	119,460,200
	(b) Other Equity	1,201,280,355	(351,386,765)	849,893,590
	Liabilities			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	1,177,842,228	41,853,102	1,219,695,330
	(ii) Other financial liabilities	25,000,000		25,000,000
	(b) Provisions	26,470,681		26,470,681
	(c) Deferred tax liabilities (Net)	340,820,836	(27,512,280)	313,308,556
	(d) Other Non-Current Liabilities	304,000,000		304,000,000
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	1,380,715,199	406,889,390	1,787,604,589
	(ii) Trade payables	1,264,717,565	5,593,340	1,270,310,905
	(iii) Other financial liabilities	390,121,351	217,741,788	607,863,139
	(b) Other current liabilities	128,789,618	132,950,310	261,739,928
	(c) Provisions	3,176,518		3,176,518
	(d) Current Tax Liabilities (Net)	127,738,591	20,211,864	147,950,455
	Total Equity and Liabilities	6,965,133,144	(28,659,251)	6,936,473,893

Note 37**Employee Benefits:****1. Defined Contribution Plan:**

The group makes contributions towards provident fund and employee state insurance regularly at the applicable rates based on the salaries of the eligible employees. The obligation of the group is limited to making the contributions and there is no further contractual or constructive obligation.

The following are the details of contributions made during the year which are debited to Statement of Profit & Loss:

(₹ in lakhs)

Particulars	31-Mar-18	31-Mar-17
Contribution to Provident Fund	111.17	106.50
Contribution to Employee State Insurance	25.58	14.42

2. Defined Benefit Plan – Gratuity:

The Parent Company and the Subsidiary Company (Vishnu Barium Private Limited) has identified the gratuity plan as the Defined Benefit Plan. The plan is funded with Life Insurance Corporation of India in the form of qualifying group gratuity insurance policies. The details of present value of obligation, fair value of plan assets, expense recognized in Statement of Profit & Loss and Other Comprehensive Income are given below

Sl	Particulars	Gratuity (Funded) 2017-18	Gratuity (Funded) 2016-17
		₹ in Lakhs	₹ in Lakhs
1	Assumptions: Discount Rate Escalation	7.42% 3%	6.69% 3%
2	Changes in present value of obligations Present value of obligations at beginning of year Interest Cost Current Service Cost Past Service Cost – (vested benefits) Benefits Paid Actuarial (gain)/ loss on obligation Present Value of obligation at end of year	296.12 19.33 30.38 9.18 (14.23) 2.29 343.06	274.92 19.49 28.16 - (27.55) 1.10 296.12
3	Changes in Fair Value of Plan Assets Opening fair value of plan asset Adjustment to opening Fair Value of Plan Asset Return on Plan Assets excl. interest income Interest Income Contributions by Employer Contributions by Employee Benefits paid Fair Value of plan Assets at end	55.81 (1.50) (2.91) 2.26 1.59 - (14.23) 41.97	74.73 (0.78) 0.17 4.66 4.59 - (27.55) 55.81
4	Amount to be recognized in the balance sheet PVO at end of period Fair Value of plan Assets at end of period Funded status Net Asset/(liability) recognized in the balance sheet.	343.06 41.97 (301.10) (301.10)	296.12 55.81 (240.31) (240.31)
5	Expenses recognized in the statement of P&L a/c: Current service cost Net interest Past Service cost – (non vested benefits) Past Service cost – (vested benefits) Curtailment effect Settlement effect Unrecognised past service cost- non vested benefits Expense recognized in the statement of P&L a/c	30.38 16.12 - 9.18 - - - 55.68	28.16 14.82 - - - - - 42.98
6	Other Comprehensive Income (OCI): Actuarial gain/(loss) recognized for the period Asset limit effect Return on plan assets excluding net interest Unrecognised Actuarial (Gain)/Loss from previous period Total actuarial (gain)/ loss recognized in (OCI)	2.29 - 2.92 - 5.20	1.11 - (0.17) - 0.94

Sensitivity Analysis:

Particulars	31.03.2018		31.03.2017	
	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligation	315.90	274.12	373.88	315.72

Categories of Plan Assets:

Particulars	31-Mar-18	31-Mar-17
	₹ in Lakhs	₹ in Lakhs
Gratuity Fund managed by Life Insurance Corporation of India	41.97	55.81

Note 38**Earnings Per Share:**

Particulars	31-Mar-18	31-Mar-17
	₹ in Lakhs	₹ in Lakhs
Net Profit / (Loss) after Tax (₹) (a)	14,42,37,261	6,54,26,444
Weighted Average no of Shares Basic & Diluted (b)	1,19,46,020	1,19,46,020
Earnings per Share - Basic & Diluted (₹) (a)/(b)	12.07	5.48

Note 39**Unhedged Foreign Currency Exposure:**

The details of foreign currency exposure at the end of the year which are not hedged by any derivative instruments are given below:

Particulars	31-Mar-18	31-Mar-17
	₹ in Lakhs	₹ in Lakhs
Trade Receivables	6446.53	4287.29
Trade Payables	6706.36	4813.59

Note 40**Additional information pursuant to Section 129 of the Companies Act, 2013****Salient features of the financial statements of the Subsidiary:**

Sl.No	Particulars		
1.	Name of the Subsidiary	Vishnu Hong Kong Limited	
2.	Percentage of Shareholding	100%	
3.	Reporting Currency of the Subsidiary	HKD	
Summary of the Financial Information:		HKD	INR
1.	Share Capital	283,000	23,48,592
2.	Reserves & Surplus	(385,731)	(32,01,147)
3.	Total Assets	104,110	8,64,000
4.	Total Liabilities	206,841	17,16,555
5.	Total Revenue for the Year	0.00	0.00
6.	Net Profit / (Loss) for the Year	(752,07)	(6,41,596)

Note: Exchange Rate of ₹ 8.29891 per HKD as on 31.03.2018 is adopted for translation.

Sl.No	Particulars	
1.	Name of the Subsidiary	Vishnu Barium Private Limited
2.	Percentage of Shareholding	100%
3.	Reporting Currency of the Subsidiary	INR
Summary of the Financial Information:		INR
1.	Share Capital	863,949,500
2.	Reserves & Surplus	(67,47,06,596)
3.	Total Assets	75,48,87,744
4.	Total Liabilities	56,56,44,842
5.	Total Revenue for the Year	94,80,15,391
6.	Net Profit / (Loss) for the Year (including OCI)	7,06,30,571

Note 41

Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013:

Sl.No	Name of the Entity	Net Assets		Share in Total Comprehensive Income	
		Amount ₹ in Lakhs	As % of Consolidated Net Assets	Amount ₹ in Lakhs	As % of Consolidated Net Profit
1.	Holding Company				
	Vishnu Chemicals Limited	9760.23	87.67	739.00	51.36
2.	Subsidiaries:				
	Indian Subsidiary				
	Vishnu Barium Private Limited	1404.08	12.61	706.30	49.09
	Foreign Subsidiary				
	Vishnu Hong Kong Limited	-32.01	(0.29)	-6.42	(0.45)
	TOTAL	11132.30	100.00	1438.88	100.00

Note 42

Previous year figures are regrouped and reclassified wherever considered necessary to conform to the classification/presentation of the current year.

Per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Kishore Kathri

Company Secretary



VISHNU CHEMICALS LIMITED

CIN: L85200TG1993PLC046359

Regd. Off: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 033

Tel: 040-23396817, 23327723/ 29; Fax: 040-23314158

Web Site: www.vishnuchemicals.com; Email: vishnu@vishnuchemicals.com

ATTENDANCE SLIP

25th ANNUAL GENERAL MEETING HELD ON 24th SEPTEMBER, 2018

DP Id.		Name & Address
Client Id. / Regd. Folio. No.		
No. of Shares held		

I certify that, I am a member / proxy for the member of the company.

I hereby record my presence at the 25th Annual General Meeting of the company being held on **Monday, September 24, 2018 at 11.00 AM at Film Nagar Cultural Centre, Dr.D.Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad – 500 096.**

Name of the Member/Proxy _____

Member / Proxy's signature

Note: Please complete the form and handover at the entrance of the hall. Members are requested to bring their copies of Annual Report to the Annual General Meeting.

Location Map of AGM Venue: Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad, Telangana – 500096.





VISHNU CHEMICALS LIMITED

CIN: L85200TG1993PLC046359

Regd. Off: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 033

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Web Site: www.vishnuchemicals.com; Email: vishnu@vishnuchemicals.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):		e-mail ID:	
Registered address:		Folio No/ Client Id*:	
		DP ID*:	

I/we, being the member(s) of holding _____ shares of Vishnu Chemicals Limited, hereby appoint:

1) _____ of _____ having e-mail id _____ Signature _____ or failing him/her
2) _____ of _____ having e-mail id _____ Signature _____ or failing him/her
3) _____ of _____ having e-mail id _____ Signature _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on **Monday, September 24, 2018 at 11.00 AM at Film Nagar Cultural Centre, Dr.D.Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad – 500 096** and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	For	Against	Abstain
Ordinary Business:				
1	To consider & adopt the audited financial statements of the company for the financial year ended 31st March, 2018 & the report of the Board of Directors and Auditors there on.			
2	To declare dividend of ₹ 1.00 per share (i.e 10%) on equity shares of the company.			
3	To appoint a Director in place of Mr. Ch. Krishna Murthy (DIN: 00030274), who retires by rotation and being eligible offer himself for reappointment.			
Special Business:				
4	Amendment of Articles of Association of the Company			
5	Ratification of Remuneration to be paid to the Cost Auditors for the financial year 2018-19			

* Applicable for investors holding shares in electronic form.

Signed on..... day of..... 2018

Signature of Shareholder / Proxy holder(s) _____

Affix
Revenue
Stamp

Note: 1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.

Note: 2. It is optional to indicate your preference if you leave the For, Against or Abstain Columns blank, against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Book Post

If undelivered, please return to:



VISHNU CHEMICALS LIMITED

CIN: L85200TG1993PLC046359

Regd. Off: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 033

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