



**Nurturing Inorganics**

# Corporate Information

## Board of Directors

Mr. Ch. Krishna Murthy  
Chairman & Managing Director

Mrs. Ch. Manjula  
Non-Executive 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

Mr. Santanu Mukherjee  
Additional Director (w.e.f. May 6, 2019)

## Chief Financial Officer

Mr. P Anjaneyulu

## 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](http://www.vishnuchemicals.com);  
Email: [vishnu@vishnuchemicals.com](mailto: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

## 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, 3<sup>rd</sup> Floor, Amrutha Ville,  
Opp.Yashoda Hospital,  
Somajiguda, Rajbhavan Road,  
Hyderabad – 500082, India  
Phone No: 040 401 44582  
Mail id: [bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com)  
Web: [www.bigshareonline.com](http://www.bigshareonline.com)

## 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

### Vishnu Barium Plant:

Survey No.27/1A, Uranduru-Village,  
Maddiledu (P.O.), Srikalahasti (Mandal),  
Chittoor (Dist), Andhra Pradesh - 517 640

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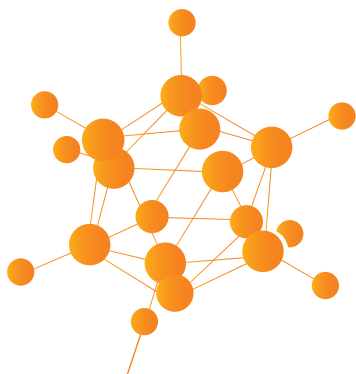
## Financial Statements Consolidated

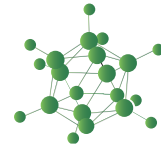
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# NURTURING INORGANICS

Vishnu Chemicals Ltd commenced its journey 29 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 50 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.

The Company nurture responsible inorganic chemistry by way of robust analytical data and its integrated R&D.





# KEY HIGHLIGHTS

## STANDALONE

(₹ In Lakhs)

Revenue

**66753**

Increased by 17 %

Profit Before Tax

**2531**

Increased by 48 %

Profit After Tax

**1219**

Increased by 29 %

EBIDTA

**8434**

Increased by 12 %

## CONSOLIDATED

(₹ In Lakhs)

Revenue

**76939**

Increased by 18 %

Profit Before Tax

**3749**

Increased by 70 %

Profit After Tax

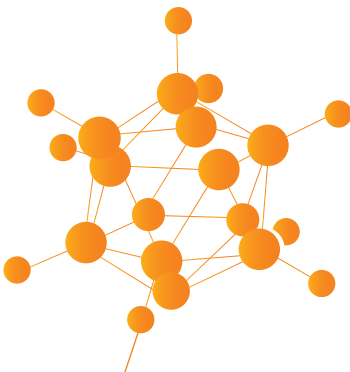
**2436**

Increased by 69 %

EBIDTA

**10224**

Increased by 18 %



# CHAIRMAN'S MESSAGE



## 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 26th Annual General Meeting of the Company.

During the year we progressed on our vision 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. During the year, the Company improved its performance in domestic and export segments. Our topline on consolidated basis improved by 18 % year on year while our profit after tax increased by 69%.

As a leading global player in the chrome chemical market, the Company is concentrating more on export market in order to utilize its full production capacities and accelerate the margins. 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.

Vishnu Chemicals is committed to the conservation of the environment, health and safety of its employees and all stakeholders. The Company's growth plans are in line with environment, health and safety policy. The Company continue consider its people and communities around our facilities as key stakeholders. During the year out outlay towards social developments stands at 41.33 Lakhs towards old age homes, promotion of education, plantations, sports, safe drinking water and rural development initiatives.

I take this opportunity to thank our customers, investors, suppliers, policy makers and financial institutions for their continued support. Last but not least I thank Vishnu Chemicals Team for aligning their vision with our corporate vision.

**Ch. Krishna Murthy**  
Chairman & Managing Director



# WORLDWIDE SOURCE FOR CHROME CHEMICALS & BARIUM COMPOUNDS

Products Exported to over

**50**  
Countries

Overseas Offices

**4**

Offices in India

**6**

Manufacturing Units


**4**

Warehouses

**4**

R&D Unit

**1**



Established in 1990, the Company is a market leader in production, sales and customer support of chrome chemicals and barium 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 PRODUCTS & APPLICATIONS

## 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.



# CREDENTIALS

- One of the leading manufacturer and supplier of Chrome Chemicals in the World
- Trusted Supplier in over 50 countries
- Research Driven Product Development in State of the Art R&D Lab
- Proven track record in custom synthesis, contract research and contract manufacturing
- Quality Assurance Systems

## Quality Standards

ISO 9001: 2008

ISO 14001:2008

OHSAS 14001 – 18001

REACH Quality Certifications



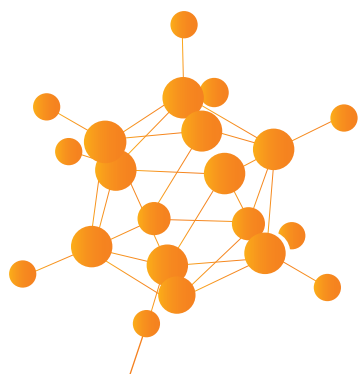
# OUR APPROACH TO SOCIAL & ENVIRONMENT SUSTAINABILITY

Vishnu Chemicals is committed for conservation of environment, wellbeing of people around its facilities and health and safety of its employees and all stakeholders.

We function in compliance to all Local, State and Central Government Legislation and Standards

## FY19 CSR OUTLAY

₹ **41.33** Lakhs





# OUR ENVIRONMENT RESPONSIBILITY

Vishnu Chemicals is committed to the conservation of the 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.

In the year 2005 Vishnu Chemicals established a world class plant in Visakhapatnam with ultra modern equipment and environmentally acceptable process for producing Sodium Dichromate. The Vishnu Chemicals vision is to change the perception of chromium chemicals manufacturing, from hazardous manufacturing to eco friendly manufacturing by continuously improving and upgrading the technology systems.

## Environmental Management efforts are:

- Installation of air emission control equipment for controlling particle and air quality
- Effluent wastewater treatment facility with tertiary treatment including reverse osmosis
- Stabilisation of waste residue, using an automated treatment plant and disposal as per the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016
- Development of "Green Belt" on the perimeter of the entire facility
- Conservation of natural resources: minerals, water and energy



# CORPORATE SOCIAL RESPONSIBILITY



In alignment with our vision, as a socially responsible corporate citizen, VCL will continue to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs.

## CSR Objectives

To operate its business in a sustainable manner respecting the society & the environment, while recognising the interests of all its stakeholders.

To also take up directly or indirectly programmes that will benefit the communities in and around its work place which will over a period of time enhance the quality of life and economic wellbeing of the local residents.

Through its regular services and additionally through its CSR initiatives, VCL will generate community goodwill and create a positive image of VCL as a socially responsible corporate.



## Key Areas of Our Social Intervention



Drinking Water



Education



Swachh Bharat



Environment



Rural Infrastructure



Elders Care











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 SIXTH ANNUAL GENERAL MEETING OF VISHNU CHEMICALS LIMITED

**NOTICE** is hereby given that the 26<sup>th</sup> Annual General Meeting of Vishnu Chemicals Limited (CIN: L85200TG1993PLC046359) will be held on Thursday, June 27, 2019 at 10.00 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 and adopt the Standalone Financial Statement of the Company for the financial year ended March 31, 2019:**

**“RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2019 together with the reports of the Board and Auditors thereon be and are hereby considered and adopted.”

**2. To consider and adopt the Consolidated Financial Statement of the Company for the financial year ended March 31, 2019:**

**“RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 together with the report of the Auditors thereon be and are hereby considered and adopted.”

**3. Declaration of dividend on equity shares:**

**“RESOLVED THAT** a dividend of ₹ 1.00 per equity share of ₹ 10/- each (10%) for the financial year 2018-19, as recommended by the Board, be and is hereby approved and declared.”

**4. Re-appointment of Mrs. Ch. Manjula (DIN: 01546339), as a Director liable to retire by rotation:**

**“RESOLVED THAT** Mrs. Ch. Manjula (DIN: 01546339), who retires by rotation and being eligible offers herself for reappointment, be and is hereby reappointed as a Director of the Company liable to retire by rotation.”

### SPECIAL BUSINESS:

**5. To approve re-appointment of Mr. Pradip Saha as Independent Director of the Company for second term:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and

Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Pradip Saha (DIN: 07677683), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of two consecutive years with effect from 10<sup>th</sup> November, 2019 till 9<sup>th</sup> November, 2021 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**6. To appoint Mr. Santanu Mukherjee as a Director of the Company:**

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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Santanu Mukherjee (DIN: 07716452), who was appointed by the Board of Directors, as an Additional Director of the Company with effect from May 6, 2019 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of two consecutive years w.e.f. May 6, 2019 to May 5, 2021 and is not liable to retire by rotation.

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

**7. To give advances, loans including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by entities in whom the director of the company is/ are interested:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company for advancing loans including loan represented by a book debt, giving guarantee and provide security to/ with respect to the loans taken by, K.M.S. Infrastructure Limited and Vishnu Life Sciences Limited, where the Directors of the company i.e. Mr. Ch. Krishna Murthy, Mr. Ch. Siddartha and Mrs. Ch. Manjula are interested, subject to the limit/ such extended limit as may be approved/ allowed under the provisions of section 186 read with section 180(1)(a) of the Companies Act, 2013 and further subject to the condition that the said loans/ facilities are utilised by the borrowing company for its principal business activities and shall not be utilised for any other purpose.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

**8. Approval for payment of remuneration to executive directors in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of their appointment:**

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

**"RESOLVED THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) read with Schedule V of the Companies Act, 2013 consent of the members be and is hereby given to the Board for payment of remuneration to Mr. Ch. Krishna Murthy (DIN: 00030274), Managing Director and Ch. Siddartha (DIN: 01250728), Joint Managing Director at such terms and conditions as approved by Members at 23<sup>rd</sup> Annual General Meeting held on September 28, 2016,

notwithstanding that the annual aggregate remuneration payable to Mr. Ch. Krishna Murthy (DIN: 00030274), Managing Director and Ch. Siddartha (DIN: 01250728), Joint Managing Director, exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act, 2013 in any financial year during the remaining tenure of their appointment.

**RESOLVED FURTHER THAT** all the existing terms and conditions of remuneration including salary, perquisites and commission as per special resolution passed in 23<sup>rd</sup> Annual General Meeting held on September 28, 2016 shall remain unchanged.

**RESOLVED FURTHER THAT** the approval of shareholders shall be valid only till the expiry of the current term of Mr. Ch. Krishna Murthy (DIN: 00030274), Managing Director and Ch. Siddartha (DIN: 01250728), Joint Managing Director.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

**9. To approve variation of terms of the existing 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of the company:**

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

**"RESOLVED THAT** supplement to the postal ballot resolution passed by the members on 26<sup>th</sup> January, 2018 for further issue of 7% Cumulative Redeemable Preference Shares (CRPS) and pursuant to Sections 48, 55 and all other applicable provisions, if any, of the Companies Act, 2013, corresponding rules thereof and considering no objections received from preference shareholders of the company vide their letter dated 14<sup>th</sup> February, 2019, approval of the members be and is hereby accorded for variation of terms of the existing 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS), which are unlisted, of the company with regard to extension of tenure from 10 (Ten) years to 15 (Fifteen) years and thereby to extend due date for redemption of said shares from 31.03.2028 to 31.03.2033 and all other terms and conditions of the said CRPS shall remain the same.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to the aforesaid resolution and to effectively implement the aforesaid resolution and to accept such modifications, amendments, limitations and/or conditions as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the aforesaid resolution."

**10. Ratification of Remuneration to be paid to the Cost Auditors for the financial year 2019-20:**

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 ₹ 60,000/- (Rupees Sixty 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 2019-20, excluding taxes thereon and reimbursement of out of pocket expenses thereon."

**11. Approval for fees to be charged for Service of documents under Section 20 of the Companies Act, 2013:**

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 20 of the Companies Act, 2013 read with applicable rules made thereunder including any statutory modification(s) or amendment(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force and subject to such other laws, Rules, Regulations, etc., as may be applicable, whereby a document may be served on any Member by the Company by sending it to him/her by post or by registered post or by speed post or by courier or by delivery at his/her office or address as recorded in the Register of Members maintained by the Company/Registrar and Share transfer agent or by such

electronic or other mode as may be prescribed, the consent of the Members be and are hereby accorded to charge from the said Member(s), a fee in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the Member for delivery of such document to him/her through a particular mode of service mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution and matters incidental thereto."

Hyderabad  
May 6, 2019

**By Order of the Board**  
Sd/-  
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 May 24, 2019 ("cut-off date")
4. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
5. 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.
6. 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.
7. 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.
8. 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.
9. **The Register of Members and Share Transfer Books will remain closed from June 15, 2019 to June 27, 2019 (both days inclusive) for the purpose of payment of the dividend for the financial year ended March 31, 2019.**
10. 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 June 14, 2019.
11. 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, 3<sup>rd</sup> 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.
12. 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	18.04.2023
4	Unpaid Dividend Account 2017-18	24.09.2018	05.11.2025

13. 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.

14. 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.

15. The Annual Report 2018-19 including the Notice of the 26<sup>th</sup> 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 2018-19 will be available on the Company's website, [www.vishnuchemicals.com](http://www.vishnuchemicals.com)
16. 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 23<sup>rd</sup> Annual General Meeting held on September 28, 2016 and are eligible to hold their office until conclusion of 28<sup>th</sup> Annual General Meeting to be held in 2021.
17. 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 and Secretarial Standard on General Meetings (SS 2) issued by the Institute of Company Secretaries of India 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. Siddhartha are relatives of each other as defined under Section 2(77) of the Companies Act, 2013.
18. Members requiring any clarification/information on any report/statements are requested to send their queries to the Registered Office of the Company, at least 7 days before the date of the AGM, quoting their folio no. or DP ID and Client ID.
19. 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.
20. 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.
21. 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.
22. 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.
23. The remote e-voting facility will be available during the following period:  
  
Commencement of remote e-voting: From 10:00 a.m. (IST) on Monday, June 24, 2019.  
  
End of remote e-voting: Upto 5:00 p.m. (IST) on Wednesday, June 26, 2019.  
  
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.
24. **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. June 20, 2019.**
25. 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 June 20, 2019 shall only be entitled to avail the facility of remote e-voting / physical voting.
26. The instructions for shareholders voting electronically are as under:
  - a. The voting period begins on Monday, June 24, 2019 at 10.00 am IST and ends on Wednesday, June 26, 2019 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. June 20, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.  
  
Company Name: Vishnu Chemicals Limited  
EVSIN: 190527003  
  
The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - b. Click on Shareholders.
  - c. 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.
  - d. Next enter the Image Verification as displayed and Click on Login.

- e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- f. 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"> <li>- 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.</li> <li>- 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.</li> </ul>
DOB	<p>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.</p>
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"> <li>- 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.</li> </ul>

- g. After entering these details appropriately, click on "SUBMIT" tab.
  - h. 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.
  - i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - j. Click on the EVSN for Vishnu Chemicals Limited on which you choose to vote.
  - k. 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.
  - l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - m. 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.
  - n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - p. 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.
  - q. 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](http://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](mailto: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](mailto: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.
  - r. 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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.



27. 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](mailto:cs@vishnuchemicals.net).
28. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
29. 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](http://www.vishnuchemicals.com) and also informed to the Stock Exchanges, where the shares of the Company are listed.
30. 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.
31. 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](http://www.vishnuchemicals.com) at investors section. The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier years, if not claimed.

#### 2. Mandatory update of PAN and Bank details –

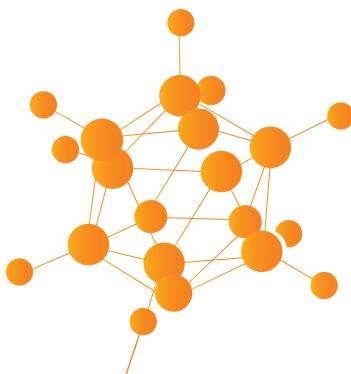
Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company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

#### 3. Compulsory Dematerialization of shares of listed company:

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 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](http://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 Statement set out all material facts relating to the business mentioned under Item Nos. 5 - 11 of the accompanying Notice of AGM.

### Item No. 5: To approve re-appointment of Mr. Pradip Saha as Independent Director of the company for second term:

Mr. Pradip Saha was appointed as an Independent Director of the Company by the members through postal ballot resolution dated 26<sup>th</sup> January, 2018 for a period of two consecutive years commencing from 10<sup>th</sup> November, 2017 till 9<sup>th</sup> November, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Pradip Saha, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of two consecutive years from 10<sup>th</sup> November, 2019 till 9<sup>th</sup> November, 2021.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Pradip Saha fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Pradip Saha as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:30 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Pradip Saha as an Independent Director.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Pradip Saha as an Independent Director for another term of two consecutive years

with effect from 10<sup>th</sup> November, 2019 to 9<sup>th</sup> November, 2021, for the approval by the shareholders of the Company.

Except Mr. Pradip Saha, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Pradip Saha is not related to any Director of the Company.

### Item No. 6: To appoint Mr. Santanu Mukherjee as a Director of the Company:

Based on the recommendation of Nomination and Remuneration Committee Mr. Santanu Mukherjee (DIN: 07716452) was appointed as Additional Director (Independent Director) by the Board of Directors with effect from 6<sup>th</sup> May, 2019, pursuant to section 161 (1) of the Companies Act, 2013 and hold office upto the date of 26<sup>th</sup> Annual General Meeting.

The Company has received a declaration from Mr. Santanu Mukherjee on his being eligible for appointment as Independent Director. He has provided consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from Mr. Mukherjee that the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(b) of the Listing Regulations, as amended from time to time. Mr. Santanu Mukherjee is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and is independent of the management and is not a relative of any the Directors/ Key Managerial Personnel of the Company.

In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from member proposing the candidacy of Mr. Santanu Mukherjee to be appointed as an Independent Director of the Company as per the provisions of the Companies Act, 2013 along with a deposit of ₹ 1,00,000 (Rupees one lakh) each as required under the aforesaid section.

The names of companies and the committees in which the director is a director/member, the letter of appointment and terms and conditions of the appointment are available for inspection at the registered office of the company during normal business hours (9:30 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except Mr. Santanu Mukherjee, being and an appointee and his relatives none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, financially or otherwise, in the Resolution at Item Nos. 6 of the accompanying Notice.

Your Directors recommend the resolution set out in item no. 6 for your approval.

**Item No. 7: To give advances, loans including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by entities in whom the director of the company is/ are interested:**

The members are informed that as per the amended provisions of section 185 of the Companies Act, 2013 which have come in to force w.e.f. 7<sup>th</sup> May, 2018, the companies are allowed to advance loans including loan represented by a book debt, give guarantee and provide security to/ with respect to the loans taken by, any private company and to anybody corporate in which the Director(s) of the company is/are interested subject to the limits/ such extended limits as prescribed/ allowed under the provisions of section 186 read with section 180(1)(a) of the Companies Act, 2013 and further subject to the conditions that the said loans/ guarantee and security are given with the approval of the shareholders of the company by way of special resolution and the said facilities are utilized by the borrowing company for its principal business activities and shall not be utilized for any other purpose.

In view of the aforesaid amended provisions and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the company at their meeting held on May 6, 2019 proposed an enabling resolution as put forth in item no. 7 for advancing loans including loan represented by a book debt, giving guarantee and provide security to/ with respect to the loans taken by, K.M.S. Infrastructure Limited and Vishnu Life Sciences Limited, where Mr. Ch. Krishna Murthy, Chairman & Managing Director, Mrs. Ch. Manjula, Director are Directors and shareholders of K.M.S. Infrastructure Limited and Mr. Ch. Siddhartha, Joint Managing Director is Director and shareholder of Vishnu Lifesciences Limited are interested, subject to the limits/ such extended limits as may be approved/ allowed under the provisions of section 186 read with section 180(1)(a) of the Companies Act, 2013 and further subject to the condition that the said loans/ facilities are utilised by the borrowing company for its principal business activities and shall not be utilised for any other purpose. It is to further inform that the proposed resolution will enable the Board members to act upon as and when needed in the interest of the company. Further an undertaking shall be obtained from the borrowing entity to the effect that the loan/ other facilities are utilized/ used for its principle business activities and are in compliance with other conditions and requirements of all applicable provisions.

In view of the above, the approval of the shareholders is being sought by way of special resolution under the provisions section 185 and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Except Mr. Ch. Krishna Murthy, Mrs. Ch. Manjula and Mr. Ch. Siddhartha and their relatives, none of the other directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the AGM.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

**Item No. 8: Approval for payment of remuneration to executive directors in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of their appointment:**

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("Amended Listing Regulations") which is effective from 01.04.2019, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

- i. the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- ii. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

and for the purposes of the above clauses, net profits shall be calculated as per section 198 of the Companies Act, 2013.)

In view of the above amended regulation, the approval of the members is being sought by way of special resolution for payment of remuneration to Mr. Ch. Krishna Murthy (DIN: 00030274), Managing Director and Ch. Siddhartha (DIN: 01250728), Joint Managing Director at such terms and conditions as approved by members at 23<sup>rd</sup> Annual General Meeting held on September 28, 2016, notwithstanding that the annual aggregate remuneration payable to Mr. Ch. Krishna Murthy (DIN: 00030274), Managing Director and Ch. Siddhartha (DIN: 01250728), Joint Managing Director, exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act, 2013 in any financial year during the remaining tenure of their appointment and further it is to inform that all the existing terms and conditions of their appointment shall remain the same.

Mr. Ch. Krishna Murthy, Chairman & Managing Director holding 6219790 equity shares (52.07%) and Mr. Ch. Siddhartha, Joint Managing Director holding 1125668 equity shares (9.42%) and Mrs. Ch. Manjula, Director holding 1614048 equity shares (13.51%) are concerned and interested in the said resolution. Apart from them none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the special resolution at Item No. 8 of the Notice for approval of the Members.

**Item No. 9: To approve variation of terms of the existing 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of the company:**

It is to inform that as per the member's approval vide postal ballot resolution dated 26<sup>th</sup> January, 2018 and Hon'ble National Company Law Tribunal Order dated 13<sup>th</sup> April, 2018 the Company had issued and allotted 7,66,37,500 (Seven Crore Sixty Six Lakh Thirty Seven Thousand Five Hundred only) 7% Cumulative Redeemable Preference



Shares of 10/- (Ten only) each (hereinafter referred as "CRPS") for an aggregate amount of unredeemed existing preference paid-up share capital of ₹ 47,50,00,000/- (Rupees Forty Seven Crore and Fifty lakh only) and outstanding accumulated dividend of ₹ 29,13,75,000/- (Rupees Twenty Nine Crore Thirteen Lakh Seventy Five Thousand only) as on 31<sup>st</sup> March, 2017, to the existing preference shareholders vide Board Resolution dated 29.03.2018 under section 55 of the Companies Act, 2013 read with rules made thereunder and as per the terms and conditions of the issue the term of the said CRPS is 10 years and will be redeemed by 31.03.2028.

It is to further inform that the company forecasted internal cash accruals and evaluated possible cash flows into the Company in near future and has ascertained that the redemption of the said CRPS (including payment of accumulated dividend) by 31.03.2028 may not be viable. Hence, the Board, in the interest of the company, upon receipt of written consents from the 100% Preference Shareholders, approved at its meeting held on 14<sup>th</sup> February, 2019 variation of terms of the existing 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of the company with regard to extension of tenure of CRPS from 10 (Ten) years to 15 (Fifteen) years and thereby to extend due date for redemption of said shares from 31.03.2028 to 31.03.2033 and all other terms and conditions of the said CRPS shall remain the same.

The members are further informed that as per the provisions of section 48 read with section 55 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate meeting of the holders of the issued shares of that class; Provided also that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders or by means of a special resolution passed at a separate meeting of such holders, shall also be obtained as per the provisions of section 48 of the Companies Act, 2013.

As per the provisions of section 48 read with 55 and all other applicable provisions, if any, of the companies Act, 2013 and rules made thereunder the company received no-objections vide letters dated 14<sup>th</sup> February, 2019, from preference shareholders holding 100% paid-up preference share capital of the company and accordingly now the approval of the equity shareholders is being sought by way of special resolution in terms of the provisions of the Act.

Mr. Ch. Krishna Murthy, Chairman & Managing Director holding 6219790 equity shares (52.07%) and Mr. Ch. Siddhartha, Joint Managing Director holding 1125668 equity shares (9.42%) and Mrs. Ch. Manjula, Director holding 1614048 equity shares (13.51%) are concerned and interested in the said resolution. Apart from them none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the special resolution at Item No. 9 of the Notice for approval of the Members.

**Item No. 10. Ratification of Remuneration to be paid to the Cost Auditors for the financial year 2019-20:**

The Board of Directors at its Meeting held on May 6, 2019, upon the recommendation of the Audit Committee, approved the appointment of Mr. N.V.S.Kapardhi, Cost Accountant, (Registration No. 100231), Hyderabad, to conduct the audit of the cost records of the Company on a remuneration not exceeding ₹ 60,000/- (Rupees Sixty Thousand Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) for the financial year ending March 31, 2020.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval of the Members.

**Item No. 11: Approval for fees to be charged for service of documents under Section 20 of the Companies Act, 2013:**

Pursuant to the provisions of Section 20 of the Companies Act, 2013, a document may be served by the Company on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office or at address as recorded in the Register of Members maintained by the Company/RTA, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its Annual General Meeting.

In view of the above provision and in order to enable the Company to determine the fees for the delivery of the documents through requested mode, approval of Members, by way of Ordinary Resolution, is being sought for the amount of fees to be charged for service of documents under Section 20 of the Companies Act, 2013.

The Board recommends the Ordinary Resolution as set out at Item No. 11 of the accompanying Notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the Resolution.

**Annexure to the explanatory statement pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, information about the Directors proposed to be appointed / re-appointed is furnished below:**

<b>Name of the Director</b>	<b>Mr. Pradip Saha</b>	<b>Mr. Santanu Mukherjee</b>	<b>Mrs. Ch. Manjula</b>
Directors Identification Number (DIN)	07677683	07716452	01546339
Nationality	Indian	Indian	Indian
Date of birth	11.09.1956	29.12.1956	17.05.1966
Age	62 years	62 years	53 years
Qualification	Fellow Member of the Institute of Chartered Accountants of India and The Institute of Company Secretaries of India and have done Executive Finance Management Course from Singapore University.	B.Sc., (Hon's) degree from Presidency College under Kolkata University and CAIIB from The Indian Institute of Bankers	Graduate
Experience (including expertise in specific functional area)/ Brief Resume	He has more than 40 years of perceptible experience, in the field of accounts & finance, in various reputed FMCG organizations including Colgate Palmolive India Ltd; Hindustan Unilever; Union Carbide India Ltd; and worked at Shaw Wallace & Co Ltd. He was also held the position of Director at Genelec Ltd, Henkel India Ltd and Calcutta Chemicals Co. Ltd, Detergents India Ltd, Camelot Investment Company Ltd. Previously he held the position of Director (Commercial) at Colgate Palmolive India Ltd.	He joined State Bank of Hyderabad as a Probationary Officer and served the Bank in various capacities and also held various important assignments (domestic as well as foreign) in the SBI group. Mr. Santanu Mukherjee gained 38 years of rich experience in various facets of banking operations. Before his elevation, he was working as Chief General Manager of SBI. He had also served as chief executive officer SBI in Paris during 2004 to 2008. Shri. Santanu Mukherjee has been appointed as the Managing Director of State Bank of Hyderabad (SBH) and retired from this position in the month of December, 2016. Since then he has been serving as a Board member of various listed and unlisted companies	She has been Director of the company for more than two decades and contributing for the growth of the organization through her guidance and support.
Date of first Appointment on the Board of the Company	November 10, 2017	May 6, 2019	January 2, 2006
Shareholding in the Company	Nil	Nil	1614048 equity shares of ₹ 10/- each (13.51%) 5271250 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (6.88%)
List of Directorship held in other companies	NIL	Currently he is a Director in following companies: a. Suven Life Sciences Limited b. Bandhan Bank Limited c. Donear Industries Limited d. Bhanix Finance and Investment Limited e. Muthoot Housing Finance Company Limited	Currently she is director in following companies: a. K.M.S. Infrastructure Limited b. Vishnu Barium Private Limited
Membership / Chairmanship in Committees of other companies as on date*	NIL	Currently he is a Member of Audit Committee in following companies and he is not holding any chairmanships: a. Suven Life Sciences Limited b. Bandhan Bank Limited c. Muthoot Housing Finance Company Limited	NIL
Relationships between Directors inter-se	There is no inter-se relationship among the director	There is no inter-se relationship among the director	Relative of Mr. Ch. Krishna Murthy, Chairman & Managing Director and Mr. Ch. Siddhartha, Joint Managing Director of the company.

\* 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

Dear Members,

Your Directors are pleased to present the Twenty Sixth Annual Report and the Company's Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2019.

## 1. FINANCIAL RESULTS

Summary of your Company's financial performance, both standalone and consolidated, for the financial year ended 31<sup>st</sup> March, 2019 is tabulated below:

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Revenue from operation	76938.64	65232.72	66752.99	56973.91
Other income	307.80	833.27	432.79	794.46
Total revenue	77246.44	66065.99	67185.78	57768.37
Profit before depreciation, finance cost and taxes (PBDIT)	10224.40	8685.09	8434.39	7522.85
Profit before exceptional items and tax	3748.77	2209.69	2530.99	1710.07
Exceptional items	-	-	-	-
Profit before taxation	3748.77	2209.69	2530.99	1710.07
Taxation:				
Current tax	898.09	565.74	898.09	565.74
Deferred	414.24	201.57	414.24	201.57
Profit after taxation	2436.44	1442.37	1218.66	942.76
Other comprehensive income/ (expenses) (net of taxes)	(89.79)	(3.49)	(70.66)	(3.23)
Total comprehensive income	2346.65	1438.88	1148.00	939.53
EPS (of ₹ 10/- each)				
Basic	20.40	12.07	10.20	7.89
Diluted	20.40	12.07	10.20	7.89

Note: 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 from the FY 2017-18 as per Ind AS.

### Consolidated Financial Statement

The consolidated financial statement is prepared in terms of provisions of Section 129 of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the same forms 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 6<sup>th</sup> May, 2019 has recommended a Dividend of ₹ 1.00 (i.e. 10%) per equity share (last year ₹ 1/- per equity share i.e. 10%) on the equity share of ₹ 10/- each for the financial year 2018-19, amounting to ₹ 119.46 Lakhs (excluding dividend distribution tax). The dividend payout is subject to the approval of Shareholders at ensuing Annual General Meeting. The dividend will be paid to the members whose names appear in register of members as on 14<sup>th</sup> June, 2019.

## 3. TRANSFER TO RESERVES

The Board decided not to transfer any amount out of the profit for the year to the general reserves.



#### 4. THE STATE OF AFFAIRS/ COMPANY'S PERFORMANCE

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 below).

Geography-wise performance:

(₹ In Lakhs)

Particulars	2018-19		2017-18		% of increase YOY
Domestic	<b>35225.48</b>	<b>53.43%</b>	29955.27	53.24%	17.60%
Overseas	<b>30704.93</b>	<b>46.57%</b>	26305.16	46.76%	16.72%
Total	<b>65930.41</b>	<b>100.00</b>	56260.43	100.00	17.18%

During the year, the Company has performed well both in domestic and export segments by achieving turnover growth rate of around 18% and 17% year on year basis respectively with improved margins. Further the Company is concentrating more on export market in order to utilize its full production capacities and accelerate the margins.

Vishnu Barium Private Limited, the wholly owned subsidiary, has achieved total revenue of ₹ 10772.52 Lakhs (previous year ₹ 9480.16 Lakhs). The profit before tax was 1217.34 Lakhs (₹ 706.56 Lakhs) and total comprehensive income was ₹ 1198.21 Lakhs (₹ 706.30 Lakhs).

#### 5. SHARE CAPITAL

During the year under review there were no changes in authorized and paid-up share capital of the Company. The authorised share capital of the Company is ₹ 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; and the paid-up share capital of the Company as on financial year ended 31<sup>st</sup> March, 2019 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.

The Board at its meeting dated 14<sup>th</sup> February, 2019 considered no-objections received from preference shareholders and approved variation of terms of the existing 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS), which are unlisted, of the company with regard to extension of redemption term of CRPS from ten years to fifteen years and thereby to extend due date for redemption of said shares from 31.03.2028 to 31.03.2033 and all other terms and conditions of the said issue of CRPS shall remain the same. Further, the said variation requires the approval of the equity members as per section 48 of the Companies Act, 2013 and a resolution is proposed at ensuing 26<sup>th</sup> Annual General Meeting.

#### 6. PROMOTERS OF THE COMPANY

The promoters of the company continued to reinforce their confidence in the long term prospects of the Company. The following is the promoter's shareholding as on 31<sup>st</sup> March, 2019:

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
	<b>Total</b>	<b>8959506</b>	<b>75.00</b>	<b>76637500</b>	<b>100.00</b>

#### 7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no material subsidiary as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and neither it has any joint ventures/ associate companies. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: <http://www.vishnuchemicals.com/downloads/Subsidiaries.pdf>.

Further, during the year under review, the Board approved at its meeting held on May 30, 2018 closure of Vishnu Hong Kong Ltd due to non-operations and accordingly an application for deregistration of Vishnu Hong Kong Ltd was filed and is pending for receipt of notice of deregistration from the concerned authorities of Hong Kong and on receipt of the said notice, the company will be dissolved on deregistration w.e.f. April 1, 2018 or such other date as may be mentioned in the said notice of deregistration.

During the year, the Board of Directors reviewed the affairs of the subsidiaries and accordingly consolidated financial statement has been prepared in accordance with Section 129(3) of the Companies Act, 2013 which form part of the Annual Report. Moreover, for the purpose of preparation of consolidated financial statements, financials of Vishnu Hong Kong Ltd was not considered as the same is under deregistration and hence was not required to prepare financial statement as per the laws of Hong Kong.

Further 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](http://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 subsidiaries are disclosed in Form-AOC 1 as '**Annexure A**' to the Board's Report.

## 8. PUBLIC DEPOSITS

The Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 during the year and as such no amount of principle or interest was outstanding as on Balance Sheet date.

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees, security and investments covered under section 186 of the Companies Act, 2013 forms part of the notes to the financial statements (pls refer Note No. 2, 3 & 10).

## 10. DIRECTORS AND KMPs

During the year under review, there were no changes in composition of Board of Directors of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Ch. Manjula, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

Based on recommendations of the Nomination and Remuneration Committee and performance evaluation report the Board at its meeting held on 6<sup>th</sup> May, 2019, considered reappointment of Mr. Pradip Saha as an Independent Director of the company for a second term period of 2 years i.e. w.e.f. 10<sup>th</sup> November, 2019 till 9<sup>th</sup> November, 2021 and recommends for member's approval as required under section 149(10) of the Companies Act, 2013 at forthcoming Annual General Meeting. A proposed resolution included in AGM Notice.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Santanu Mukherjee as an Additional Director (For Non-Executive & Independent Category) of the Company with effect from May 6, 2019. In terms of Section 161 of the Act, Mr. Santanu Mukherjee holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mr. Santanu Mukherjee's name for the office of Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Santanu Mukherjee as a Independent Director, for the approval by the members of the Company.

Further, Mr. U. Dileep Kumar will complete his term as Independent Director on the board of the Company at the conclusion of the 26<sup>th</sup> AGM. The Board places on record its deep appreciation for the services rendered by Mr. U. Dileep Kumar during his tenure as an Independent Director and Member of various committees of the Board of Directors of the Company.

Pursuant to the provisions of regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by ICSI, brief particulars of the directors proposed to be appointed/ re-appointed are provided as an annexure to the notice convening the AGM.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

## Number of Board Meetings

During the year under review, four Board Meetings were convened and held. For further details, please refer Report on Corporate Governance which is enclosed as Annexure to this report.

## Committees of the Board

The Board of Directors have the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Management Committee of Directors
5. Corporate Social Responsibility Committee.
6. Risk Management Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

## Key Managerial Personnel

During the year Mr. P. Anjaneyulu, Vice-President (Finance & Accounts) was appointed as Chief Financial Officer of the Company w.e.f. 30<sup>th</sup> May, 2018, in terms of provisions of section 203 of the Companies Act, 2013 in place of Mr. V. Lakshmi Narayana, who resigned on 1<sup>st</sup> May, 2018.

The following are the Key Managerial Personnel of the Company as on March 31, 2019:

1. Mr. Ch. Krishna Murthy, Managing Director
2. Mr. Ch. Siddartha, Joint Managing Director
3. Mr. P. Anjaneyulu, Chief Financial Officer
4. Mr. Kishore Kathri, Company Secretary

## Directors' Appointment and Remuneration Policy

The Nomination and Remuneration Committee is responsible to set the skills/ expertise/ competencies of the Board Members based on the industry and strategy of the Company and to formulate 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](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 and are also reimbursed out of pocket expenses incurred by them in connection with the attendance of the Company's Meetings.

#### **Familiarization Programme for Independent Directors**

The Independent Directors are familiarized through various programmes on a continuing basis including the following:

- (a) nature of the industry in which Company operates;
- (b) business model of the Company;
- (c) roles, rights, responsibilities of Independent Directors etc.,

The familiarization programme along with terms and conditions of appointment of Independent Directors is disclosed on the Company's website [www.vishnuchemicals.com](http://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 14<sup>th</sup> February, 2019, 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 in terms of increase in regulatory monitoring. The Independent Directors commended the depth and quality of discussions at the Board and the Committee Meetings.

Except Mr. T.S. Appa Rao, all other Independent Directors attended/participated in the Meeting of Independent Directors and Mr. U. Dileep Kumar was the Lead Independent Director of that Meeting.

#### **Board & Director's Evaluation**

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. In addition, the performance of Board as a whole and committees were evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-executive Directors.

Further, based on the performance evaluation report Mr. Pradip Saha's re-appointment is proposed for second term period of 2 years i.e. w.e.f. 10<sup>th</sup> November, 2019 till 9<sup>th</sup> November, 2021. Accordingly a special resolution is proposed for member's approval at ensuing Annual General Meeting.

#### **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**'.

#### **11. 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**'.

#### **12. 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 up-to-date.

#### **13. 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, 2019, 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.

#### 14. AUDITORS

##### Statutory / Financial Audit

M/s. Jampani & Associates, Chartered Accountants, Hyderabad (Registration No.016581S) were appointed as Auditors of the Company to hold office from the conclusion of the 23<sup>rd</sup> Annual General Meeting of the Company until the conclusion of the 28<sup>th</sup> 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, Govt' of India Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the 23<sup>rd</sup> Annual General Meeting held on September 28, 2016 and are eligible to hold their office until conclusion of 28<sup>th</sup> Annual General Meeting to be held in 2021.

##### Auditor's Observations:

The Statutory Auditors have mentioned in their report as point No. iii of Annexure – 'B' to the Independent Auditors Report regarding interest free unsecured loans of ₹ 989 Lakhs (with a value at amortised cost of ₹ 722.22 lakhs) to its wholly-owned subsidiary i.e. Vishnu Barium Pvt Ltd. Similarly, they have also mentioned in their report at point no. (a) & (b) of VII of Annexure – 'B' that the company has generally been irregular in depositing undisputed statutory dues and ₹ 1279.19 Lakhs is yet to be paid towards Income Tax and Interest thereon under Income Tax Act, 1961 for the periods AY 2014-15 to AY 2018-19.

##### Management Replies:

While sanctioning the term loan and working capital facilities, the bank has insisted to deposit unsecured loan by Holding Company to Subsidiary. Accordingly the Board took a decision to infuse the funds as per requirements of the business and for ultimate benefit of the Holding Company. Delay in Statutory Payments and Income Tax is due to funds crunch and the same will be paid at the earliest.

##### Cost Audit

The Ministry of Corporate Affairs had, vide its Order dated 31<sup>st</sup> December, 2014 directed audit of cost records of the companies covered under the Companies (Cost Records & Audit) Amendment Rules, 2014 as amended from time to

time. The said order is applicable to the Company, being manufacturer of Chemicals etc., cost records under the said order are maintained. The Board has appointed Mr. K.V.S. Kapardhi, Cost Accountant, Hyderabad (Firm Reg. No. 100231) as Cost Auditors of the Company for the financial year 2019-20 and approval of members is being sought at ensuing Annual General Meeting for ratification of remuneration to be paid to them for the FY 2019-20.

##### 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 2018-19 is annexed herewith as '**Annexure D**'.

##### Auditor's Observations:

Secretarial Auditors mentioned at point no. six of their report that wages and statutory payments are delayed.

##### Management Replies:

The Company is taking all possible steps to pay wages within time and deposit all statutory dues within due date.

#### 15. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

In compliance with Section 135 of the Companies Act, 2013 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 i.e. 14<sup>th</sup> August, 2018, 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.

Further to emphasise on the idea of service to the society at large, during the year the company along with its WOS Company i.e. Vishnu Barium Private Ltd, formed a Trust called "Krishna Foundation" with an objective of charitable purpose and as part of its object during the year the trust initiated construction of old-age home to provide housing facility to elderly aged group.

During the financial year, the Company spent ₹ 41.33 Lakhs out of which ₹ 10.83 Lakh spent directly and ₹ 30.50 Lakh spent through Krishna Foundation, Public Charitable Trust of the company registered under Indian Trust Act, 1882 and the Board recommended carrying forward the unspent amount of ₹ 5.13 Lakhs relating to financial year 2018-19 along with accumulated unspent amount of ₹ 87.34 Lakhs pertaining to previous financial years, to next financial year in view of the reason that it is proposed to spend the unspent CSR amount through its trust for construction and maintenance of old-age home to provide housing facility to elderly aged group which includes facilities for meals, gatherings, recreation activities, and some form of health or hospice care etc., in FY 2019-20.

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**'.

## 16. 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 [http://www.vishnuchemicals.com/downloads/whistle\\_blower\\_policy.pdf](http://www.vishnuchemicals.com/downloads/whistle_blower_policy.pdf). During the year the policy has been amended in view of the changes in listing regulations to cover instances relating to insider trading i.e. reporting instances of leak of UPSI or suspected leak of UPSI by employees and taking appropriate actions on such reporting. 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.

## 17. RELATED PARTY TRANSACTIONS

All related party transactions / arrangements that were entered into during the financial year were at an arm's length basis and in ordinary course of business. During the year under review, there were no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large and thus a disclosure in Form AOC-2 in terms of section 134 of the Act is NIL and the same is annexed as 'Annexure F'.

All 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 [http://www.vishnuchemicals.com/downloads/Policy\\_on\\_Materiality\\_of\\_RPT.pdf](http://www.vishnuchemicals.com/downloads/Policy_on_Materiality_of_RPT.pdf).

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

## 18. ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

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;

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. The said policy has been circulated to all employees by hosting on notice board and a copy of the same has been uploaded on the website of

the Company. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year under review, no complaints pertaining to sexual harassment of women employees were reported.

## 19. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form No. MGT – 9 is enclosed as 'Annexure G' to this Report.

## 20. CORPORATE GOVERNANCE

A detailed report on the subject forms part of this Report as 'Annexure H'. 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 on corporate governance is reproduced in this Annual Report.

## 21. MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section as 'Annexure I' forming part of the Annual Report.

## 22. 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.

## 23. CAUTIONARY STATEMENT

Statements in this Board's Report and Management Discussion and Analysis Report 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 difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factor.

## APPRECIATION

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Ch. Siddhartha	Ch. Manjula
Place: Hyderabad	Joint Managing Director	Director
Date: 06 May 2019	DIN: 01250728	DIN: 01546339

# 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
1	Reporting period	Year ended 31 <sup>st</sup> March 2019
2	Reporting currency and Exchange rate of subsidiaries if any	INR (₹ In Lakhs)
3	Share Capital	8727.50
4	Reserves & Surplus	(5548.86)
5	Total assets	8058.58
6	Total Liabilities (Excl. Share Capital, Reserves & Surplus)	4879.94
7	Investments	11.43
8	Turnover	10676.94
9	Profit before taxation	1217.34
10	Provision for taxation	0
11	Profit after taxation	1217.34
12	Proposed Dividend	
	- Equity	-
	- Preference	-
13	% of shareholding	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, 2019.

#### For and on behalf of the Board of Directors

Sd/-  
Ch. Siddartha  
**Joint Managing Director**  
DIN:01250728

Sd/-  
Ch. Manjula  
**Director**  
DIN:01546339

Place: Hyderabad  
Date: 06 May 2019

Sd/-  
P. Anjaneyulu  
**Chief Financial Officer**

Sd/-  
Kishore Kathri  
**Company Secretary**



# Annexure 'B'

## STATEMENT OF DISCLOSURE OF REMUNERATION

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

S.No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year.	Name of the Director	Ratio (in x times)
		Mr.Ch. Krishna Murthy	20 times
		Mr. Ch. Siddartha	14.54 times
		Mrs. Ch. Manjula*	-
		Mr. U. Dileep Kumar*	-
		Mr. T.S. Appa Rao*	-
		Mr. Pradip Saha*	-
* Non-executive Directors are not paid any remuneration or commission except sitting fee.			
** The median remuneration of all the employees of the Company was ₹ 3.30 Lakhs p.a.			
2	The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name	% increase in Remuneration
		Mr.Ch. Krishna Murthy	Nil
		Mr. Ch. Siddartha	Nil
		Mr. P. Anjaneyulu*	Not applicable
		Mr. Kishore Kathri	25%
		*Appointed as CFO w.e.f. May 30, 2018	
3	The percentage increase in the median remuneration of employees in the financial year;	During FY 2018-19, the percentage increase in the median remuneration of employees is 7%.	
4	The number of permanent employees on the rolls of company;	There were 425 employees as on March 31, 2019	
5	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;	Average increase in remuneration is 11.00% for Employees other than Managerial Personnel and there was no increase in remuneration of MD and JMD during the year.	
6	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: 06 May 2019

Sd/-  
Ch. Siddartha  
**Joint Managing Director**  
DIN:01250728

Sd/-  
Ch. Manjula  
**Director**  
DIN:01546339

# 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 has done electrical audit and changed the motors from higher horse power to lower horse power in order to reduce the installed power losses. This was possible by installing VFD's on all Fans.
- The company also installed heat exchangers to reduce heat from the venting scrubber and using the recovered heat in the process.

#### ii. Steps taken by the Company for utilising alternate sources of energy:

The company is exploring the possibility of installing solar power as a green energy.

#### iii. The capital investment on energy conservation equipments:

There was no major capital investment on energy conservation equipment's during the year.

### B. TECHNOLOGY ABSORPTION

#### The efforts made towards technology absorption:

During the year the company has installed candle filter for improving the quality of the final product i.e. Sodium Bichromate by filtering all final impurities and also improvement in quality of all other derivatives.

(ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:** Export sales are increased in view of the improvement in quality of our products.

(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.

### C. FOREIGN EXCHANGE EARNINGS & OUTGO:

(₹ In Lakhs)

	2018-19	2017-18
Total Foreign Exchange used and earned in terms of actual inflows and actual outflow:		
Used / Outflow	14657.98	15158.67
Earned / Inflow	30326.38	23641.20

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: 06 May 2019

Sd/-  
Ch. Siddhartha  
**Joint Managing Director**  
DIN:01250728

Sd/-  
Ch. Manjula  
**Director**  
DIN:01546339

# Annexure 'D'

## Secretarial Audit Report

For the Period from 01.04.2018 to 31.03.2019

*[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 and Regulation 24A of SEBI (LODR) Regulations, 2015]*

To  
The Board of Directors  
M/s. Vishnu Chemicals Limited  
H.No. 8-2-293/82/F/23-C, Plot No. 23,  
Road No. 8 Film Nagar, Jubilee Hills,  
Hyderabad, Telangana – 500033

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 from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 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 the Company for the Period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 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 (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - b. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- c. The SEBI (Prohibition of Insider Trading) Regulations, 2015
- d. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable to the company during audit period.
- e. The SEBI (Share Based Employee Benefits) Regulations, 2014 – Not applicable to the Company during the audit period.
- f. The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable to the Company during the audit period.
- g. The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- h. The SEBI (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company during the audit period.
- i. The SEBI (Buyback of Securities) Regulations, 1998 – Not applicable to the Company during the audit period.
- 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. Goods and Services Tax Laws
- xvi. The Insurance Act, 1938 [as amended by insurance (amendment) act, 2002]
- xvii. The Factories Act, 1948 and rules made thereunder.
- xviii. Water (Prevention & Control of Pollution) Act 1974 and rules there under.
- xix. Air (Prevention & Control of Pollution) Act 1981 and rules there under.
- xx. The Environment (Protection) Act, 1986
- xxi. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- xxii. Customs Act, 1962
- xxiii. The Boilers Act, 1923 and Indian Boilers Regulations
- xxiv. The Petroleum Act, 1934 and Petroleum Rules, 2002
- xxv. HMC Act, 1955



We have also examined compliance with the applicable clauses and 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 from time to time 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 to 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. There were no changes during the year in composition of Board.
- 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 and Secretarial Auditors.
- 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.
- 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 Conduct 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;
- There was no prosecution initiated and no fines or penalties were imposed during the period 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:

- The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936
- The Company has obtained consent of State Pollution Control Board for all its units as per the provision of Water (Prevention & Control of Pollution) Act, 1974 and;
- 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 has filed return as per The Factories Act, 1948.
- 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 the following observations for the period ended 31<sup>st</sup> March, 2019:

- *That there were delays in the payment of wages to the employees of the company.*
- *Some of the statutory payments are delayed.*

7. We further Report that during the audit period the Company has:

- No Public /Right/Preferential Issue of Shares/Debentures/ Sweat Equity etc.,
- No Redemption/Buy-back of Securities;
- No major Decision taken by the members in pursuance of Section 180 of the companies Act, 2013;
- No Merger/Amalgamation/Reconstruction, etc.,
- No Foreign Technical Collaborations;

**For L.D.Reddy & Co.,**  
Company Secretaries

**Sd/-**  
**L. Dhanamjay Reddy**  
(Proprietor)  
CP. No.3752

Place: Hyderabad  
Date: May 6, 2019

# Annexure 'E'

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended March 31, 2019

(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: <a href="http://www.vishnuchemicals.com/downloads/csr_policy.pdf">http://www.vishnuchemicals.com/downloads/csr_policy.pdf</a>
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.	₹ 2323.08 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 46.46 Lakhs
5	Details of CSR spent for the financial year:	
	a) Total amount to be spent for the financial year:	₹ 46.46 Lakhs
	b) Amount unspent, if any:	₹ 5.13 Lakhs (Refer to para 16 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 ended March 31, 2019:

(₹ in Lakhs)

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	Amount spent on the projects or programs Sub – heads: (in Lakhs.)		Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
					Direct expenditure on projects or programs	(2) Overheads		
1	Setting up & maintenance of old age homes for senior citizens	Setting up & maintenance of old age homes	Kapavarum Village, Pamarru Mandal, Krishna Dist, Andhra Pradesh	30.50	30.50	-	30.50	Through Krishna Foundation, Registered Trust of the Company
2	Offered donations to provide education	Promotion of education	Hyderabad, Telangana	1.00	1.00	-	1.00	Direct
3	Plantation activities	ensuring environmental sustainability	Persipalli Village, Krishna Dist., Andhra Pradesh	0.52	0.52	-	0.52	Direct
4	Sponsored badminton players.	Promotion of nationally recognized sports	Kayns Badminton Academy, Attapur, Hyderabad	5.00	5.00	-	5.00	Direct
5	Improvements to water treatment plant installed at Parsipalli	Making available safe drinking water	Persipalli Village, Krishna Dist., Andhra Pradesh	3.76	3.76	-	3.76	Direct
6	Development of infrastructure	Rural Development	Kazipally, Hyderabad, Telangana	0.55	0.55	-	0.55	Direct
<b>Total</b>				<b>41.33</b>	<b>41.33</b>	<b>-</b>	<b>41.33</b>	

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.

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: 06 May 2019

Sd/-  
U. Dileep Kumar  
**Chairman-CSR Committee**  
DIN:02519654

Sd/-  
Ch. Krishna Murthy  
**Director**  
DIN:00030274

# Annexure 'F'

## 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:

- 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
---	-----

- Details of material contracts or arrangements or transactions at arm's length basis: NIL

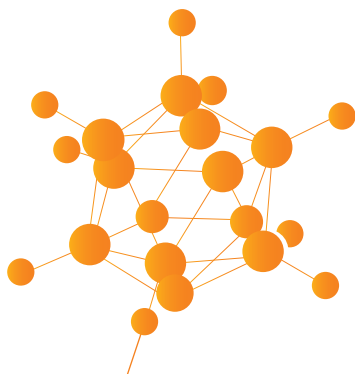
S.No.	Name of the related party and nature of relationship	Nature of contract/ arrangement/ transaction	Duration of contract/ arrangement/ transaction	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
NIL						

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: 06 May 2019

Sd/-  
Ch. Siddhartha  
**Joint Managing Director**  
DIN:01250728

Sd/-  
Ch. Manjula  
**Director**  
DIN:01546339





# Annexure 'G'

## FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2019

[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 Company Limited by Shares
Address of the Registered Office & Corporate 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, 3 <sup>rd</sup> 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 Barium Private Limited Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad, Telangana 500033	U24120TG2001PTC036807	Subsidiary Company	100%	2(87)(ii)
2	Vishnu South Africa (Pty) Limited 18 Turnberry Avenue, Dainfern, Johannesburg, Gauteng - 2055	2017/179393/07	Subsidiary Company	100%	2(87)(ii)

\* During the year, Vishnu Hong Kong Ltd. has been closed and awaited for deregistration notice to be received from concerned authorities of Hong Kong.

#### IV. SHAREHOLDING 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	8959506	-	8959506	75.00	8959506	-	8959506	75.00	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(1):</b>	<b>8959506</b>	<b>-</b>	<b>8959506</b>	<b>75.00</b>	<b>8959506</b>	<b>-</b>	<b>8959506</b>	<b>75.00</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters(A)=(A)(1)+(A2)</b>	<b>8959506</b>	<b>-</b>	<b>8959506</b>	<b>75.00</b>	<b>8959506</b>	<b>-</b>	<b>8959506</b>	<b>75.00</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	2255	-	2255	0.02	2900	0	2900	0.02	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII/ FPIs	99039	-	99039	0.83	54982	0	54982	0.46	(0.37)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total(B)(1)</b>	<b>101294</b>	<b>-</b>	<b>101294</b>	<b>0.85</b>	<b>57882</b>	<b>0</b>	<b>57882</b>	<b>0.48</b>	<b>(0.37)</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	365811	1375	367186	3.07	229020	1375	230395	1.93	(1.14)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									

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	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1111642	169734	1281376	10.73	1330239	155544	1485783	12.44	1.71
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	964490	-	964490	8.07	1004018	-	1004018	8.40	0.33
<b>d) Others (specify)</b>									
NBFC	1800	-	1800	0.02	-	-	-	-	(0.02)
Foreign Nationals	-	-	-	-					-
Non-Resident Indians	2798	42240	45038	0.38	1231	40865	42096	0.35	(0.03)
Non-Resident Indians (Repat)	103280	-	103280	0.86	102633	-	102633	0.86	-
Non-Resident Indians (Non-Repat)	28404	-	28404	0.24	32576	-	32576	0.27	0.03
Clearing Members	93646	-	93646	0.78	31131	-	31131	0.26	(0.52)
Trusts	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	1800	-	1800	0.02					(0.02)
<b>Sub-total (B)(2):-</b>	<b>2671871</b>	<b>213349</b>	<b>2885220</b>	<b>24.16</b>	<b>2730848</b>	<b>197784</b>	<b>2928632</b>	<b>24.52</b>	<b>0.34</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2773165</b>	<b>213349</b>	<b>2986514</b>	<b>25.00</b>	<b>2788730</b>	<b>197784</b>	<b>2986514</b>	<b>25.00</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>11732671</b>	<b>213349</b>	<b>11946020</b>	<b>100</b>	<b>11748236</b>	<b>197784</b>	<b>11946020</b>	<b>100</b>	<b>-</b>

(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	65.56	-
2	Mrs. Ch. Manjula	1614048	13.51	01.33	1614048	13.51	01.33	-
3	Mr. Ch. Siddhartha	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
NIL								



(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 share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	Ashish Kacholia	5,88,793	31.03.2018	0	-	5,88,793	4.93
		5,88,793	30.03.2019	0	-	5,88,793	4.93
2	Kuber India Fund	79,736	31.03.2018	0	-	79,736	0.67
			06.04.2018	-11677	Transfer	68,059	0.57
			13.04.2018	-13059	Transfer	55,000	0.46
			15.02.2019	-18	Transfer	54,982	0.46
		54,982	30.03.2019	0	-	54,982	0.46
3	Prakash Chand	76,000	31.03.2018	0	-	76,000	0.64
		76,000	30.03.2019	0	-	76,000	0.64
4	Harry Hassomal Mohinani	70,000	31.03.2018	0	-	70,000	0.59
		70,000	30.03.2019	0	-	70,000	0.59
5	Reliance Financial Limited	47,472	31.03.2018	0	-	47,472	0.40
			13.04.2018	-872	Transfer	46,600	0.39
			27.04.2018	-100	Transfer	46,500	0.39
			18.05.2018	-2054	Transfer	44,446	0.37
			27.07.2018	-920	Transfer	43,526	0.36
			24.08.2018	-1665	Transfer	41,861	0.35
			28.09.2018	-5000	Transfer	36,861	0.31
			05.10.2018	-2026	Transfer	34,835	0.29
			19.10.2018	-6008	Transfer	28,827	0.24
			16.11.2018	-6786	Transfer	22,041	0.18
			23.11.2018	-541	Transfer	21,500	0.18
			07.12.2018	-1500	Transfer	20,000	0.17
			21.12.2018	-8493	Transfer	11,507	0.10
			28.12.2018	-3007	Transfer	8,500	0.07
			31.12.2018	-2048	Transfer	6,452	0.05
			04.01.2018	-1081	Transfer	5,371	0.05
			11.01.2019	-5371	Transfer	0	0.00
			30.03.2019	0	Transfer	0	0.00
6	IL and FS Securities Services Limited	42,135	31.03.2018	0	-	42,135	0.35
			06.04.2018	-1508	Transfer	40,627	0.34
			13.04.2018	500	Transfer	41,127	0.34
			20.04.2018	50	Transfer	41,177	0.34
			27.04.2018	1700	Transfer	42,877	0.36
			04.05.2018	-400	Transfer	42,477	0.36
			11.05.2018	1287	Transfer	43,764	0.37
			18.05.2018	-1487	Transfer	42,277	0.35
			25.05.2018	-256	Transfer	42,021	0.35
			01.06.2018	6998	Transfer	49,019	0.41

S.No.	Name of the shareholder	No. of Shares at the beginning/End of the year	Date	Increase/ Decrease (+/-) in share-holding	Reason	Number of Shares	Percentage of total shares of the company
			08.06.2018	-1175	Transfer	47,844	0.40
			15.06.2018	-10515	Transfer	37,329	0.31
			22.06.2018	100	Transfer	37,429	0.31
			29.06.2018	14600	Transfer	52,029	0.44
			06.07.2018	5170	Transfer	57,199	0.48
			13.07.2018	435	Transfer	57,634	0.48
			20.07.2018	3468	Transfer	61,102	0.51
			27.07.2018	-2572	Transfer	58,530	0.49
			03.08.2018	-70	Transfer	58,460	0.49
			10.08.2018	-192	Transfer	58,268	0.49
			17.08.2018	-1900	Transfer	56,368	0.47
			24.08.2018	-1000	Transfer	55,368	0.46
			31.08.2018	2555	Transfer	57,923	0.48
			07.09.2018	950	Transfer	58,873	0.49
			14.09.2018	10340	Transfer	69,213	0.58
			21.09.2018	-5345	Transfer	63,868	0.53
			28.09.2018	4778	Transfer	68,646	0.57
			05.10.2018	-719	Transfer	67,927	0.57
			12.10.2018	-1500	Transfer	66,427	0.56
			19.10.2018	-269	Transfer	66,158	0.55
			26.10.2018	-13000	Transfer	53,158	0.45
			09.11.2018	-1096	Transfer	52,062	0.44
			16.11.2018	-948	Transfer	51,114	0.43
			23.11.2018	1199	Transfer	52,313	0.44
			30.11.2018	882	Transfer	53,195	0.45
			07.12.2018	-5	Transfer	53,190	0.45
			14.12.2018	-500	Transfer	52,690	0.44
			21.12.2018	-1950	Transfer	50,740	0.42
			28.12.2018	5000	Transfer	55,740	0.47
			11.01.2019	-27500	Transfer	28,240	0.24
			01.02.2019	-237	Transfer	28,003	0.23
			22.02.2019	-243	Transfer	27,760	0.23
			08.03.2019	-6785	Transfer	20,975	0.18
			15.03.2019	-11000	Transfer	9,975	0.08
			22.03.2019	-3821	Transfer	6,154	0.05
			29.03.2019	-6	Transfer	6,148	0.05
		6,148	30.03.2019	0	-	6,148	0.05
7	Edelweiss Custodial Services Limited	39,809	31.03.2018	0	-	39,809	0.33
			06.04.2018	3798	Transfer	43,607	0.37
			13.04.2018	-4939	Transfer	38,668	0.32
			27.04.2018	350	Transfer	39,018	0.33
			04.05.2018	-306	Transfer	38,712	0.32

S.No.	Name of the shareholder	No. of Shares at the beginning/End of the year	Date	Increase/ Decrease (+/-) in share-holding	Reason	Number of Shares	Percentage of total shares of the company
			11.05.2018	-2652	Transfer	36,060	0.30
			18.05.2018	-1	Transfer	36,059	0.30
			25.05.2018	-5703	Transfer	30,356	0.25
			01.06.2018	-11285	Transfer	19,071	0.16
			15.06.2018	-1600	Transfer	17,471	0.15
			06.07.2018	4	Transfer	17,475	0.15
			13.07.2018	4699	Transfer	22,174	0.19
			27.07.2018	-500	Transfer	21,674	0.18
			03.08.2018	-2248	Transfer	19,426	0.16
			10.08.2018	-1951	Transfer	17,475	0.15
			24.08.2018	-1004	Transfer	16,471	0.14
			07.09.2018	2363	Transfer	18,834	0.16
			14.09.2018	49	Transfer	18,883	0.16
			17.09.2018	-1100	Transfer	17,783	0.15
			29.09.2018	-37	Transfer	17,746	0.15
			05.10.2018	30	Transfer	17,776	0.15
			12.10.2018	961	Transfer	18,737	0.16
			19.10.2018	-99	Transfer	18,638	0.16
			26.10.2018	1702	Transfer	20,340	0.17
			02.11.2018	-2208	Transfer	18,132	0.15
			23.11.2018	-1246	Transfer	16,886	0.14
			07.12.2018	-160	Transfer	16,726	0.14
			08.02.2019	-14790	Transfer	1,936	0.02
			15.03.2019	13235	Transfer	15,171	0.13
			22.03.2019	650	Transfer	15,821	0.13
		15,821	30.03.2019	0	-	15,821	0.13
8	Rajalakshmi S	0	31.03.2018		-	0	0.00
			08.06.2018	400	Transfer	400	0.00
			14.09.2018	600	Transfer	1,000	0.01
			01.02.2019	10368	Transfer	11,368	0.10
			08.02.2019	9470	Transfer	20,838	0.17
			15.02.2019	1947	Transfer	22,785	0.19
			22.02.2019	6069	Transfer	28,854	0.24
			01.03.2019	6764	Transfer	35,618	0.30
			08.03.2019	2150	Transfer	37,768	0.32
			15.03.2019	414	Transfer	38,182	0.32
			22.03.2019	436	Transfer	38,618	0.32
		38,618	30.03.2019	0	-	38,618	0.32
9	Martin And Harris Laboratories Limited	34,700	31.03.2018	0	-	34,700	0.29
			20.04.2018	-1500	Transfer	33,200	0.28
			27.04.2018	-2500	Transfer	30,700	0.26
			04.05.2018	-161	Transfer	30,539	0.26
			08.06.2018	-1000	Transfer	29,539	0.25
			15.06.2018	-1000	Transfer	28,539	0.24
		28,539	30.03.2019	0	-	28,539	0.24



S.No.	Name of the shareholder	No. of Shares at the beginning/End of the year	Date	Increase/ Decrease (+/-) in share-holding	Reason	Number of Shares	Percentage of total shares of the company
10	Multiplier Share and Stock Advisors Private Limited	30,394	31.03.2018	0	-	30,394	0.25
			13.04.2018	106	Transfer	30,500	0.26
			20.04.2018	-2686	Transfer	27,814	0.23
			27.04.2018	-4770	Transfer	23,044	0.19
			04.05.2018	-1	Transfer	23,043	0.19
			08.06.2018	-13043	Transfer	10,000	0.08
			27.07.2018	5	Transfer	10,005	0.08
			10.08.2018	-5	Transfer	10,000	0.08
			17.08.2018	-10000	Transfer	0	0.00
			30.03.2019	0	-	0	0.00
11	Deepak Mittal	27,953	31.03.2018	0	-	27,953	0.23
			29.06.2018	-2250	Transfer	25,703	0.22
			20.07.2018	-15250	Transfer	10,453	0.09
			07.12.2018	-10453	Transfer	0	0.00
			30.03.2019	0	-	0	0.00
12	Ayyagari Roja Ramani	11,800	31.03.2018	0	-	11,800	0.10
			18.01.2019	12937	Transfer	24,737	0.21
		24,737	30.03.2019	0	-	24,737	0.21
13	Manish Kumar Gilada	20,327	31.03.2018	0	-	20,327	0.17
			13.04.2018	2672	Transfer	22,999	0.19
			03.08.2018	1	Transfer	23,000	0.19
		23,000	30.03.2019	0	-	23,000	0.19
14	Vamsidhar Patibandla	22,000	31.03.2018	0	-	22,000	0.18
			33.06.2018	-933	Transfer	21,067	0.18
			29.06.2018	-1067	Transfer	20,000	0.17
			20.07.2018	-2000	Transfer	18,000	0.15
			07.09.2018	1000	Transfer	19,000	0.16
			05.10.2018	500	Transfer	19,500	0.16
			12.10.2018	750	Transfer	20,250	0.17
			30.11.2018	-250	Transfer	20,000	0.17
			07.12.2018	4	Transfer	20,004	0.17
			11.01.2019	1496	Transfer	21,500	0.18
			08.02.2019	275	Transfer	21,775	0.18
			08.03.2019	666	Transfer	22,441	0.19
			15.03.2019	9	Transfer	22,450	0.19
		22,450	30.03.2019	0	-	22,450	0.19
15	Jayshree Attal	16,307	31.03.2018	0	-	16,307	0.14
			08.06.2018	-40	Transfer	16,267	0.14
			22.06.2018	40	Transfer	16,307	0.14
			07.09.2018	-12609	Transfer	3,698	0.03
			28.09.2018	-113	Transfer	3,585	0.03
			05.10.2018	-63	Transfer	3,522	0.03
			12.10.2018	-155	Transfer	3,367	0.03
			02.11.2018	-16	Transfer	3,351	0.03
			09.11.2018	331	Transfer	3,682	0.03

S.No.	Name of the shareholder	No. of Shares at the beginning/End of the year	Date	Increase/ Decrease (+/-) in share-holding	Reason	Number of Shares	Percentage of total shares of the company
			16.11.2018	11	Transfer	3,693	0.03
			23.11.2018	540	Transfer	4,233	0.04
			31.12.2018	27912	Transfer	32,145	0.27
			11.01.2019	-27912	Transfer	4,233	0.04
			29.03.2019	18000	Transfer	22,233	0.19
		22,233	30.03.2019	0	-	22,233	0.19

(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
<b>A</b>	<b>Directors</b>							
1	Mr. Ch. Krishna Murthy	6219790	52.07	-	-	-	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	-	-	-	-	-	-	-
<b>B</b>	<b>Key Managerial Personnel</b>							
7	Mr. V. Lakshmi Narayana	-	-	-	-	-	-	-
8	Mr. P. Anjaneyulu	10	0.00	12.10.2018	340	Purchase	350	0.00
9	Mr. Kishore Kathri	4	0.00	03.08.2018	6	Purchase	10	0.00
				31.03.2018	5	Purchase	15	0.00
				12.10.2018	15	Purchase	30	0.00
				01.02.2019	10	Purchase	40	0.00

V. Indebtedness of the Company including interest outstanding / accrued but not due for payment for the year ended 31<sup>st</sup> March, 2019:

(₹ In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	22,333.23	2,016.34	-	24,349.57
ii) Interest due but not paid	67.18	-	-	67.18
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	22,400.41	2,016.34	-	24,416.75
<b>Change in Indebtedness during the financial year</b>				
* Additions	64.07	1,494.61	-	1,558.68
* Reduction#	325.56	-	-	325.56

(₹ In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Reduction in Interest due but not paid	67.18	-	-	67.18
Net Change	-328.67	1,494.61	-	1,165.94
Indebtedness at the end of the financial year				
i) Principal Amount	22,071.74	3,510.95	-	25,582.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>22,071.74</b>	<b>3,510.95</b>	<b>-</b>	<b>25,582.69</b>

**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 2018-19	FY 2018-19
		Mr. Ch. Krishna Murthy	Mr. Ch. Siddhartha
		Managing Director	Joint Managing Director
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	66.00	48.00
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as a % of profit	-	-
	- others, specify...	-	-
<b>Total</b>		<b>66.00</b>	<b>48.00</b>

**B. Remuneration to other Directors:**

(₹ in lakhs)

S.No	Particulars of Remuneration	Name of the Director			Total Amount
A	Independent Directors	Mr. U. Dileep Kumar	Mr. T.S. Appa Rao	Mr. Pradip Saha	
1	Fee for attending board / committee meetings	1.60	1.20	1.60	4.40
2	Commission	-	-	-	-
3	Others, please specify	-	-	-	-
Total (A)		1.60	1.20	1.60	4.40
B	Non-Executive Directors	Mrs. Ch. Manjula			
1	Fee for attending board / committee meetings			0.20	0.20
2	Commission			-	-
3	Others, please specify			-	-
Total (B)				0.20	0.20
<b>Total (B)=(A+B)</b>					<b>4.60</b>
<b>Total Sitting Fees</b>					<b>4.60</b>
<b>Total Commission</b>					<b>Nil</b>



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

(₹ in lakhs)

S.No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. V. Lakshmi Narayana, CFO (till 01.05.2018)	Mr. P. Anjaneyulu CFO (from 30.05.2018)	Mr. Kishore Kathri, Company Secretary	
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	3.25	24.41	10.27	37.93
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: 06 May 2019

 Sd/-  
Ch. Siddhartha  
**Joint Managing Director**  
DIN:01250728

 Sd/-  
Ch. Manjula  
**Director**  
DIN:01546339

# Annexure 'H'

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Corporate Governance philosophy has been scripted as under:

"As a good corporate citizen, our Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability besides building confidence in its various stakeholders, thereby paving the way for long term success."

The above philosophy of corporate governance entails that our governance process is devised in such a manner as to meet aspirations of our stakeholders and expectations of the society. VCL is constantly striving to adopt emerging best practices in corporate governance. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

### 2. BOARD OF DIRECTORS

(A) Composition and category of Directors:

The Board consists of the following Directors as on 31st March 2019:

#### (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
	Mr. U. Dileep Kumar
(b) Independent	Mr. T. S. Appa Rao
	Mr. Pradip Saha

(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 other Boards as on 31 <sup>st</sup> March 2019@**	Number of Memberships of other Board Committees*	Number of Chairmanships in other Board Committees*
Mr. Ch. Krishna Murthy	4	Yes	2	Nil	Nil
Mrs. Ch. Manjula	1	No	2	Nil	Nil
Mr. Ch. Siddartha	3	Yes	3	Nil	Nil
Mr. U. Dileep Kumar	4	Yes	Nil	Nil	Nil
Mr. T. S. Appa Rao	3	No	Nil	Nil	Nil
Mr. Pradip Saha	4	Yes	Nil	Nil	Nil

@ 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.

\*\* None of the directors of the company are directors of other listed company.

#### 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 information also will be provided to the board and the board committees as required under Regulation 17(7) of SEBI (LODR) Regulations, 2015. Such information is submitted as part of the agenda papers either in advance of the meetings or by way of presentations and discussion materials during the meetings.

- a) Annual operating plans and budgets, capital budgets, updates and all variances;
  - b) Quarterly, Half yearly, Nine months and Annual results of the company and its subsidiaries;
  - c) Detailed presentations on the business performance of the company, its units and its material subsidiaries;
  - d) Minutes of meetings of the Audit Committee and other committees;
  - e) Contract in which Directors and Senior Management Personnel are interested, if any;
  - f) Update on the significant legal cases of the Company;
  - g) Subsidiary company's minutes, financial statements and significant investments;
  - h) Reviews the compliance reports of all laws applicable to the Company;
  - i) Evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices; and
  - j) Any other matter that requires the attention and intervention of the Board.
- (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 2018-19:

Date of the Meeting	Board Strength	No. of Directors Present
30 <sup>th</sup> May, 2018	6	6
14 <sup>th</sup> August, 2018	6	4
3 <sup>rd</sup> November, 2018	6	5
14 <sup>th</sup> February, 2019	6	4

- (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, 2019 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>
- (H) A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business and sector for it to function effectively and those actually available with the board, is covered in Nomination and Remuneration Policy.
- (I) Independent Directors confirmation by the Board
- All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. [www.vishnuchemicals.com](http://www.vishnuchemicals.com).
- (J) Number of Independent Directorships
- As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any other listed entity.

(K) PCS Certificate

Mr. L. Dhananjaya Reddy, Practicing Company Secretary, proprietor of L.D.Reddy & Co., Company Secretaries, Hyderabad has certified that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. A copy of certificate received from him is enclosed as '**Annexure**' to this report.

(L) 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](http://www.vishnuchemicals.com) The Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended 31st March, 2019. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

**COMMITTEES OF THE BOARD**

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has six Board Level Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Management Committee of Directors
5. Corporate Social Responsibility Committee.
6. Risk Management Committee

**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, other 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, 2019:**

Name	Designation
Mr. U. Dileep Kumar	Chairman
Mr. T. S. Appa Rao	Member
Mr. Pradip Saha	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:**

Four Audit Committee Meetings were held during the year ended 31st March, 2019. 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 2018-19 and attendance details:

Date of the Meeting	Committee Strength	No. of Directors present
30 <sup>th</sup> May, 2018	3	3
14 <sup>th</sup> August, 2018	3	3
3 <sup>rd</sup> November, 2018	3	3
14 <sup>th</sup> February 2019	3	2

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 base.



#### 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 the appointment candidates recommended by the 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 and other senior management 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 as on March 31, 2019:**

Name	Designation
Mr. U. Dileep Kumar	Chairman
Mr. T. S. Appa Rao	Member
Mr. Pradip Saha	Member

**Meetings and Attendance:**

Date of the Meeting	Committee Strength	No. of Directors present
30 <sup>th</sup> May, 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	Mr. Ch. Krishna Murthy Managing Director	Mr. Ch. Siddartha 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
<b>Total</b>	<b>66.00</b>	<b>48.00</b>

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 with three months notice period. There is no severance fee payable to the Executive Directors. The Company does not have any stock option scheme.

ii) **For Non-executive Directors:**

- The sitting fee is paid to the non-executive Directors for attending the Board meeting is ₹ 20,000/-; ₹ 20,000/- for attending Audit Committee meeting; and no sitting fee is paid for Nomination & Remuneration Committee, CSR Committee and Stakeholders Relationship Committee meetings:
- Commission to the Non-executive Directors – NIL

(₹ in lakhs)

Non-executive Directors	Sitting Fees
Mrs. Ch. Manjula	0.20
Mr. U. Dileep Kumar	1.60
Mr. T. S. Appa Rao	1.40
Mr. Pradip Saha	1.60
<b>Total</b>	<b>4.80</b>

\* exclusive of service tax/ GST.

Further apart from sitting fee, non-executive directors are entitled to claim reimbursement of out of pocket expenses incurred for the purpose of attending various meetings and no remuneration is paid to the non-executive directors.

## 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, 2019:**

Name	Designation
Mrs. Ch. Manjula	Chairperson
Mr. Ch. Krishna Murthy	Member
Mr. Ch. Siddartha	Member
Mr. Pradip Saha (from May 30, 2018)	Member

Mr. Kishore Kathri, Company Secretary is Compliance Officer of the Company.

**Meetings and Attendance:**

Date of the Meeting	Committee Strength	No. of Directors present
20 <sup>th</sup> April, 2018	3	2
30 <sup>th</sup> May, 2018	3	3
27 <sup>th</sup> June, 2018	4	3
14 <sup>th</sup> August, 2018	4	2
3 <sup>rd</sup> November, 2018	4	3

Date of the Meeting	Committee Strength	No. of Directors present
19 <sup>th</sup> December, 2018	4	3
1 <sup>st</sup> January, 2019	4	3
14 <sup>th</sup> February, 2019	4	3
30 <sup>th</sup> March, 2019	4	3

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

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

## 7. GENERAL BODY MEETINGS

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

Financial Year	Date & Time of AGM	Venue of AGM
2017-18	Monday, September 24, 2018 at 11.00 AM	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad Telangana – 500033
2016-17	Wednesday, 27 <sup>th</sup> September, 2017 at 4.00 PM	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad Telangana – 500033
2015-16	Wednesday, 28 <sup>th</sup> September, 2016 at 11.00 AM	Hotel I K London, 6-3-656, Kapadia Lane, Somajiguda, Hyderabad – 500082

### Special Resolutions:

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

#### I) 23<sup>rd</sup> AGM held on 28<sup>th</sup> September, 2016 - Special Resolutions.

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

#### II) 24<sup>th</sup> AGM held on 27<sup>th</sup> September, 2017 - Special Resolutions – Nil

#### III) 25<sup>th</sup> AGM held on 24<sup>th</sup> September, 2018 – Special Resolutions

- Amendment of Articles of Association of the Company.

#### IV) During the year, no resolutions were passed through postal ballot.

## 8. MEANS OF COMMUNICATION

### Financials Calendar (Tentative):

- Unaudited results for 1st quarter of next Financial Year – by 14<sup>th</sup> August, 2019
- Unaudited results for 2nd quarter of next Financial Year – by 14<sup>th</sup> November, 2019
- Unaudited results for 3rd quarter of next Financial Year – by 14<sup>th</sup> February 2020
- Audited results for next Financial Year – by 30<sup>th</sup> May 2020

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](http://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.

## 9. GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting:

Day & Date	- Thursday, June 27, 2019
Venue	- Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad, Telangana – 500033
Time	- 10.00 AM (IST)
Financial Year	- 2018-19 (1st April, 2018 to 31st March, 2019)
Date of Book Closure	- June 15, 2019 to June 27, 2019 (both days inclusive)
Date of Dividend Payment	- From June 28, 2019 to July 27, 2019
Dividend for the last three years	- 2017-18 : 10% 2016-17 : Nil 2015-16 (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 2018-19.

### Market Price Data: in respect of the Company's shares on BSE Limited, monthly high and low during the Financial Year 2018-19:

Month & Year	High (₹)	Low (₹)
April 2018	318.70	270.30
May 2018	316.35	245.50
June 2018	304.90	240.00
July 2018	279.00	240.00
August 2018	294.80	223.00
September 2018	247.30	180.00
October 2018	191.00	130.05
November 2018	185.00	150.00
December 2018	169.90	142.00
January 2019	158.00	128.00
February 2019	148.70	118.10
March 2019	163.80	136.00



**Market Price Data: in respect of the Company's shares on the National Stock Exchange of India Limited, monthly high and low during the Financial Year 2018-19:**

Month & Year	High (₹)	Low (₹)
April 2018	314.00	270.00
May 2018	314.10	246.15
June 2018	299.85	238.00
July 2018	279.80	236.50
August 2018	291.90	225.00
September 2018	248.95	176.00
October 2018	189.80	129.50
November 2018	177.00	150.55
December 2018	169.70	137.05
January 2019	160.10	125.60
February 2019	145.30	126.00
March 2019	161.30	133.55

**Share Transfer System**

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

**Dematerialization of shares and liquidity:** 1,17,39,601 (NSDL: 82,23,290; CDSL: 35,16,311) equity shares were dematerialized amounting to 98.27% of the total paid-up capital of the Company and the shares of the company are traded on BSE and NSE. The Company had entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders can dematerialise their shares with either of the Depositories. Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is uploaded on website of the company [www.vishnuchemicals.com](http://www.vishnuchemicals.com).

**Nomination**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**Service of documents through electronic mode**

As a part of Green Initiative, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent, Bigshare Services Pvt. Ltd or to the company by submitting a written request letter.

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

**Distribution of Shareholding (in shares) as on March 31, 2019:**

No. of shares	No. of shareholders	% of total shareholders	No. of shares	% of total share capital
Upto 500	4975	87.29	5,92,940	4.96
501 - 1000	369	6.47	2,81,173	2.35
1001 - 2000	181	3.17	2,65,842	2.22
2001 - 3000	60	1.05	1,52,758	1.27
3001 - 4000	17	0.29	59,603	0.49
4001 - 5000	22	0.38	1,04,884	0.87
5001 - 10000	36	0.63	2,55,750	2.14
10001 & above	39	0.68	1,02,33,070	85.66
	<b>5699</b>		<b>1,19,46,020</b>	<b>100.00</b>

\* No. of the shareholders without considering PAN No.

**Pattern of Shareholding as on March 31, 2019:**

Category	No. of shareholders	No. of Shares	% of shareholding
Promoters	3	8959506	75.00
Public :			
Institutional Investors:			
Mutual Funds	-	-	-
Foreign Portfolio investors	1	54982	0.46
Financial Institutions, Banks & Others	1	2900	0.02
Overseas Corporate Bodies	-	-	-
Central Govt/ State Govt	-	-	-
Non-Institutional Investors:	-	-	-
Indian Public	5206	2489801	20.84
NBFCs	0	0	0
Bodies Corporate	104	230395	1.93
Foreign Nationals/NRIs	109	177305	1.48
Clearing Members	35	31131	0.26
Trust	0	0	0
<b>GRAND TOTAL</b>	<b>5459*</b>	<b>11946020</b>	<b>100</b>

\* No. of shareholders based on PAN No.

**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<sup>rd</sup> 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

**Plant Locations:****Kazipally Plant:**

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

**Jeedimetla Plant:**

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

**Vishnu Barium Plant:**

Survey No.27/1A, Uranduru-Village,  
Maddiledu (P.O.), Srikalahasti (Mandal),  
Chittoor (Dist), Andhra Pradesh - 517 640

**Vizag Plant:**

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

**Bhilai Plant:**

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

**10. OTHER DISCLOSURES**

- a. Compliance of corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are done. For details please verify the Annual Corporate Governance Report uploaded on the Stock Exchanges and a copy of the same is made available on website of the company [www.vishnuchemicals.com](http://www.vishnuchemicals.com).

**b. 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 36 forming part of the financial statements. Web-link for the Policy on dealing with related party transactions is [http://www.vishnuchemicals.com/downloads/Policy\\_on\\_Materiality\\_of\\_RPT.pdf](http://www.vishnuchemicals.com/downloads/Policy_on_Materiality_of_RPT.pdf)

Further during the year there were no transactions with the entities belonging to the promoter or promoter group which holds 10% or more shareholding in the company.

**c. 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.

**d. 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 and no personnel has been denied access to audit committee in this regard.

Further, during the year the policy has been amended in view of the changes in listing regulations to cover instances relating to insider trading so as enable employees to report instances of leak of Unpublished Price Sensitive Information (UPSI) or suspected leak of UPSI to the Committee and to take appropriate action by the Committee in this regard.

**e. Policy for determining material subsidiary:**

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>

f. Disclosure of commodity price risks and commodity hedging activities: Not applicable

g. During the year the company has not raised any funds through preferential allotment or QIP as specified under Regulation 32 (7A) of listing Regulations.

h. Details of fees paid by the company and its subsidiaries, on consolidated basis, to the statutory auditor and to all entities in the network firm/network entity of which the statutory auditor is a part is as under:

(₹ In Lakhs)

Type of service	Vishnu Chemicals Ltd		Vishnu Barium Private Ltd	
	2018-19	2017-18	2018-19	2017-18
Audit Fee	7.50	7.50	2.00	2.00
Tax Audit Fee	2.50	2.50	1.00	1.00
Others	1.20	0.90	0	0
Total	11.20	10.90	3.00	3.00

**i. 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.

**j. 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.

**k. CEO/CFO Certification:**

A certificate duly signed by Chairman & Managing Director and CFO relating to financial statements 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. A copy of the same is provided in this Annual Report.

**l. Auditor's Certificate on Corporate Governance:**

As required by Schedule V of the Listing Regulations, a certificate from the Practicing Company Secretary is enclosed as Annexure to the Board's Report.

**m. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

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 (ICC) under the said Act. No complaint has been received by the ICC, during the year.

- n. Since the company has not issued any debt instruments and has not had any fixed deposit programme or any scheme or proposal that involves mobilization of funds, disclosure of credit rating is not applicable.

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

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

**For and on behalf of the Board of Directors**

Place: Hyderabad  
Date: 06 May 2019

Sd/-  
Ch. Siddartha  
**Joint Managing Director**  
DIN:01250728

Sd/-  
Ch. Manjula  
**Director**  
DIN:01546339

**Annexure**

To  
The Members,  
Vishnu Chemicals Limited  
Hyderabad.

#### **SUB: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015**

I, L. Dhanamjay Reddy, Practicing Company Secretary, proprietor of L.D.Reddy & C o., Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Vishnu Chemicals Limited (CIN: L85200TG1993PLC046359) having its Registered office at H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad - 500033, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2019.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019:

List of Director of the Company as on 31st March, 2019:

S.No.	DIN	Full Name	Designation
1	00030274	Sri. Cherukuri Krishna Murthy	Managing Director
2	01546339	Smt. Cherukuri Manjula	Director
3	01250728	Sri. Cherukuri Siddartha	Joint Managing Director
4	00412492	Sri. Tammineni Sanyasa Appa Rao	Independent Director
5	02519654	Sri. Utukuri Dileep Kumar	Independent Director
6	07677683	Sri. Pradip Saha	Independent Director

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

Sd/-  
**L. Dhanamjay Reddy**  
(Proprietor)  
CP. No.3752

Place: Hyderabad  
Date: 06 May 2019



## 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 31<sup>st</sup> March, 2019 as envisaged in Listing Regulations.

By order of the Board of Directors

Place: Hyderabad  
Date: 04 May 2019

Sd/-  
Ch. Krishna Murthy  
Chairman

## 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<sup>st</sup> March 2019, 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, 2019.
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.

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

Sd/-  
**L. Dhanamjay Reddy**  
(Proprietor)  
CP. No.3752

Place: Hyderabad  
Date: 06 May 2019

# Annexure 'I'

## MANAGEMENT DISCUSSION & ANALYSIS

### ECONOMIC AND INDUSTRY OVERVIEW

#### Global economy:

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% (Source: World Economic Outlook by International Monetary Fund (IMF)). During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets.

Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018 (Source: IMF). Sub-Saharan Africa's economy also sustained a steady rise of 3% during the year.

#### Indian economy:

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3% (Source: IMF).

Sustained real GDP growth of over 6% since FY91 has led to a fundamental transformation of India's economy. Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In PPP terms, the economy is expected to be among the top five global economies by 2020.

Road ahead of the Indian economy is that India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch ₹ 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST). India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report;

#### Industry Structure and Developments:

Global growth in chemical industry roughly at previous year's level. Global chemical production (excluding pharmaceuticals) is expected to grow by 2.7% in 2019, on a level with 2018 (+2.7%).

For 2019, we anticipate a similar expansion rate in the advanced economies as in the previous year (2018: +1.5%; 2019: +1.6%) and slightly slower growth in the emerging markets (2018: +3.4%; 2019: +3.3%).

#### Outlook for chemical production 2019 (excluding pharmaceuticals)

Real change compared with previous year		
World	2.7 %	<div></div>
European Union	0.1 %	<div></div>
United States	3.2 %	<div></div>
Emerging markets of Asia	3.6 %	<div></div>
Japan	2.0 %	<div></div>
South America	1.5 %	<div></div>

#### Trends in chemical production 2019-2021 (excluding pharmaceuticals)

Real change compared with previous year		
World	3.0 %	<div></div>
European Union	0.8 %	<div></div>
United States	2.9 %	<div></div>
Emerging markets of Asia	4.2 %	<div></div>
Japan	0.8 %	<div></div>
South America	2.0 %	<div></div>

The development of the world's largest chemical market – China – has a significant impact on the global growth rate. Our forecast assumes that chemical production in China will grow by 3.6%, about as fast as in the previous year in a slightly weaker global economic environment overall. A stabilization of automotive demand in China should support demand for chemicals. Based on its large share of the global market of around 40%, China alone would therefore still account for almost 60% of global chemical growth. Chemical production growth in the remaining emerging markets of Asia is expected to be similar to that in China.

For the E.U., we anticipate a recovery in chemical production over the course of 2019 following the slump at the end of 2018. However, we only expect production to be flat compared with the full-year 2018. Demand from the automotive industry will presumably continue to decline slightly. Agriculture should see renewed growth. In the construction industry, too, growth is expected to remain solid. Base effects should also have a positive impact.

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 top-line and margins.

## FUTURE PLANS

The Company export sales will continue to grow year on year as acceptance is better and due to our service and quality. During the year 2019-20 the growth will come from value added products like chrome plating salts and chrome metal. The present strategy is to source raw materials on long term basis with committed pricing. The foreign exchange currency policy is also evolved to cover all imports and leave open the sales as we are net foreign exchange earners.

Our products manufacturing is concentrated in five to six countries throughout the globe. However the consumption is spread across the world. Therefore, logistic costs will also play vital role to gain the competitiveness in markets. During the year under review logistic cost for supply of products is stable and was able to negotiate better prices because of volumes. Further during the FY20 all effort will be made to reduce the logistic cost by adopting comprehensive approach.

## OPPORTUNITIES AND THREATS

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

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

## RISKS & CONCERNS AND RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

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:

Some of the risks that the Company is exposed to are:

### 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.

The company is looking to have long term raw material supply contracts and majority suppliers of the company are regular in nature, keeping the confidence on each other, the risk of raw material will be mitigated.

### b. Financial Risks:

#### i) Currency value and interest rate fluctuations

The Company's policy is to actively manage its foreign exchange risk within the framework laid down by the Company's Forex Policy approved by the Board. The Company actively manages the interest rate risk by adopting suitable strategies to minimise the impact of interest rate fluctuations, including maintaining an optimal balance of different loan types and maturities.

#### 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. However all exports of the Company are covered under ECGC Policy which will mitigate the 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. Strategic risks

Emerging businesses, capital expenditure for capacity expansion etc, are normal strategic risks faced by the Company. However, the Company has well-defined processes and procedures for investments in capacity expansions and is focused on its core activity.

#### d. Regulatory risks

The Company is exposed to risks attached to various statutes, laws and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits. The Company has implemented an enterprise-wide compliance management system, capable of effectively tracking and managing regulatory and internal compliance requirements.

#### e. 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.

#### f. Cyber risk

The failure of Information Technology (IT) systems due to malicious attacks and / or non-compliance with data privacy laws can potentially lead to financial loss, business disruption and / or damage to the Company's reputation. The Company has in place a data protection policy. It maintains a cyber-security infrastructure. The Company uses standardised backup tools, services and procedures to ensure that information and data are stored at two or more diverse locations.

#### DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR:

- (i) Debtors Turnover: Increased by 12.82%
- (ii) Inventory Turnover: Increased by 9.54%
- (iii) Interest Coverage Ratio: Increased by 14.65%
- (iv) Current Ratio: Increased by 10.89%
- (v) Debt Equity Ratio: Reduced by 25.43%

Explanation: Majorly due to adoption of Indian Accounting Standards

- (vi) Operating Profit Margin (%): Increased by 3.95%
- (vii) Net Profit Margin (%): Increased by 11.15%

#### DETAILS OF CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:

There has been marginal increase in return to net worth by 0.70 times to 10.35 times for the FY19 compared to 9.66 times for the FY 18 due to increase in return by more than 22% to ₹ 1198.21 Lakhs for FY19 from Rs. 706.30 for FY18.

#### 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 fulfil the business objectives of the company.

During the year the Board, with recommendations of Audit Committee, appointed M/s. C. Ramachandran & Co., Chartered Accountants, Hyderabad as an Internal Auditors, 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 material 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 four times to review key findings and recommendations of the internal auditors including status of implementation through Action Taken Reports.

#### HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company's greatest asset is its rich human capital which is a robust mix of experience and young talent. Continuous enrichment of knowledge of employees is a core value of the company and emphasis has been laid on the training and development of the human capital of the company. The skill levels of the workforce have been honed continuously by conducting in-house training programmes such as effective operating & maintenance of machinery, which has ensured in high productivity of manpower and low maintenance costs.

To enhance the Positive Team Dynamics at the work place, Development Programmes such as Team Building, Communication, Super Leadership for Super Success, Effective Management Skills, etc. have been conducted. This promoted the creation and maintenance of high performing teams in the company which resulted in high morale of employees and their positive impact thereby production volumes and revenues have been increased.

Further, the basic principle of Vishnu is to place priority on quality in order to achieve ultimate customer satisfaction. Continuous improvement is carried out in the work processes

with the objective of delivery of high quality products from the ISO 9001:2015 certified Plants to the customers and always put efforts to reach expectations of the customers.



Looking forward the Company has partnered with Quality Circle Forum of India for setting up of Quality Circles in the organization with the objective of bringing improvements at the work place with internal resources by tapping the creativity and experience of the employees. The enrichment of skillset of the human resources has resulted in better products and services to the Customers. The vendor satisfaction letters received from various customers including Colgate India and India Pistons Limited.

No. of people employed on rolls of the company is 425.

#### **Equal opportunity employer:**

The Company believes in fair and transparent employment practices and there is no discrimination on basis of race, color religion or gender. The company is committed to provide an environment that ensures that every employee is treated with dignity and respect and is provided equitable treatment.

### **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 31<sup>st</sup> March, 2019 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: 06 May 2019

Sd/-  
**Ch. Siddartha**  
**Joint Managing Director**

Sd/-  
**P. Anjaneyulu**  
**Chief Financial Officer**

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VISHNU CHEMICALS LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Vishnu Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

##### 1. Recoverability of Export Incentives:

Based on the incentives allowable under the Foreign Trade Policy (FTP) 2015-2020, the company claimed export benefits

under the MEIS and FMS Schemes. The company recognizes these as receivable in the year the right to receive is established on completion of export of goods.

The amount receivable by the company on account of these incentives was ₹ 1217.53 as at 31 March 2018 with a further addition of ₹ 573.73 lakhs during the financial year 2018-19. While an amount of ₹ 907.64 lakhs was received during the year, the company determined that an amount of ₹ 201.47 lakhs, pertaining to previous years, will not be realized and has written off the same.

This has been considered as a Key Audit matter given the involvement of management judgement and estimate and any variation having an impact on the revenue.

As part of audit procedures, we obtained all the data regarding filing of claims, their acceptance by the concerned authorities after validating the data filed, scrutinized the issues leading to write off of earlier claims and made an assessment regarding the eventual realisability of the present claims that are pending.

##### 2. Evaluation of Disputed tax liabilities:

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. As per the company's assessment based on the legal opinion received, it has a good chance of getting the demands set aside.

We obtained and reviewed details of completed tax assessments and demands for the year ended March 31, 2019 from management. We made an independent assessment to evaluate whether any change was required to management's position on these disputed tax demands and assess if any provisioning is required.

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

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

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

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

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

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## Report on Other Legal and Regulatory Requirements

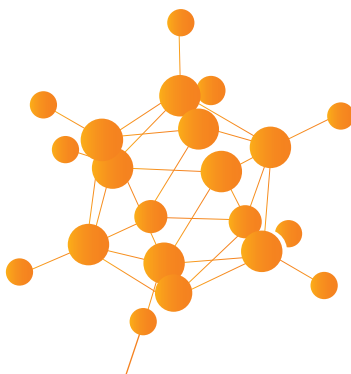
1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Hyderabad  
06 May 2019

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

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



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vishnu Chemicals Limited of even date)

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

We have audited the internal financial controls over financial reporting of **VISHNU CHEMCALS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 internal financial controls system over financial reporting of the Company.

### **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.

### **Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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  
06 May 2019



## ANNEXURE "" TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vishnu Chemicals Limited of even date)**

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. 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.
- iii. According to the information and explanations given to us, the Company has *granted interest free* unsecured loan to its wholly owned subsidiary, covered in the register maintained under section 189 of the Companies Act, 2013. The total loan amount granted in the earlier years and the actual balance outstanding at the end of the year is ₹ 989 lakhs (with an amortised value of ₹ 722.22 lakhs). According to the information and explanations the terms and conditions of the grant of the loan are not prima facie prejudicial to the interests of the company. *However as no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount.*
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations provided to us, the Company has not accepted 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 Act and the rules framed there under and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to sub-section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The company has generally been Irregular in Depositing Undisputed Statutory Dues, including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except ₹ 1279.19 lakhs payable towards Income Tax and interest thereon under the Income Tax Act, 1961 for the periods AY 2014-15 to AY 2018-19 which are yet to be paid.
  - c. Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount in lakhs
Income Tax Act, 1961	Income tax	CPC	AY 2015-16	59.61
Income Tax Act, 1961	Income tax	Assessing Officer	AY 2013-14	27.77
Income Tax Act, 1961	Income tax	Assessing Officer	AY 2006-07	46.62
Income Tax Act, 1961	Income tax	CIT (Appeals)	AY 2011-12	163.28 (₹ 41.98 lakhs deposited)
Central Excise Act, 1944	Excise Duty	CESTAT	1998-99	53.82 (₹ 7.00 lakhs deposited)

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount in lakhs
Sales Tax Act	Interest on Sales tax	Commissioner	1998-99	7.75 (₹ 7.75 lakhs deposited)
Sales Tax Act	Sales tax	High Court	2008-09	124.36 (₹ 124.36 lakhs deposited)
Sales Tax Act	Entry Tax	Appellate Commissioner	2014-15 to 2017-18	55.40 (₹ 6.92 lakhs deposited)
Finance Act, 1994	Service Tax	CESTAT	2006-2007 to 2010-11	418.68 Stay granted
Finance Act, 1994	Service Tax	CESTAT	2011-12	233.94

- viii. According to the information and explanations provided to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or banks.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us and based on the audit procedures performed by us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the

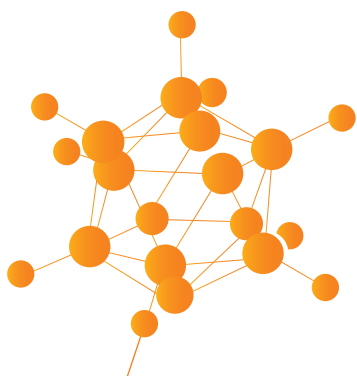
details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. 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  
06 May 2019



# Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	March 31, 2019	March 31, 2018
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	1	32,345.56	33,166.74
(b) Capital work-in-progress	1	1,598.39	710.91
(c) Intangible Assets	1	0.18	1.42
		<b>33,944.13</b>	<b>33,879.07</b>
(d) Financial Assets			
(i) Investments	2	688.92	539.65
(ii) Loans	3	722.22	658.78
(e) Other non-current assets	4	1,274.85	1,311.03
		<b>36,630.12</b>	<b>36,388.53</b>
<b>(2) Current assets</b>			
(a) Inventories	5	17,501.72	16,755.44
(b) Financial Assets			
(i) Trade receivables	6	12,390.77	13,711.82
(ii) Cash and cash equivalents	7	23.19	99.76
(iii) Bank balances other than (ii) above	8	1,349.21	1,663.45
(iv) Other financial assets	9	56.68	108.15
(c) Other current assets	10	2,859.44	4,263.21
		<b>34,181.01</b>	<b>36,601.83</b>
<b>Total Assets</b>		<b>70,811.13</b>	<b>72,990.36</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	11	1,194.60	1,194.60
(b) Other Equity	12	10,643.61	8,766.16
		<b>11,838.21</b>	<b>9,960.76</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	16,294.41	16,483.65
(ii) Other Longterm Liabilities	14	-	75.00
(b) Provisions	15	445.75	257.76
(c) Deferred tax liabilities (Net)	16	3,738.77	3,362.48
(d) Other Non-Current Liabilities	17	4,808.82	2,852.00
		<b>25,287.75</b>	<b>23,030.89</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	14,425.58	17,528.76
(ii) Trade payables	19	12,465.38	16,203.42
(iii) Other financial liabilities	20	2,631.37	3,075.42
(b) Other current liabilities	21	2,848.02	1,795.55
(c) Provisions	22	31.25	28.97
(d) Current Tax Liabilities (Net)	23	1,283.57	1,366.59
		<b>33,685.17</b>	<b>39,998.71</b>
<b>Total Equity and Liabilities</b>		<b>70,811.13</b>	<b>72,990.36</b>

Accompanying Notes 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: 06 May 2019

**For and on behalf of the Board of Directors**

**Sd/-**

**Ch. Manjula**

Director

DIN:01546339

**Sd/-**

**P. Anjaneyulu**

Chief Financial Officer

**Sd/-**

**Ch. Siddhartha**

Joint Managing Director

DIN:01250728

**Sd/-**

**Kishore Kathri**

Company Secretary

# Statement of Profit or Loss for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1 REVENUE</b>			
a. Revenue from Operations	24	<b>66,752.99</b>	56,973.91
b. Other Income	25	<b>432.79</b>	794.46
<b>Total Revenue</b>		<b>67,185.78</b>	57,768.37
<b>2 EXPENSES</b>			
a. Cost of Materials Consumed	26	<b>32,360.11</b>	29,672.36
b. Cost of Consumables	27	<b>8,157.53</b>	6,433.56
c. Changes in Inventories of Finished Goods and Work-in-Progress	28	<b>(1,500.72)</b>	(1,560.34)
d. Excise Duty on Sale of Goods		<b>-</b>	780.59
e. Employee Benefit Expenses	29	<b>2,686.02</b>	2,223.87
f. Finance Costs	30	<b>4,115.29</b>	4,184.98
g. Depreciation and Amortisation Expense		<b>1,788.11</b>	1,627.80
h. Other Expenses	31	<b>17,048.45</b>	12,695.48
<b>Total Expenses</b>		<b>64,654.79</b>	56,058.30
<b>3 Profit Before Tax</b>		<b>2,530.99</b>	1,710.07
<b>4 Tax Expense</b>	32		
a. Current Tax		<b>741.03</b>	535.46
b. Tax pertaining to earlier years		<b>157.06</b>	30.28
c. MAT Credit Entitlement		<b>(19.50)</b>	(392.74)
d. Deferred Tax		<b>433.74</b>	594.31
		<b>1,312.33</b>	767.31
<b>5 Profit / (Loss) For the Period from Continuing Operations</b>		<b>1,218.66</b>	942.76
<b>6 Other Comprehensive Income/ Expense</b>		(108.61)	(4.94)
Less: Tax on above		(37.95)	(1.71)
<b>7 Other Comprehensive Income/ Expense (Net of Taxes)</b>		<b>(70.66)</b>	(3.23)
<b>8 Total Comprehensive Income for the Period (5+7)</b>		<b>1,148.00</b>	939.53
<b>9 Earnings Per Share</b>			
Basic & Diluted		10.20	7.89

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: 06 May 2019

**For and on behalf of the Board of Directors**

**Sd/-**

**Ch. Manjula**

Director

DIN:01546339

**Sd/-**

**P. Anjaneyulu**

Chief Financial Officer

**Sd/-**

**Ch. Siddartha**

Joint Managing Director

DIN:01250728

**Sd/-**

**Kishore Kathri**

Company Secretary

# Cash Flow Statement for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	2018-19	2017-18
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit after Tax and Extraordinary items	1,218.66	942.76
Adjustments for :		
Depreciation	1,788.11	1,627.81
Deferred Tax	414.24	201.57
Net Income Tax Provision	741.03	535.46
Income Tax pertaining to earlier years	157.06	30.28
Finance Cost	3,953.52	4,184.98
Interest Earnings	(135.02)	(120.32)
Sundry Balances written back	(32.30)	-
Fair Value Gain on Investments	(7.27)	1.95
Loss on sale of fixed assets	2.06	25.65
Fixed Assets discarded	77.36	-
Provision for loss of investment in subsidiary	-	23.62
Provision for doubtful debts	-	20.55
Provision for obsolete stores	4.30	4.58
Effect of unwinding of interest on loan from Directors	124.45	63.92
Effect of unwinding of interest on interest free deposits from suppliers	37.32	-
Effect of unwinding of interest on loan to Subsidiary	(63.43)	(57.86)
Other comprehensive income	(108.61)	(4.94)
<b>Operating profit before working Capital changes</b>	<b>8,171.48</b>	<b>7,480.00</b>
Adjustments for Changes in:		
Trade Receivables	406.47	(1,135.45)
Inventories	(750.58)	(743.51)
Other current and non current assets	1,663.66	(397.31)
Trade Payables	(3,705.74)	4,234.98
Other Current and non current liabilities	4,621.10	(688.44)
<b>Net changes in working capital</b>	<b>2,234.91</b>	<b>1,270.27</b>
Dividend paid	(119.46)	-
Direct Tax paid	(1,182.31)	(913.55)
	<b>933.14</b>	<b>356.72</b>
<b>Net Cash Flow from operating activities</b>	<b>9,104.62</b>	<b>7,836.72</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets / capital work in progress	(1,960.82)	(3,093.46)
Sale of Fixed Assets	28.22	30.00
Interest Received	135.02	120.32
<b>Net Cash Flow from Investing Activities</b>	<b>(1,797.58)</b>	<b>(2,943.14)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Repayment of term liabilities	(2,005.54)	(2,085.79)
Increase in Short term borrowings	(1,424.55)	1,059.82
Interest paid	(3,953.52)	(3,857.99)
<b>Net Cash Flow from financing activities</b>	<b>(7,383.61)</b>	<b>(4,883.96)</b>
<b>Net increase / Decrease in cash and cash equivalents</b>	<b>(76.57)</b>	<b>9.62</b>
Cash and cash equivalents as at 01-04-2018	<b>99.76</b>	<b>90.14</b>
Cash and Cash equivalents as at 31.3.2019	<b>23.19</b>	<b>99.76</b>

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: 06 May 2019

**For and on behalf of the Board of Directors**

Sd/-  
**Ch. Manjula**  
Director  
DIN:01546339

Sd/-  
**P. Anjaneyulu**  
Chief Financial Officer

Sd/-  
**Ch. Siddhartha**  
Joint Managing Director  
DIN:01250728

Sd/-  
**Kishore Kathri**  
Company Secretary



# Statements of changes in Equity as at 31st March, 2019

## a. Equity Share Capital

(₹ in Lakhs)

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	Number of shares		Amount in ₹ in Lakhs	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balance as at the beginning of the year	11,946,020	11,946,020	1,194.60	1,194.60
Changes in share capital during the year	-	-	-	-
Balance as at the end of the year	11,946,020	11,946,020	1,194.60	1,194.60

Note:12

## b. Other Equity

For the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Effect of Amortization of Interest free long term Deposits from suppliers	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2018	0.86	659.07	7,867.78	268.99	-	(30.54)	8,766.16
Add/(less) Profit for the year (Net of Taxes)			1,218.66				1,218.66
Add/(less) Additions during the year				460.97	412.50		873.47
Add/(less) Other Comprehensive Income for the year (net of taxes)						(70.66)	(70.66)
Less: Dividend			(119.46)				(119.46)
Less: Corporate dividend tax			(24.56)				(24.56)
Balance as at March 31, 2019	0.86	659.07	9,230.45	729.96	412.50	(101.20)	10,643.61

For the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Reserves and surplus					Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Effect of Amortization of Interest free long term Deposits from suppliers	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2017	0.86	659.07	6,925.02	268.99	-	(27.31)	7,826.63
Add/(less) Profit for the year			942.76		-		942.76
Add/(less) Other Comprehensive Income for the year (net of taxes)						(3.23)	(3.23)
Less: Dividend							-
Less: Corporate dividend tax							-
Less :Transfer to general reserve							-
Balance as at March 31, 2018	0.86	659.07	7,867.78	268.99	-	(30.54)	8,766.16

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: 06 May 2019

For and on behalf of the Board of Directors

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Siddhartha

Joint Managing Director

DIN:01250728

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) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act, as applicable.

### b) Basis of Preparation

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) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

### 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 in 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 with respect to 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 the statement of profit and 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:

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The core principal of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services

Other income is comprised primarily of interest income, dividend income, gain/loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted when the right to receive payment is established.

### 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 and 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 and 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 the statement of profit and loss in the line item 'Employee benefit expenses'.

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 and 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 flows 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**

**STATEMENT OF FIXED ASSETS & DEPRECIATION**

(₹ in Lakhs)

	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01.04.2018	Additions during the Year	Capitalised during the Year	Deletions during the year	As at 31.03.2019	As at 01.04.2018	Depreciation for the year	Deletions during the year	As at 31.03.2019	As at 31.03.2018
<b>A Tangible Assets</b>										
1 Freehold land	770.05	127.20	-	-	897.25	-	-	-	897.25	770.05
2 Buildings	8,797.88	64.38	102.11	-	8,964.36	2,567.46	376.94	-	6,019.96	6,230.42
3 Improvements to Leasehold Buildings	310.67	46.05	-	-	356.72	2.70	33.58	-	320.44	307.98
4 Plant & Machinery	34,808.47	396.65	321.85	176.46	35,350.51	9,457.52	1,270.77	74.36	24,696.57	25,350.95
5 Lab Equipment	181.83	-	-	4.88	176.95	106.53	19.52	4.64	55.53	75.30
6 R & D Equipment	392.83	-	-	38.14	354.69	385.19	-	37.83	7.33	7.64
7 Data Process Equipment	81.97	1.70	-	24.32	59.34	75.68	3.41	24.32	4.58	6.29
8 Office Equipment	212.23	8.24	-	17.10	203.37	80.12	32.31	16.55	107.49	132.11
9 Furniture & Fixtures	201.52	3.15	-	26.22	178.45	89.95	16.06	21.58	94.03	111.57
10 Vehicles	422.26	2.03	-	25.44	398.84	247.81	34.28	25.64	142.38	174.44
<b>Total (A)</b>	<b>46,179.71</b>	<b>649.40</b>	<b>423.96</b>	<b>312.56</b>	<b>46,940.48</b>	<b>13,012.96</b>	<b>1,786.87</b>	<b>204.92</b>	<b>32,345.56</b>	<b>33,166.75</b>
<b>B Intangible Assets</b>										
11 Computer Software	17.07	-	-	-	17.07	15.65	1.24	-	0.18	1.42
<b>Total (B)</b>	<b>17.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.07</b>	<b>15.65</b>	<b>1.24</b>	<b>-</b>	<b>0.18</b>	<b>1.42</b>
<b>C Capital Works in Progress:</b>										
12 Civil Works Under Construction	10.95	355.50	102.11	-	264.34	-	-	-	264.34	10.95
13 Plant & Machinery under erection	605.04	955.94	321.85	-	1,239.13	-	-	-	1,239.13	605.04
14 Pre-Operative Exp., Pending Capitalisation	94.92	-	-	-	94.92	-	-	-	94.92	94.92
<b>Total (C)</b>	<b>710.91</b>	<b>1,311.44</b>	<b>423.96</b>	<b>-</b>	<b>1,598.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,598.39</b>	<b>710.91</b>
<b>TOTAL (A+B+C)</b>	<b>46,907.69</b>	<b>1,960.84</b>	<b>-</b>	<b>312.56</b>	<b>48,555.94</b>	<b>13,028.61</b>	<b>1,788.11</b>	<b>204.92</b>	<b>33,944.13</b>	<b>33,879.08</b>



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

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
<b>i Investment in Equity Instruments of Subsidiary Companies</b>		
(Unquoted at Cost)		
a. Nil (2,83,000) Equity Shares of HKD 1 each in Vishnu Hong Kong Limited	-	23.62
Less: Provision for Impairment	-	(23.62)
Net Value of Investment	-	0.001
b. 8,72,74,950 (8,63,94,950) Equity Shares of face value of ₹ 10/- each in Vishnu Barium Private Limited *	576.08	488.08
<b>ii Investment in Equity Instruments of other Companies</b>		
Unquoted (At Fair Value through Profit and Loss)		
a. Equity Shares in Koganti Power Limited	0.001	0.001
(60,000 (60,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 600,000) - Net of impairment recognised.		
b. Equity Shares in Sireen Drugs Private Limited	0.001	0.001
(1,000 (1,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 10,000) - Net of impairment recognised.		
<b>iii Investment in Bonds</b>		
(Unquoted at cost)		
IDBI Bonds - 6 (6) Bonds of ₹ 5,000 each	0.30	0.30
<b>iv Investments in Mutual Funds</b>		
a. PNB - Principal focused multicap fund - regular plan growth - 39,138 (39,138) units, Cost ₹ 10,00,000	24.75	22.84
b. UBI - Union asset allocation fund - growth- 0 (39,990) Units, Cost ₹ 3,99,900	-	6.05
c. UBI - Union Balanced advantage fund regular plan - growth- 60,339 (0) Units, Cost ₹ 6,35,373	6.38	-
d. UBI - Union Equity Savings Fund Regular Plan - 19,990 (0) Units, Cost ₹ 1,99,990	2.08	-
e. UBI - Union Corporate Bond Fund Regular plan - 5,00,000 (0) Units, Cost ₹ 50,00,000	53.47	-
f. Reliance Balanced Advantage Fund - Growth Plan - 2,352 (0) Units, Cost ₹ 2,00,000	2.14	-
g. SBI Magnum Equity ESG Fund regular growth - 12,136 (12,136) Units, Cost ₹ 5,00,000	12.70	11.24
h. SBI Life Smart Wealth Builder - 64,364 (26,959) Units, Cost ₹ 10,00,000	11.02	11.14
	688.92	539.65

**Disclosures:**

Aggregate amount of quoted investments	85.35	29.00
Aggregate amount of market value of quoted investments	112.54	51.27
Aggregate amount of unquoted investments *	576.08	488.39
Aggregate amount of impairment in value of investments	-	23.62

\* 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**

<b>Unsecured, Considered Good:</b>		
Loan to Subsidiary (at amortized cost)	722.22	658.78
	722.22	658.78

**Disclosures:**

The loan to subsidiary is interest-free and is unsecured in nature.

**Note 4****OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
<b>Unsecured, Considered Good:</b>		
a. Capital Advances	720.42	792.08
b. Deposits	554.43	518.95
	1,274.85	1,311.03

**Note 5****INVENTORIES**

<b>Valued at Cost or Net Realisable Value, whichever is lower</b>		
a. Raw Materials	3,681.48	4,300.81
b. Work-in-progress	3,202.02	3,231.10
c. Finished Goods	9,180.00	7,650.20
d. Stores, Spares & Packing	1,447.09	1,577.91
Provision for obsolescence of non-moving stores	(8.87)	(4.58)
	1,438.22	1,573.33
	17,501.72	16,755.44

**Note 6****CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

a. Unsecured, Considered Good	12,390.77	13,711.82
b. Unsecured, Considered Doubtful	-	20.55
Less: Provision for Doubtful Debts	-	(20.55)
	12,390.77	13,711.82

**Disclosures:**

The above debtors include ₹ Nil (Previous year: ₹ 5.44 lakhs) receivable from Subsidiary Company.

**Note 7****CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

a. Balances with Banks	20.19	98.11
b. Cash on Hand	3.00	1.65
	23.19	99.76

**Note 8****CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE**

a. Margin Money Deposit in Banks against LCs & BGs	1,341.04	1,657.67
b. Unpaid Dividend Accounts	8.17	5.78
	1,349.21	1,663.45

**Note 9****CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS**

a. Salary and other Advances recoverable in cash or kind	16.76	40.60
b. Interest Receivable	39.92	67.55
	56.68	108.15

**Note 10****OTHER CURRENT ASSETS**

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
<b>1. Loans and Advances to Related Parties</b>		
a. Advances against Services to interested concerns	-	162.40
b. Advances to Subsidiary	-	10.51
<b>2. Others</b>		
a. Advances to Suppliers	412.94	1,152.48
b. Balances with Government Authorities	2,420.07	2,905.26
c. Prepaid Expenses	26.43	32.56
	<b>2,859.44</b>	<b>4,263.21</b>

**Note 11****EQUITY SHARE CAPITAL**

<b>Authorised Share Capital</b>		
15,000,000 Equity Shares of ₹ 10/- par value	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>		
<i>At the beginning and close of the year</i>		
11,946,020 Equity Shares of ₹ 10/- par value each	1,194.60	1,194.60
	<b>1,194.60</b>	<b>1,194.60</b>

**Disclosures:**

1. The Company has only one class of equity shares at a par value of ₹ 10. All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.
2. Names of shareholders holding more than 5% of the Share capital and their shareholding.

**EQUITY SHARES**

S.No.	Name of shareholder	March 31, 2019	March 31, 2018
1	Sri. Ch. Krishna Murthy - No of Shares	6,219,790	6,219,790
	- % held	52.07	52.07
2	Smt. Ch. Manjula - No of Shares	1,614,048	1,614,048
	- % held	13.51	13.51
3	Sri. Ch. Siddartha - No of Shares	1,125,668	1,125,668
	- % held	9.42	9.42

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

	March 31, 2019	March 31, 2018
<b>A. Secured:</b>		
1. Term Loans:		
From Banks	6,574.62	8,013.73
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	38.35	33.45
From NBFCs	20.32	45.00
<b>B. Unsecured:</b>		
1. Loans and Advances from Related Parties:		
Loans from promoters (at amortised cost)	1,997.37	727.72
2. Cumulative Redeemable Preference Shares		

	March 31, 2019	March 31, 2018
76637500, 7% Cumulative Redeemable Preference Shares of ₹ 10/- par value each	7,663.75	7,663.75
	16,294.41	16,483.65

**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 and charge on entire existing movable/ immovable assets of the Company. The above loans are further secured by personal guarantee of promoters and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2. The term loans are repayable in predetermined 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 11.7% p.a. The aggregate amount of instalments outstanding as on March 31, 2019 is ₹ 8,065.59 Lakhs (March 31, 2018 ₹ 10,008.93 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 2019 is ₹ 196.18 Lakhs (March 31, 2018: ₹ 198.12 Lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

Particulars	March 31, 2019	March 31, 2018
<b>Minimum Lease Payments outstanding</b>		
Within one Year	81.08	54.56
Later than one year and not later than five years	61.93	87.47
<b>Future Interest on outstanding Lease payments</b>		
Within one Year	10.20	5.96
Later than one year and not later than five years	3.27	9.02
<b>Present Value of Minimum Lease Payments</b>		
Within one Year	70.88	48.60
Later than one year and not later than five years	58.67	78.45

**B) Unsecured Loans:**

**1 Loans from Promoters:**

The loans from promoters are interest-free and unsecured in nature. There are no specified terms and conditions, however the same are amortised using effective interest rate.

**C) Cumulative Redeemable Preference Shares**

During the previous 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. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31-03-2033. During the year, preference shareholders have given their consent to forego 6% of the 7% preference dividend for the financial year 2018-19. Refer to Note No. 38.

S.No.	Name of shareholder	March 31, 2019	March 31, 2018
1	Sri. Ch. Krishna Murthy - No of Shares	71,121,750	71,121,750
	- % held	92.80	92.80
2	Smt. Ch. Manjula - No of Shares	5,271,250	5,271,250
	- % held	6.88	6.88
3	Sri. Ch. Siddartha - No of Shares	244,500	244,500
	- % held	0.32	0.32

**Note 14**

**OTHER NON-CURRENT FINANCIAL LIABILITIES**

Other Long Term Liabilities	-	75.00
	-	75.00

**Note 15****NON-CURRENT PROVISIONS**

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Provision for Employee Benefits (Net of Fund Assets)	445.75	257.76
	445.75	257.76

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

<b>1. Deferred Tax Liability</b>		
Property, Plant and Equipment	4,552.48	4,112.01
<b>2. Deferred Tax Assets</b>		
Provisions allowable on payment basis	169.79	125.11
Unused Tax Credits (MAT Credit Entitlement)	643.92	624.42
Net Deferred Tax Liability	3,738.77	3,362.48
The gross movement in the deferred income tax account for the financial years ended March 31, 2019 and March 31, 2018, is as follows -		
a. Net deferred tax liability at the beginning	3,362.48	3,133.09
b. Accelerated depreciation for tax purposes	440.46	626.39
c. Provisions allowable on payment basis	(6.72)	(45.98)
d. Temporary differences on Other Comprehensive Income	(37.95)	(1.71)
e. Transition items	-	13.91
f. MAT Credit Entitlement	(19.50)	(363.21)
g. Net deferred tax liability at the end	3,738.77	3,362.48

**Note 17****OTHER NON-CURRENT LIABILITIES**

Security Deposits	3,819.82	2,852.00
Loan from Subsidiary	989.00	-
	4,808.82	2,852.00

Disclosure:

The loan from subsidiary carries interest of 9% per annum and is unsecured in nature.

**Note 18****CURRENT FINANCIAL LIABILITIES - BORROWINGS**

<b>A. Secured:</b>		
Loans repayable on demand		
From Banks		
a. Working capital - Cash Credit	10,807.40	12,231.95
b. Working Capital - Bill Discounting	3,093.60	4,008.18
<b>B. Unsecured:</b>		
a. Loans from Promoters	45.00	626.89
b. Other Short Term obligations	479.58	661.74
	14,425.58	17,528.76

**Disclosures:****A) Secured Loans:**

1. The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+3.80% to +4.95%
2. Interest rate for the Bill Discounting facility ranges from 9.10% to 14.25%

**3 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 promoters have extended their personal assets as securities i.e. land, plots, buildings, shares etc.

**3 Guarantees:**

All the above loans are guaranteed by the Promoters.

**B) Unsecured Loans:**

Loans from Promoters disclosed here are short term in nature. There are no specified terms and conditions.



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

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Trade payables - Due to Micro Small and Medium Enterprises	94.04	27.71
Trade payables - Other parties	12,202.75	16,133.21
Trade payables - Related parties	168.59	42.50
	12,465.38	16,203.42

**Disclosures:**

The principal amount remaining unpaid as at 31.03.2019 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 94.04 Lakhs (31.03.2018 - ₹ 27.71 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 4.51 Lakhs

The list of undertakings covered under MSMED was determined by the company on the basis of information available with it after getting confirmation from Suppliers.

**Note 20****OTHER CURRENT FINANCIAL LIABILITIES**

Current maturities of long term debt	1,466.57	1,960.50
Current maturities of finance lease obligations	70.88	48.60
Interest accrued and due on borrowings	-	67.18
Cumulative Unpaid Preference Dividend	409.14	332.50
Dividend Distribution Tax on Preference Dividend	676.61	660.86
Unclaimed dividends	8.17	5.78
	2,631.37	3,075.42

**Note 21****OTHER CURRENT LIABILITIES**

Advance from Customers	407.12	382.42
Advance from Subsidiary against Sales	696.37	998.21
Creditors for Capital Expenditure	169.90	172.02
Advance from others	8.69	10.00
Other payables		
a. Statutory dues Payable	1,565.94	232.90
	2,848.02	1,795.55

**Note 22****CURRENT PROVISIONS**

1. Provision for Employee Benefits (Net of Fund Assets)	31.25	28.97
	31.25	28.97

**Note 23****CURRENT TAX LIABILITIES**

Provision for Income Tax		
	1,283.57	1,366.59
	1,283.57	1,366.59

**Note 24****REVENUE FROM OPERATIONS**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
1. Sale of Products (including excise duty in FY 2017-18)	<b>65,930.41</b>	56,260.43
2. Other Operating Revenues		
a. Sale of Scrap	<b>121.33</b>	68.18
b. Testing Charges	<b>103.34</b>	110.95
c. Export Incentives	<b>597.91</b>	534.35
	<b>822.58</b>	713.48
	<b>66,752.99</b>	56,973.91

**Note 25****OTHER INCOME**

1. Interest Income		
a. Interest Income on bank and other deposits	<b>135.02</b>	120.32
b. Unwinding of interest on loan given to Subsidiary	<b>63.43</b>	57.87
2. Other Non-Operating Income		
a. Insurance Claim Received	<b>1.67</b>	1.00
b. Profit on Sale on Assets	<b>0.33</b>	-
c. Net Gain on Foreign Currency Translation and Transactions	<b>-</b>	617.22
d. Balances Written Back (Net)	<b>32.30</b>	-
e. Other Income	<b>192.77</b>	-
f. Fair value gain / (Loss) on Investments	<b>7.27</b>	(1.95)
	<b>432.79</b>	794.46

**Note 26****COST OF MATERIAL CONSUMED**

Opening Stock	<b>4,300.81</b>	5,087.84
Add: Purchase	<b>31,740.78</b>	28,885.33
Total	<b>36,041.59</b>	33,973.17
Less: Closing Stock	<b>3,681.48</b>	4,300.81
	<b>32,360.11</b>	29,672.36

**Note 27****COST OF CONSUMABLES**

Consumption of Petcoke	<b>1,458.55</b>	1,422.62
Consumption of Furnace Oil	<b>2,356.82</b>	1,110.84
Consumption of Husk	<b>690.21</b>	443.63
Consumption of Coal	<b>2,887.48</b>	2,226.10
Consumption of LDO/Kerosene	<b>764.47</b>	1,230.37
	<b>8,157.53</b>	6,433.56

**Note 28****CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

<b>1. Finished Goods</b>		
a. Opening Stock:	<b>7,650.20</b>	6,481.01
b. Closing Stock:	<b>9,180.00</b>	7,650.20
	<b>(1,529.80)</b>	(1,169.19)
<b>2. Work-in-progress</b>		
a. Opening Stock:	<b>3,231.10</b>	2,839.95
b. Closing Stock:	<b>3,202.02</b>	3,231.10
	<b>29.08</b>	(391.15)
Total Decrease / (Increase)	<b>(1,500.72)</b>	(1,560.34)

**Note 29****EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Salaries & Wages	2,305.40	1,956.63
Contribution to Provident and Other Funds	239.51	154.44
Staff Welfare Expenses	141.11	112.80
	<b>2,686.02</b>	<b>2,223.87</b>

**Note 30****FINANCE COSTS**

Interest Expense	2,357.30	2,380.83
Interest on Others	645.07	604.53
Unwinding of Interest/Discount on Financial Instruments	161.77	63.92
Other Borrowing Costs	858.76	735.51
Preference Dividend	76.64	332.50
Dividend Distribution Tax on Preference Dividend	15.75	67.69
	<b>4,115.29</b>	<b>4,184.98</b>

**Note 31****OTHER EXPENSES**

Power	2,806.59	2,600.68
Equipment Hire Charges	458.86	467.01
Consumption of Stores & Spares	1,053.92	540.35
Repairs & Maintenance - Buildings	50.34	9.88
Repairs & Maintenance - P & M	817.65	282.25
Labour costs	646.85	564.15
Factory/Godown Maintenance	363.79	339.79
Effluent Disposal Expenses	1,364.51	1,113.79
Transportation Charges	655.53	604.40
Insurance	139.26	136.27
Packing Charges	1,882.64	1,617.29
Shipping & forwarding Charges	2,786.85	2,535.98
Other Selling Cost	643.94	434.42
Rent	585.40	609.71
Rates & Taxes	60.97	206.78
CSR Expenses (refer Note 33)	41.33	33.37
Bank charges	278.86	246.45
Net Loss on Foreign Currency Transaction & Translation	408.56	-
Travelling, Vehicle Maintenance & Conveyance	362.28	326.73
Professional & Consultancy Charges	204.95	177.30
Security Charges	68.59	65.44
Excise Duty Adjustment on Opening Stock	-	(709.49)
Miscellaneous Expenses	1,366.78	492.93
	<b>17,048.45</b>	<b>12,695.48</b>

**Disclosures:****Audit Fee**

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

i Audit Fee	7.50	7.50
ii For Taxation Matters	2.50	2.50
iii For Other Services	1.20	0.90

**Note 32****TAX EXPENSE**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Current Tax for the year	<b>741.03</b>	535.46
Income Tax adjustments pertaining to earlier year	<b>157.06</b>	30.28
Deferred Tax for the year	<b>433.74</b>	594.31
MAT Credit Entitlement recognised for the year	<b>(19.50)</b>	(392.74)
	<b>1,312.33</b>	767.31

**Note 33****CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

Water Treatment Plant & Swachh Bharat	3.06	0.49
Plantation Expenses	-	32.88
Promotion of Education	1.00	-
Promotion of Sports	5.00	-
Donation for Old Age Home infrastructure development	30.50	-
Social Business Projects	1.44	-
Environmental sustainability	0.33	-
	<b>41.33</b>	33.37
a. Gross amount required to be spent by the company during the year	47.88	59.51
b. Amount Spent during the year on the above	41.33	33.37

**Note 34****CONTINGENT LIABILITIES AND COMMITMENTS** (To the extent not provided for):

<b>Sl</b>	<b>Particulars</b>	<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
1.	Contingent Liabilities:		
	a. Claims against company not acknowledged as debt	<b>1003.92</b>	46.82
	a. Indemnity given by company to the banks for Bank guarantees and Letters of Credit	<b>297.82</b>	1,592.43
2.	Commitments:		
	a. Estimated amount of contracts remaining to be executed on capital account and not provided for.	<b>530.40</b>	1,195.70

**Note 35****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 constitutes a single reportable business segment as per Ind AS 108.

**Details of Revenue from manufacture and sale of chemicals by location of Customers:**

<b>Geographic Location</b>	<b>2018-19</b>	<b>2017-18</b>
Domestic	35,225.48	29,955.27
Overseas	30,704.93	26,305.16

**Details of Non-Current Assets\***

<b>Geographic Location</b>	<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
Domestic	35,218.99	35,190.11
Overseas	-	-

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

Disaggregated Revenue:

As the Company is engaged in manufacture and sale of chemicals with no diversity, no separate disaggregation of revenue is reportable.

**Note 36****Related Party Disclosures:****a) Details of Related Parties:**

SI 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. P. Anjaneyulu	Chief Financial Officer (from 30/05/2018)
5	Sri. V. Laxminarayana	Chief Financial Officer (from 28/08/2017 to 01/05/2018)
6	Sri. Kishore Kathri	Company Secretary
7	Vasanth Transport Corporation	Entity in which Key Management Personnel are interested
8	K.M.S. Infrastructure Limited	Entity in which Key Management Personnel are interested
9	Vishnu Life Sciences Limited	Entity in which Key Management Personnel are interested
10	Vishnu Barium Private Limited	Wholly Owned Subsidiary
11	Vishnu South Africa Pty Ltd.	Wholly Owned Subsidiary
12	Vishnu Hong Kong Limited	Wholly Owned Subsidiary – ceased operations and company wound up

**b) Details of Transactions:**

(₹ in Lakhs)

Nature of Transaction	Key Management Personnel		Subsidiary		Concerns in which Key Management is interested	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Remuneration	151.90	150.61	-	-	-	-
Rent – paid	52.47	34.98	-	-	6.00	6.00
Rent- received	-	-	14.16	-	-	-
Maintenance services	-	-	-	-	21.42	19.22
Management Services Provided	-	-	141.60	-	-	-
Transportation Charges	-	-	-	-	1,153.72	1,616.12
Purchases	-	-	496.95	363.26	-	-
Sales	-	-	131.30	1,053.93	-	-
Hire Charges	4.32	1.50	-	-	62.41	64.11
Interest paid	-	-	89.01	-	-	-
Contract Services	-	-	-	-	151.45	22.48
Advances to Interested Concerns against services	-	-	-	-	-	162.40
Loan to Subsidiary (at amortised cost)	-	-	722.22	669.29	-	-
Advances from Subsidiary against Sales	-	-	616.26	998.21	-	-
Long term loan from subsidiary	-	-	989.00	-	-	-
Interest payable on loan	-	-	80.11	-	-	-
Trade Receivables from Subsidiary	-	-	-	-	-	5.44
Payables as on 31 <sup>st</sup> March 2019	4.00	8.00	-	-	168.51	51.71

**Note 37**

There is no change in Equity Share Capital during the year. The Public Shareholding as on March 31, 2019 is 25%.

**Note 38**

During the previous year the authorized share capital of the company increased from ₹ 7500,00,000/- 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 previous 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, 2019 and 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.

#### Note 39

##### Subsidiaries:

The company has three 100% wholly owned subsidiaries – Vishnu Barium Private Limited in India and two overseas subsidiaries – Vishnu Hong Kong Limited and Vishnu South Africa Pty Limited.

Vishnu Hong Kong Limited, incorporated in Hong Kong, ceased functioning in March 2018 and a provision for the entire investment and other receivables has been made in the books of the holding company-Vishnu Chemicals Limited has been in 2018-19. The closure of the company was effected in 2018-19 as per the laws of Hong Kong and hence Vishnu Hong Kong Private Limited ceased to exist.

Vishnu South Africa Pty Limited was incorporated in 2017-18 in South Africa but is yet to commence operations. Though the incorporation was carried out, no investment towards Share Capital was made in that company as the same was not required on incorporation as per the laws of that country.

#### Note 40

##### 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	2018-19	2017-18
Contribution to Provident Fund	93.00	83.06
Contribution to Employee State Insurance	17.09	17.70

##### 2. Defined benefit plans as per actuarial valuation as on 31st March, 2019.

(₹ in Lakhs)

		Gratuity (Funded) 2018-19	Gratuity (Funded) 2017-18
1	<b>Assumptions:</b>		
	Discount Rate	7.60%	7.42%
	Escalation	5.5%	3%
2	<b>Changes in present value of obligations:</b>		
	Present value of obligations at beginning of year	272.85	233.62
	Interest Cost	19.55	15.20
	Current Service Cost	29.62	24.60
	Past Service Cost – (vested benefits)	-	9.18
	Benefits Paid	(18.72)	(12.72)
	Actuarial (gain)/ loss on obligation	109.47	2.98
	Present Value of obligation at end of year	412.77	272.85
3	<b>Net Liability</b>		
	PVO at beginning of period	272.85	233.62
	Fair Value of the Assets at beginning report	28.53	40.86
	Net Liability	244.33	192.76
4	<b>Actuarial (Gain)/Loss on obligation</b>		
	Due to demographic assumption	-	-
	Due to financial assumption	68.38	(16.25)
	Due to experience	41.08	19.22
	Total Actuarial (Gain)/Loss	109.46	2.98

		Gratuity (Funded) 2018-19	Gratuity (Funded) 2017-18
5	<b>Fair Value of Plan Assets</b>		
	Opening fair value of plan asset	28.53	40.86
	Adjustment to opening Fair Value of Plan Asset	(1.59)	(1.50)
	Return on Plan Assets excl. interest income	0.85	(1.96)
	Interest Income	2.90	2.26
	Contributions by Employer	43.00	1.59
	Contributions by Employee	-	-
	Benefits paid	(18.72)	(12.72)
	Fair Value of plan Assets at end	54.97	28.53
6	<b>Amount to be recognized in the balance sheet</b>		
	PVO at end of period	412.77	272.85
	Fair Value of plan Assets at end of period	54.97	28.53
	Funded status	(357.80)	(244.33)
	Net Asset/(liability) recognized in the balance sheet.	(357.80)	(244.33)
7	<b>Expenses recognized in the statement of Profit and Loss:</b>		
	Current service cost	29.62	24.60
	Net interest	16.65	12.94
	Past Service cost – (vested benefits)	-	9.18
	Expense recognized in the statement of Profit and Loss	46.27	46.72
8	<b>Other Comprehensive Income (OCI):</b>		
	Actuarial gain/(loss) recognized for the period	109.46	2.98
	Return on plan assets excluding net interest	(0.85)	1.97
	Unrecognised Actuarial (Gain)/Loss from previous period	-	-
	Total actuarial (gain)/ loss recognized in (OCI)	108.61	4.94

**Sensitivity Analysis:**

(₹ in Lakhs)

Particulars	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligations	380.47	449.75	448.60	380.99

**Categories of Plan Assets: (₹ in Lakhs)**

Particulars	31.03.2019	31.03.2018
Gratuity Fund managed by Life Insurance Corporation of India	54.97	28.53

**Note 41**

**Earnings Per Share (EPS)**

Particulars	2018-19	2017-18
Net profit after tax	12,18,66,546	94,276,253
Weighted No. of Equity shares for Basic EPS	119,46,020	119,46,020
Nominal value of equity share (in ₹ per share)	10	10
Basic and Diluted EPS (in ₹ per share)	10.20	7.89

**Note 42**

**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:*

(₹ in Lakhs)

Name of the Subsidiary Company	Amount outstanding as at		Maximum amount outstanding during the year	
	31.03.2019	31.03.2018	2018-19	2017-18
Vishnu Barium Private Limited (at amortised cost)	722.22	658.78	722.22	658.78
Vishnu Hong Kong Limited	-	10.51	10.51	10.51

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

**Note 43****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	31.03.2019	31.03.2018
Trade Receivables	8300.47	9016.17
Trade and Other Payables	4689.68	11018.27

**Note 44**

Additional information pursuant to section 129 of the Companies Act, 2013:

Salient features of the financial statements of the subsidiaries:

Sl.No	Particulars	
1.	Name of the Subsidiary	Vishnu Barium Private Limited
2.	Percentage of Shareholding	100%
3.	Reporting Currency of the Subsidiary	INR (₹ in lakhs)
<b>Summary of the Financial Information:</b>		
1.	Share Capital	8727.50
2.	Reserves & Surplus	(5548.86)
3.	Total Assets	8058.58
4.	Total Liabilities (Excl. Share Capital, Reserves and Surplus)	4879.94
5.	Total Revenue for the Year	10772.52
6.	Net Profit / (Loss) for the Year (including OCI)	1198.21

There are no assets and liabilities and revenue with regard to the subsidiary-Vishnu South Africa Pty Limited and another subsidiary-Vishnu Hong kong Limited which ceased operations and has been wound up.

**Note 45**

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: 06 May 2019

**For and on behalf of the Board of Directors**

Sd/-

**Ch. Manjula**

Director

DIN:01546339

Sd/-

**P. Anjaneyulu**

Chief Financial Officer

Sd/-

**Ch. Siddhartha**

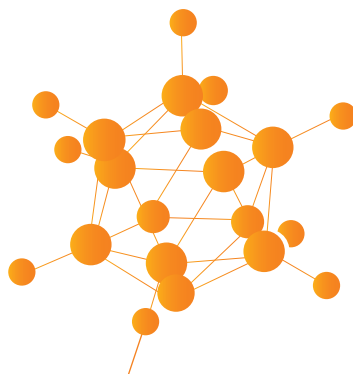
Joint Managing Director

DIN:01250728

Sd/-

**Kishore Kathri**

Company Secretary



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VISHNU CHEMICALS LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Vishnu Chemicals Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics issued by ICAI*, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

##### 1. Recoverability of Export Incentives:

Based on the incentives allowable under the Foreign Trade Policy (FTP) 2015-2020, Vishnu Chemical Limited (VCL) claimed export benefits under the MEIS and FMS Schemes. VCL recognizes these as receivable in the year the right to receive is established on completion of export of goods.

The amount receivable by VCL on account of these incentives was ₹ 1217.53 as at 31 March 2018 with a further addition

of ₹ 573.73 lakhs during the financial year 2018-19. While an amount of ₹ 907.64 lakhs was received during the year, VCL determined that an amount of ₹ 201.47 lakhs, pertaining to previous years, will not be realized and has written off the same.

This has been considered as a Key Audit matter given the involvement of management judgement and estimate and any variation having an impact on the revenue.

As part of audit procedures, we obtained all the data regarding filing of claims, their acceptance by the concerned authorities after validating the data filed, scrutinized the issues leading to write off of earlier claims and made an assessment regarding the eventual realisability of the present claims that are pending.

##### 2. Evaluation of Disputed tax liabilities:

The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. As per the group's assessment based on the legal opinion received, it has a good chance of getting the demands set aside.

We obtained and reviewed details of completed tax assessments and demands for the year ended March 31, 2019 from management. We made an independent assessment to evaluate whether any change was required to management's position on these disputed tax demands and assess if any provisioning is required.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Other Matters**

We did not audit the financial statements / financial information of Vishnu Hong Kong Limited (ceased operations during the year and wound up) and Vishnu South Africa Pty Limited, overseas subsidiaries of the company, whose financial statements / financial information reflect total assets of ₹ Nil as at 31st March, 2019, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have 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 this 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 subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management,



these financial statements / financial information are not material to the Group.

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 matters with respect to our reliance on the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

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.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is

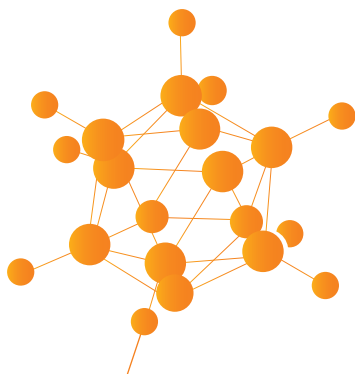
disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- (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.
- (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 did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

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

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

Hyderabad  
06 May 2019



## ANNEXURE "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 (Holding Company and its subsidiary together referred to as "the Group") incorporated in India as of March 31, 2019 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 Group 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, 2019, based on the internal control over financial reporting criteria established by the Group 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  
06 May 2019

# Consolidated Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	March 31, 2019	March 31, 2018
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	1	34,953.16	34,857.64
(b) Capital work-in-progress	1	1,939.25	1,694.87
(c) Intangible Assets	1	0.18	1.42
		<b>36,892.59</b>	<b>36,553.93</b>
(d) Financial Assets			
(i) Investments	2	112.84	27.95
(e) Other non-current assets	3	1,433.12	1,473.47
		<b>38,438.55</b>	<b>38,055.35</b>
<b>(2) Current assets</b>			
(a) Inventories	4	18,945.85	18,233.02
(b) Financial Assets			
(i) Investments	5	11.43	121.73
(ii) Trade receivables	6	13,394.50	14,424.21
(iii) Cash and cash equivalents	7	31.56	118.80
(iv) Bank balances other than (ii) above	8	1,414.85	1,717.66
(v) Other financial assets	9	61.64	120.50
(c) Other current assets	10	3,387.12	5,371.50
		<b>37,246.95</b>	<b>40,107.42</b>
<b>Total Assets</b>		<b>75,685.50</b>	<b>78,162.77</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	11	1,194.60	1,194.60
(b) Other Equity	12	13,045.64	9,937.70
		<b>14,240.24</b>	<b>11,132.30</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	16,804.43	17,084.56
(ii) Other Longterm Liabilities	14	-	75.00
(b) Provisions	15	565.84	341.43
(c) Deferred tax liabilities (Net)	16	3,738.77	3,362.48
(d) Other Non-Current Liabilities	17	3,819.82	3,854.92
		<b>24,928.86</b>	<b>24,718.39</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	15,832.37	18,855.04
(ii) Trade payables	19	13,892.59	17,810.44
(iii) Other financial liabilities	20	2,879.02	3,271.51
(b) Other current liabilities	21	2,596.60	976.77
(c) Provisions	22	32.25	31.73
(d) Current Tax Liabilities (Net)	23	1,283.57	1,366.59
		<b>36,516.40</b>	<b>42,312.08</b>
<b>Total Equity and Liabilities</b>		<b>75,685.50</b>	<b>78,162.77</b>

Accompanying Notes 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: 06 May 2019

**For and on behalf of the Board of Directors**

**Sd/-**  
**Ch. Manjula**  
Director  
DIN:01546339

**Sd/-**  
**P. Anjaneyulu**  
Chief Financial Officer

**Sd/-**  
**Ch. Siddhartha**  
Joint Managing Director  
DIN:01250728

**Sd/-**  
**Kishore Kathri**  
Company Secretary

# Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Lakhs)

	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1 REVENUE</b>			
a. Revenue from Operations	24	76,938.64	65,232.72
b. Other Income	25	307.80	833.27
<b>Total Revenue</b>		<b>77,246.44</b>	<b>66,065.99</b>
<b>2 EXPENSES</b>			
a. Cost of Materials Consumed	26	35,826.84	33,104.08
b. Cost of Consumables	27	9,203.37	7,347.00
c. Changes in Inventories of Finished Goods and Work-in-Progress	28	(1,378.95)	(1,734.34)
d. Excise Duty on Sale of Goods		-	936.02
e. Employee Benefit Expense	29	3,327.09	2,760.50
f. Finance Costs	30	4,388.91	4,594.25
g. Depreciation and Amortisation Expense		2,086.72	1,881.15
h. Other Expenses	31	20,043.69	14,967.64
<b>Total Expenses</b>		<b>73,497.67</b>	<b>63,856.30</b>
<b>3 Profit Before Tax</b>		<b>3,748.77</b>	<b>2,209.69</b>
<b>4 Tax Expense</b>	32		
a. Current Tax		741.03	535.46
b. Tax pertaining to earlier years		157.06	30.28
c. MAT Credit Entitlement		(19.50)	(392.74)
d. Deferred Tax		433.74	594.32
		<b>1,312.33</b>	<b>767.32</b>
<b>5 Profit / (Loss) For the Period from Continuing Operations</b>		<b>2,436.44</b>	<b>1,442.37</b>
<b>6 Other Comprehensive Income/ Expense</b>		<b>(127.74)</b>	<b>(5.20)</b>
Less: Tax on above		(37.95)	(1.71)
<b>7 Other Comprehensive Income/ Expense (Net of Taxes)</b>		<b>(89.79)</b>	<b>(3.49)</b>
<b>8 Total Comprehensive Income for the Period (5+7)</b>		<b>2,346.65</b>	<b>1,438.88</b>
<b>9 Earnings Per Share</b>			
Basic & Diluted		20.40	12.07

Accompanying Notes 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: 06 May 2019

**For and on behalf of the Board of Directors**

**Sd/-**  
**Ch. Manjula**  
Director  
DIN:01546339

**Sd/-**  
**P. Anjaneyulu**  
Chief Financial Officer

**Sd/-**  
**Ch. Siddartha**  
Joint Managing Director  
DIN:01250728

**Sd/-**  
**Kishore Kathri**  
Company Secretary

# Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	2018-19	2017-18
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit after Tax and Extraordinary items	2,436.44	1,442.38
Adjustments for :		
Depreciation	2,086.71	1,881.15
Deferred Tax	414.24	201.57
Net Income Tax Provision	741.03	535.46
Income Tax pertaining to earlier years	157.06	30.28
Finance Cost	4,161.48	4,594.25
Interest Earnings	(138.56)	(129.04)
Fixed assets discarded	77.57	-
Unwinding of interest on loan from Directors	190.11	63.92
unwinding of interest on interest free deposits from suppliers	37.32	-
Provision for obsolete stores	8.88	-
Sundry Balances written back	(32.30)	-
Fair Value (gain) / loss on Investments	(10.30)	2.02
Loss on Sale of Assets	2.06	25.65
Other comprehensive income	(127.74)	(5.20)
<b>Operating profit before working Capital changes</b>	<b>10,004.00</b>	<b>8,642.44</b>
Adjustments for Changes in:		
Trade Receivables	115.12	(856.27)
Inventories	(721.71)	(1,205.50)
Other current and non current assets	2,386.39	(1,169.71)
Trade Payables	(3,885.54)	5,107.33
Provisions	224.92	76.69
Other current and non current liabilities	3,031.67	(765.82)
Net changes in working capital	<b>1,150.85</b>	<b>1,186.72</b>
Dividend paid	(119.46)	-
Direct Tax paid	(1,182.31)	(913.55)
	<b>(150.92)</b>	273.17
<b>Net Cash Flow from operating activities</b>	<b>9,853.08</b>	8,915.61
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets / capital work in progress	(2,533.22)	(3,303.27)
Sale of fixed assets	28.22	30.00
Investments	35.71	(116.80)
Interest Received	138.56	105.01
<b>Net Cash Flow from Investing Activities</b>	<b>(2,330.73)</b>	(3,285.06)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Repayment of term liabilities	(2,074.29)	(2,316.48)
Increase in Bank Borrowings Working Capital	(1,373.82)	970.81
Interest paid	(4,161.48)	(4,269.98)
<b>Net Cash Flow from financing activities</b>	<b>(7,609.59)</b>	(5,615.65)
<b>Net increase / Decrease in cash and cash equivalents</b>	<b>(87.24)</b>	14.90
Cash and cash equivalents as at April 01 2018	<b>118.80</b>	103.90
Cash and Cash equivalents as at March 31 2019	<b>31.56</b>	118.80

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: 06 May 2019

**For and on behalf of the Board of Directors**

Sd/-

**Ch. Manjula**

Director

DIN:01546339

Sd/-

**P. Anjaneyulu**

Chief Financial Officer

Sd/-

**Ch. Siddhartha**

Joint Managing Director

DIN:01250728

Sd/-

**Kishore Kathri**

Company Secretary



# Statements of changes in Equity as at 31st March, 2019

## a. Equity Share Capital

(₹ in Lakhs)

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	Number of shares		Amount in ₹ Lakhs	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balance as at the beginning of the year	11,946,020	11,946,020	1,194.60	1,194.60
Changes in share capital during the year	-	-	-	-
Balance as at the end of the year	11,946,020	11,946,020	1,194.60	1,194.60

## Note:12

## b. Other Equity

For the year ended March 31, 2019

(₹ in Lakhs)

	Reserves and surplus						Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Effect of Amortization of Interest free long term Deposits from suppliers	Effect of Amortization of Interest free long term Deposits from suppliers	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2018	982.88	0.45	659.07	8,016.28	268.99	-	10.02	9,937.70
Add/(less) Profit for the year (Net of Taxes)			2,436.00					2,436.00
Add/(less) Additions during the year					460.97	412.50		873.47
Add/(less) Other Comprehensive income							(89.79)	(89.79)
Add/(Less) Adjustment on account of discontinuation of foreign operations		(0.44)		32.72				32.27
Less: Dividend				(119.46)				(119.46)
Less: Corporate dividend tax				(24.56)				(24.56)
Balance as at March 31, 2019	982.88	0.01	3,095.07	7,904.98	729.96	412.50	(79.77)	13,045.64

For the year ended March 31, 2018

(₹ in Lakhs)

	Reserves and surplus						Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Effect of Amortization of Interest free long term Deposits from suppliers	Effect of Amortization of Interest free long term Deposits from suppliers	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2017	982.88	0.57	659.07	6,573.91	268.99	-	13.51	8,498.94
Add/(less) Profit for the year		(0.12)		1,442.37			(3.49)	1,438.76
Add/(less) Other Comprehensive Income for the year								-
Less: Dividend								-
Less: Corporate dividend tax								-
Less :Transfer to general reserve								-
Balance as at March 31, 2018	982.88	0.45	659.07	8,016.28	268.99	-	10.02	9,937.70

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: 06 May 2019

For and on behalf of the Board of Directors

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

P. Anjaneyulu

Chief Financial Officer

Sd/-

Ch. Siddhartha

Joint Managing Director

DIN:01250728

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) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act, as applicable.

### b) Description of the Group

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

### c) Basis of Preparation

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) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

### f) 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. 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 of Vishnu Chemicals Limited and on Written down value Method in respect of assets situated at Kazipally Unit of Vishnu Chemicals Limited, by considering the useful life of the assets as specified in Schedule II of the Companies Act, 2013. No assets exist for Vishnu Hong Kong Limited and Vishnu South Africa Pty Limited.

Depreciation is provided on Straight line method for Vishnu Barium Private Limited, based on the useful life of the assets as estimated by the Management. The company has estimated the following useful lives to provide depreciation on its fixed assets:

Nature of the Assets	Useful life as estimated by the management (in Years)	Useful life as stated in the Companies Act, 2013 (in Years)
Buildings	30	30
Plant and Equipment	10 – 21	10 - 25
Office Equipment	5	5
Data Processing Equipment	3	3
Furniture and Fixtures	10	10
Vehicles	8 – 10	8 – 10

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 the statement of profit and 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. 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.

### 5. 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.

## 6. 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.

## 7. Revenue Recognition

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The core principal of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services

Other income is comprised primarily of interest income, dividend income, gain/loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Claims for export incentives/duty drawbacks, duty refunds and insurance are accounted when the right to receive payment is established.

## 8. 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.

## 9. 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.

## 10. 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 and 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.

## 11. 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 and 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 the statement of profit and loss in the line item 'Employee benefit expenses'.

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 and loss.

## 12. 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.

### 13. 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.

### 14. 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 flows for the year are classified by operating, investing and financing activities.

### 15. 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.

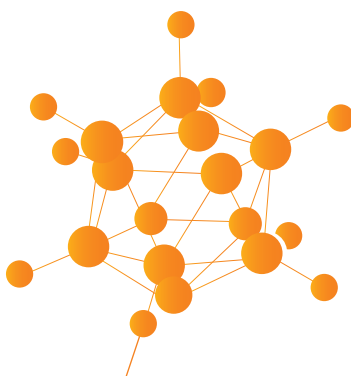
#### i. Current income tax

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

## STATEMENT OF FIXED ASSETS &amp; DEPRECIATION

(₹ in Lakhs)

S.No.	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01.04.2018	Additions during the Year	Capitalised during the Year	Deletions during the year	As at 31.03.2019	Depreciation for the year	Deletions during the year	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
<b>A Tangible Assets</b>										
1 Freehold land	806.56	138.53	-	-	945.10	-	-	945.10	806.56	
2 Buildings	9,510.90	108.63	144.43	-	9,763.95	402.24	-	3,388.55	6,375.41	6,524.59
3 Improvements to Leasehold Buildings	310.67	46.05	-	-	356.72	33.58	-	36.27	320.44	307.97
4 Plant & Machinery	39,742.60	420.28	1,263.49	187.55	41,238.82	1,526.70	85.23	14,493.32	26,745.49	26,690.74
5 Lab Equipment	181.83	-	-	4.88	176.95	19.52	4.64	121.42	55.53	75.30
6 R & D Equipment	392.83	-	-	38.14	354.69	-	37.83	347.36	7.33	7.64
7 Data Process Equipment	106.83	2.76	-	32.15	77.44	4.19	32.15	71.86	5.59	7.01
8 Office Equipment	237.94	8.68	-	25.67	220.95	33.26	25.12	112.14	108.81	133.95
9 Furniture & Fixtures	233.19	4.71	-	46.53	191.37	16.49	42.09	94.39	96.97	113.19
10 Vehicles	449.94	151.29	-	25.44	575.79	49.50	25.44	283.30	292.49	190.69
<b>Total (A)</b>	<b>51,973.28</b>	<b>880.93</b>	<b>1,407.92</b>	<b>360.36</b>	<b>53,901.78</b>	<b>2,085.48</b>	<b>252.50</b>	<b>18,948.61</b>	<b>34,953.16</b>	<b>34,857.64</b>
<b>B Intangible Assets</b>										
11 Computer Software	17.07	-	-	-	17.07	1.24	-	16.89	0.18	1.42
<b>Total (B)</b>	<b>17.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.07</b>	<b>1.24</b>	<b>-</b>	<b>16.89</b>	<b>0.18</b>	<b>1.42</b>
<b>C Capital Works in Progress:</b>										
12 Civil Works Under Construction	34.56	355.50	144.43	-	245.63	-	-	-	245.63	34.56
13 Plant & Machinery under erection	1,565.39	1,296.80	1,263.49	-	1,598.70	-	-	-	1,598.70	1,565.39
14 Pre-Operative Exp., Pending Capitalisation	94.92	-	-	-	94.92	-	-	-	94.92	94.92
<b>Total (C)</b>	<b>1,694.87</b>	<b>1,652.30</b>	<b>1,407.92</b>	<b>-</b>	<b>1,939.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,939.25</b>	<b>1,694.87</b>
<b>TOTAL (A+B+C)</b>	<b>53,685.22</b>	<b>2,533.23</b>	<b>-</b>	<b>360.36</b>	<b>55,858.10</b>	<b>2,086.72</b>	<b>252.50</b>	<b>18,965.50</b>	<b>36,892.59</b>	<b>36,553.93</b>

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

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
<b>Non Trade Investments - Unquoted (At Fair Value)</b>		
<b>i Investment in Equity Instruments of other Companies</b>		
Unquoted (At Fair Value through P & L)		
a. Equity Shares in Koganti Power Limited Cost ₹ 6,00,000	0.001	0.001
(60,000 Nos each ₹ 10/- Fully paid up, acquired at a cost of ₹ 600,000)-Net of impairment recognised.		
b. Equity Shares in Sireen Drugs Private Limited Cost ₹ 10,000	0.001	0.001
(1,000 Nos each ₹ 10/- Fully paid up, acquired at a cost of ₹ 10000) - Net of impairment recognised.		
<b>ii Investment in Bonds</b>		
(Unquoted at cost)		
IDBI Bonds - 6 Bonds of ₹ 5000/- each	0.30	0.30
<b>iii Investments in Mutual Funds</b>		
a. PNB - Principal focused multicap fund - regular plan growth - 39,138 (39,138) units, Cost ₹ 10,00,000	24.75	22.85
b. UBI -Union asset allocation fund - growth- 0 (39,990) Units, Cost ₹ 3,99,900	-	6.05
c. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (0) Units, Cost ₹ 6,35,373	6.38	-
d. UBI-Union Equity Savings Fund Regular Plan - 19,990 (0) Units, Cost ₹ 1,99,990	2.08	-
e. UBI-Union Corporate Bond Fund Regular plan - 5,00,000 (0) Units, Cost ₹ 50,00,000	53.47	-
f. Reliance Balanced Advantage Fund - Growth Plan - 2,352 (0) Units, Cost ₹ 2,00,000	2.14	-
g. SBI Magnum Equity ESG Fund regular growth - 12,136 (12,136) Units, Cost ₹ 5,00,000	12.70	11.24
h. SBI Life Smart Wealth Builder - 64,364 (26,959) Units, Cost ₹ 10,00,000	11.02	11.14
	112.84	51.57
<b>iv Adjustment for impairment/write down</b>	-	23.62
	<b>112.84</b>	<b>27.95</b>

**Disclosures:**

Aggregate amount of quoted investments	85.35	29.00
Aggregate amount of market value of quoted investments	112.54	51.27
Aggregate amount of unquoted investments *	-	-
Aggregate amount of impairment in value of investments	-	23.62

\* 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****OTHER NON-CURRENT ASSETS**

<b>Unsecured, Considered Good:</b>		
a. Capital Advances	746.53	822.09
b. Deposits	686.59	651.38
	<b>1,433.12</b>	<b>1,473.47</b>

**Note 4**  
**INVENTORIES**

(₹ in Lakhs)

<b>Valued at Cost or Realisable Value, whichever is lower</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
a. Raw Materials- Including Stock in Transit ₹ 434.97 lakhs (PY: ₹ 86.80 lakhs)	3,977.86	4,677.26
b. Work-in-progress	3,366.87	3,427.68
c. Finished Goods- Including Stock in Transit ₹ 169.73 lakhs (PY: ₹ Nil)	9,208.82	7,769.06
d. Stores, Spares & Packing	2,127.24	2,085.08
e. Stock-in-trade (goods acquired for trading)	288.57	288.57
f. Provision for obsolescence of non-moving stores	(23.51)	(14.63)
	<b>18,945.85</b>	<b>18,233.02</b>

**Note 5**  
**INVESTMENTS**

<b>Investments in Mutual Funds (Quoted, at FVPTL)</b>		
Units of UBI Mutual Fund	11.43	121.73
	<b>11.43</b>	<b>121.73</b>

**Disclosures:**

Aggregate amount of quoted investments	11.54	121.80
Aggregate amount of market value of quoted investments	11.43	121.73

**Note 6**  
**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

a. <i>Unsecured, Considered Good</i>	13,394.50	14,424.21
b. <i>Unsecured, Considered Doubtful</i>	-	23.12
Less: Provision for Doubtful Debts	-	(23.12)
	<b>13,394.50</b>	<b>14,424.21</b>

**Note 7**  
**CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

a. Balances with Banks	27.66	117.05
b. Cash on Hand	3.90	1.75
	<b>31.56</b>	<b>118.80</b>

**Note 8**  
**CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE**

a. Margin Money Deposit in Banks against LCs & BGs	1,406.68	1,711.88
b. Unpaid Dividend Accounts	8.17	5.78
	<b>1,414.85</b>	<b>1,717.66</b>

**Note 9**  
**CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS**

a. Salary and other advances	21.25	45.69
b. Interest Receivable	40.39	74.81
	<b>61.64</b>	<b>120.50</b>

**Note 10****OTHER CURRENT ASSETS**

(₹ in Lakhs)

<b>1. Loans and Advances to Related Parties</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
a. Advances against Services to interested concerns	-	162.40
<b>2. Others</b>		
a. Advances to Suppliers	668.83	2,099.46
b. Balances with Government Authorities	2,691.07	3,071.46
c. Prepaid Expenses	27.22	38.18
	<b>3,387.12</b>	<b>5,371.50</b>

**Note 11****EQUITY SHARE CAPITAL**

<b>Authorised Share Capital</b>		
15,000,000 Equity Shares of ₹10/- par value	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued,Subscribed and Fully Paid-up Capital</b>		
<i>At the beginning and close of the year</i>		
11,946,020 Equity Shares of ₹ 10/- par value each	1,194.60	1,194.60
	<b>1,194.60</b>	<b>1,194.60</b>

**Disclosures:**

1. The Company has only one class of equity shares at a par value of ₹ 10. 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**

<b>S.No.</b>	<b>Name of shareholder</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
1	Sri. Ch. Krishna Murthy - No of Shares	<b>6,219,790</b>	6,219,790
	- % held	<b>52.07</b>	52.07
2	Smt. Ch. Manjula - No of Shares	<b>1,614,048</b>	1,614,048
	- % held	<b>13.51</b>	13.51
3	Sri. Ch. Siddartha - No of Shares	<b>1,125,668</b>	1,125,668
	- % held	<b>9.42</b>	9.42

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

<b>A. Secured:</b>		
1. Term Loans:		
From Banks	<b>6,989.78</b>	8,614.64
2. Long Term Maturities of Finance Lease Obligations:		
a. From Banks	<b>38.35</b>	33.45
b. From NBFCs	<b>81.59</b>	45.00
<b>B. Unsecured:</b>		
1. Loans and Advances from Related Parties:		
Loans from Promoters (at amortised cost)	<b>1,997.37</b>	727.72
2. Business Loan from HDFC Bank	<b>33.59</b>	-
3. Cumulative Redeemable Preference Shares		
76,637,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- par value each	<b>7,663.75</b>	7,663.75
	<b>16,804.43</b>	<b>17,084.56</b>

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

1. Term Loans from banks includes 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 and charge on entire existing movable/ immovable assets of the Company. The above loans are further secured by personal guarantee of promoters and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2. The term loans are repayable in predetermined 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 11.7% p.a. The aggregate amount of instalments outstanding as on March 31, 2019 is ₹ 8,065.59 Lakhs (March 31, 2018 ₹ 10,008.93 Lakhs)

**B. Hire Purchase Loans (Holding and Subsidiary companies):**

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 2019 is ₹ 333.60 Lakhs (March 31, 2018: ₹ 198.12 Lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

Particulars	March 31, 2019	March 31, 2018
<b>Minimum Lease Payments outstanding</b>		
Within one Year	129.97	54.56
Later than one year and not later than five years	127.12	87.47
<b>Future Interest on outstanding Lease payments</b>		
Within one Year	17.63	5.96
Later than one year and not later than five years	7.17	9.02
<b>Present Value of Minimum Lease Payments</b>		
Within one Year	112.34	48.60
Later than one year and not later than five years	119.94	78.45

**C. Loans from Promoters:**

The loans from promoters 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.

**D. Cumulative Redeemable Preference Shares:**

During the previous 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 ₹ 2913.75 lakhs. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31-03-2033. During the year, preference shareholders have given their consent to forego 6% of the 7% preference dividend for the financial year 2018-19. Refer to Note No. 38.

S.No.	Name of shareholder	March 31, 2019	March 31, 2018
1	Sri. Ch. Krishna Murthy - No of Shares	71,121,750	71,121,750
	- % held	92.80	92.80
2	Smt. Ch. Manjula - No of Shares	5,271,250	5,271,250
	- % held	6.88	6.88
3	Sri. Ch. Siddartha - No of Shares	244,500	244,500
	- % held	0.32	0.32

**II. Loans of Subsidiary Company:****A. Term Loans from Banks:**

- a) The above secured term loans also include from Union Bank of India Secunderabad branch, carries interest rate of one year MCLR+4.65%, currently @ 12.85%. The loan is repayable in 24 quarterly equal installments and matures in the year 2022-23. The aggregate amount of installments outstanding (including current maturities) as on March 31, 2019 is ₹ 601.83 Lakhs (March 31, 2018 ₹ 787.57 Lakhs). There are no over due installments or interest payable.



b) This loan is secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture & fittings of the company and the loan has been guaranteed by personal guarantees of Sri. Ch. Siddhartha, Managing Director of the company and Sri. Ch. Krishnamurthy and Smt. Ch. Manjula, Directors of the holding company- Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Sri. Ch. Krishnamurthy.

#### B. Hire Purchase Loans:

The hire purchase loans are secured against the assets purchased out of those loans and the net carrying amount of assets acquired on hire purchase as on 31st March, 2019 is ₹ 137.42 Lakhs (31st March, 2018 - Nil). The company had capitalised the assets at their fair value considering that the hire purchase agreements are in nature of finance lease. Installments are apportioned between finance charge and principal which is disclosed under secured loans and the details are as follows -

	As at 31.03.2019	As at 31.03.2018
<b>Minimum lease payments outstanding</b>		
Within one year	48.89	-
Later than one year and not later than 5 years	65.18	-
<b>Future interest outstanding lease payments</b>		
Within one year	7.43	-
Later than one year and not later than 5 years	3.91	-
<b>Present value of minimum lease payments</b>		
Within one year	41.46	-
Later than one year and not later than 5 years	61.28	-

#### C. Business Loan:

The above unsecured business loan from HDFC bank, carries interest rate of 17.60% p.a. The loan is repayable in 36 monthly equal installments and the last installment of loan is in the month of January 2022. The aggregate amount of installments outstanding (including current maturities presented in note 17 below) as on March 31, 2019 is ₹ 47.86 Lakhs (March 31, 2018- Nil). There are no overdue installments or interest payable.

#### Note 14

##### OTHER NON-CURRENT FINANCIAL LIABILITIES

	March 31, 2019	March 31, 2018
Other Long Term Liabilities	-	75.00
	-	<b>75.00</b>

#### Note 15

##### NON-CURRENT PROVISIONS

Provision for Employee Benefits (Net of Fund Assets)	565.84	341.43
	<b>565.84</b>	<b>341.43</b>

#### Note 16

##### DEFERRED TAX LIABILITIES (NET)

<b>1. Deferred Tax Liability</b>		
Property, Plant and Equipment	4,507.80	4,112.01
<b>2. Deferred Tax Assets</b>		
Provisions allowable on payment basis	125.11	125.11
On transition items	-	-
Unused Tax Credits (MAT Credit Entitlement)	643.92	624.42
Net Deferred Tax Liability	<b>3,738.77</b>	<b>3,362.48</b>

The gross movement in the deferred income tax account for the financial years ended March 31, 2019 and March 31, 2018, is as follows -

Particulars	As at March 31,	
	2019	2018
a. Net deferred tax liability at the beginning	3,362.48	3,133.09
b. Accelerated depreciation for tax purposes	440.46	626.39
c. Provisions allowable on payment basis	(6.72)	(45.98)
d. Transition items	-	13.91
e. Temporary differences on Other Comprehensive Income	(37.95)	(1.71)
f. MAT Credit Entitlement	(19.50)	(363.21)
g. Net deferred tax liability at the end	3,738.77	3,362.48

#### Note 17

#### OTHER NON-CURRENT LIABILITIES

Security Deposits	3,819.82	3,212.00
Advances from Customers (long term)	-	642.92
	<b>3,819.82</b>	<b>3,854.92</b>

#### Note 18

#### CURRENT FINANCIAL LIABILITIES - BORROWINGS

	March 31, 2019	March 31, 2018
<b>A. Secured:</b>		
Loans repayable on demand		
From Banks		
a. Working capital - Cash Credit	12,184.41	13,558.23
b. Working Capital - bill discounting	3,093.60	4,008.18
<b>B. Unsecured:</b>		
a. Loans from Promoters	45.00	626.89
b. Other Short Term obligations	509.36	661.74
	<b>15,832.37</b>	<b>18,855.04</b>

#### Disclosures:

#### I. Loans of Holding Company:

##### A) Secured Loans:

1. The Rate of Interest for Loans repayable on demand from Banks ranges from respective Banks MCLR+3.80% to +4.95%
2. Interest rate for the Bill Discounting facility ranges from 9.10% to 14.25%

##### 3.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 promoters have extended their personal assets as securities i.e. land, plots, buildings, shares etc.

##### 4.Guarantees:

All the above loans are guaranteed by the Promoters.

##### B) Loan from Promoters:

Loans from Promoters disclosed here are short term in nature. There are no specified terms and conditions.

#### II. Loans of Subsidiary Company

##### A) Loans repayable on demand, from banks:

- a) The above cash credit from Union Bank of India is repayable on demand and carries interest rate of 1 year MCLR+4.15%, currently @ 12.35%.
- b) The cash credit is secured by hypothecation of all stocks and book debts of the company and the loan has been guaranteed by personal guarantee of Sri. Ch. Siddartha, Managing Director of the company and Sri. Ch. Krishnamurthy and Smt. Ch. Manjula, Directors of the holding company Vishnu Chemicals Limited. The loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Sri. Ch. Krishnamurthy.

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

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
a. Trade payables - Due to Micro Small and Medium Enterprises	125.50	43.77
b. Trade payables - Other parties	13,598.50	17,766.67
c. Trade payables - Related parties	168.59	-
	<b>13,892.59</b>	<b>17,810.44</b>

**Disclosure:**

The principal amount remaining unpaid as at 31.03.2019 in respect of enterprises covered under the Micro, Small and Medium Enterprises development Act, 2006 (MSMED) is 125.50 lakhs (31.03.2018 - ₹ 43.77 lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 4.51 lakhs

The list of undertakings covered under MSMED was determined by the company on the basis of information available with it after getting confirmation from Suppliers.

**Note 20****OTHER CURRENT FINANCIAL LIABILITIES**

a. Current maturities of long term debt	1,667.50	2,147.17
b. Current maturities of finance lease obligations	112.34	48.60
c. Interest accrued and due on borrowings	-	76.60
d. Cumulative Unpaid Preference Dividend	409.14	332.50
e. Dividend Distribution Tax on Preference Dividend	676.61	660.86
f. Unclaimed dividends	8.17	5.78
g. Others	5.26	-
	<b>2,879.02</b>	<b>3,271.51</b>

**Note 21****OTHER CURRENT LIABILITIES**

a. Creditors for Capital Expenditure	169.90	172.02
b. Advance from Customers	738.65	547.07
c. Advance from others	12.17	15.98
d. Other payables		
a. Statutory dues Payable	1,675.88	241.69
	<b>2,596.60</b>	<b>976.77</b>

**Note 22****CURRENT PROVISIONS**

Provision for Employee Benefits (Net of Fund Assets)	32.25	31.73
	<b>32.25</b>	<b>31.73</b>

**Note 23****CURRENT TAX LIABILITIES**

Provision for Income Tax		
a. Provision for Tax (Net of TDS)	1,283.57	1,366.59
Less : MAT Credit Utilisation	-	-
Net Provision for Tax	<b>1,283.57</b>	<b>1,366.59</b>

**Note 24****REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Sale of Products (including excise duty in FY 2017-18)	75,905.44	64,385.00
2. Other Operating Revenues		
a. Sale of Scrap	155.40	82.34
b. Testing Charges	103.35	110.95
c. Export Incentives	774.45	654.43
	<b>1,033.20</b>	<b>847.72</b>
	<b>76,938.64</b>	<b>65,232.72</b>

**Note 25****OTHER INCOME**

1. Interest Income		
a. Interest Income on bank and other deposits	138.56	129.04
b. Fair Value gain on Financial Instruments at amortised cost	63.44	57.86
2. Other Non-Operating Income		
a. Insurance Claim Received	1.67	1.00
b. Profit on Sale on Assets	0.33	-
c. Net Gain on Foreign Currency Translation and Transactions	-	641.40
d. Adjustment on account of Foreign Currency Translation Reserve withdrawal	0.44	-
e. Balances Written Back (Net)	32.30	5.92
f. Other Income	60.76	-
g. Fair value gain / (Loss) on Investments	10.30	(1.95)
	<b>307.80</b>	<b>833.27</b>

**Note 26****COST OF MATERIAL CONSUMED**

Opening Stock	4,677.26	5,228.12
Add: Purchase	35,127.44	32,553.22
Total	<b>39,804.70</b>	<b>37,781.34</b>
Less: Closing Stock	3,977.86	4,677.26
	<b>35,826.84</b>	<b>33,104.08</b>

**Note 27****COST OF CONSUMABLES**

Consumption of Petcoke	1,745.87	1,687.56
Consumption of Furnace Oil	2,431.81	1,173.21
Consumption of Husk	819.56	618.58
Consumption of Coal	3,390.62	2,595.08
Consumption of LDO/Kerosene	815.51	1,272.57
	<b>9,203.37</b>	<b>7,347.00</b>

**Note 28****CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1. Finished Goods</b>		
a. Opening Stock:	7,769.06	6,749.03
b. Closing Stock:	9,208.82	7,769.06
	<b>(1,439.76)</b>	<b>(1,020.03)</b>
<b>2. Work-in-progress</b>		
a. Opening Stock:	3,427.68	3,001.94
b. Closing Stock:	3,366.87	3,427.68
	<b>60.81</b>	<b>(425.74)</b>
<b>3. Stock-in-Trade</b>		
a. Opening Stock:	288.57	-
b. Closing Stock:	288.57	288.57
	<b>-</b>	<b>(288.57)</b>
Total Decrease / (Increase)	<b>(1,378.95)</b>	<b>(1,734.34)</b>

**Note 29****EMPLOYEE BENEFITS EXPENSE**

Salaries & Wages	2,849.29	2,420.07
Contribution to Provident and Other Funds	296.48	199.39
Staff Welfare Expenses	181.32	141.04
	<b>3,327.09</b>	<b>2,760.50</b>

**Note 30****FINANCE COSTS**

Interest Expense	2,640.70	2,710.81
Interest on Others	569.63	363.39
Unwinding of Interest/Discount on Financial Instruments	227.43	121.79
Other Borrowing Costs	858.76	998.07
Preference Dividend	76.64	332.50
Dividend Distribution Tax on Preference Dividend	15.75	67.69
	<b>4,388.91</b>	<b>4,594.25</b>

**Note 31****OTHER EXPENSES**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Power	3,472.53	3,312.28
Consumables - Others	433.78	373.86
Equipment Hire Charges	483.08	490.29
Consumption of Stores & Spares	1,560.63	797.11
Repairs & Maintenance - Buildings	69.74	19.70
Repairs & Maintenance - P & M	931.04	305.20
Labour costs	909.23	777.78

	For the year ended March 31, 2019	For the year ended March 31, 2018
Factory/Godown Maintenance	369.41	349.14
Effluent Disposal Expenses	1,364.51	1,113.79
Transportation Charges	682.68	614.99
Insurance	169.37	149.52
Packing Charges	2,017.94	1,737.52
Shipping & forwarding Charges	3,158.00	2,806.61
Other Selling Cost	757.52	511.40
Rent	641.37	613.14
Rates & Taxes	77.56	225.70
CSR Expenses	49.47	33.37
Bank charges	305.60	265.59
Net Loss on Foreign Currency Transaction & Translation	436.54	-
Travelling, Vehicle Maintenance & Conveyance	394.69	344.12
Professional & Consultancy Charges	230.95	198.56
Security Charges	89.05	85.30
Excise Duty Adjustment on Opening Stock	-	(739.27)
Miscellaneous Expenses	1,439.00	581.94
	<b>20,043.69</b>	<b>14,967.64</b>

#### Disclosures:

##### Audit Fee

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

i Audit Fee	9.50	9.50
ii For Taxation Matters	3.50	3.50
iii For Other Services	1.20	0.90

#### Note 32

##### TAX EXPENSE

Current Tax for the year	741.03	535.46
Income Tax adjustments pertaining to earlier year	157.06	30.28
Deferred Tax for the year	(19.50)	(392.74)
MAT Credit Entitlement recognised for the year	433.74	594.32

#### Note 33

##### Group:

VCL has three 100% wholly owned subsidiaries – Vishnu Barium Private Limited in India and two overseas subsidiaries – Vishnu Hong Kong Limited and Vishnu South Africa Pty Limited.

Vishnu Hong Kong Limited, incorporated in Hong Kong, ceased functioning in March 2018 and a provision for the entire investment and other receivables has been made in the books of the holding company-Vishnu Chemicals Limited has been in 2018-19. The closure of the company was effected in 2018-19 as per the laws of Hong Kong and hence Vishnu Hong Kong Limited ceased to exist.

Vishnu South Africa Pty Limited was incorporated in 2017-18 in South Africa but is yet to commence operations. Though the incorporation was carried out, no investment towards Share Capital was made in that company as the same was not required on incorporation as per the laws of that country.



**Note 34****Contingent Liabilities and Commitments (To the Extent Not Provided for):**

(₹ in Lakhs)

SI	Particulars	As on 31.03.2019	As on 31.03.2018
<b>1. Contingent Liabilities:</b>			
	a. Claims against company not acknowledged as debt	<b>1,097.29</b>	140.89
	a. Indemnity given by company to the banks for Bank guarantees and Letters of Credit	<b>424.49</b>	1,592.43
<b>2. Commitments:</b>			
	a. Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>575.23</b>	1,197.93

**Note 35****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 Customers:**

(₹ in Lakhs)

Geographic Location	2018-19 Revenue	2017-18 Revenue
Domestic	<b>39,192.66</b>	34,069.28
Overseas	<b>36,712.78</b>	30,315.72

**Details of Non-Current Assets\***

(₹ in Lakhs)

Geographic Location	As on 31.03.2019	As on 31.03.2018
Domestic	<b>38,325.71</b>	38,027.40
Overseas	-	-

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

Disaggregated Revenue:

As the Company is engaged in manufacture and sale of chemicals with no diversity, no separate disaggregation of revenue is reportable

**Note 36****Related Party Disclosures:****a) Details of Related Parties:**

SI 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. P. Anjaneyulu	Chief Financial Officer (from 30/05/2018)
5	Sri. V. Laxminarayana	Chief Financial Officer (from 28/08/2017 to 01/05/2018)
6	Sri. Kishore Kathri	Company Secretary
7	M/s. Vasantha Transport Corporation	Entity in which Key Management Personnel are interested
8	K.M.S. Infrastructure Limited	Entity in which Key Management Personnel are interested
9	Vishnu Life Sciences Limited	Entity in which Key Management Personnel are interested
10	Vishnu Barium Private Limited	Wholly Owned Subsidiary
11	Vishnu South Africa Pty Limited	Wholly Owned Subsidiary
12	Vishnu Hong Kong Limited	Wholly Owned Subsidiary (ceased operations and company wound up)

**b) Details of Transactions:**

(₹ in Lakhs)

Nature of Transaction	Key Management Personnel		Concerns in which Key Management is Interested	
	2018-19	2017-18	2018-19	2017-18
Remuneration	191.96	150.61	-	-
Rent	52.47	34.98	6.00	6.00
Maintenance Services	-	-	21.42	19.22
Transportation Charges	-	-	1,212.07	1680.34
Hire Charges	4.32	1.50	62.41	64.11
Contract Services	-	-	151.45	22.48
Advances to Interested Concerns	-	-	-	162.40
Payables as on 31st March 2018	16.24	8.00	158.60	54.64

**Note 37**

There is no change in Equity Share Capital of Vishnu Chemicals Limited during the year. The Public Shareholding as on March 31, 2019 is 25%.

**Note 38**

During the previous year the authorized share capital of the Vishnu Chemicals Limited (VCL) 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 previous year i.e. on 29th March, 2018, VCL 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 of VCL 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 VCL as on financial year ended 31st March, 2019 and 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.

**Note 39****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	2018-19	2017-18
Contribution to Provident Fund	123.14	111.17
Contribution to Employee State Insurance	23.74	25.58

## 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

(₹ in Lakhs)

SI	Particulars	Gratuity (Funded) 2018-19	Gratuity (Funded) 2017-18
1	<b>Assumptions:</b> Discount Rate Escalation	7.60% 5.5%	7.42% 3%
2	<b>Changes in present value of obligations</b> 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	343.06 24.83 35.44 - (21.64) 140.06 521.76	296.12 19.33 30.38 9.18 (14.23) 2.29 343.06
3	<b>Changes in Fair Value of Plan Assets</b> 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	41.97 (1.59) 1.00 3.84 43.65 - (21.64) 67.23	55.81 (1.50) (2.91) 3.21 1.59 - (14.23) 41.97
4	<b>Amount to be recognized in the balance sheet</b> PVO at end of period Fair Value of plan Assets at end of period Funded status Net Asset/(liability) recognized in the balance sheet.	521.76 67.23 (454.53) (454.53)	343.06 41.97 (301.10) (301.10)
5	<b>Expenses recognized in the statement of P&amp;L a/c:</b> 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	35.44 20.98 - - - - - 56.42	30.38 16.12 - 9.18 - - - 55.68
6	<b>Other Comprehensive Income (OCI):</b> 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)	140.06 - (1.00) - 139.06	2.29 - 2.92 - 5.20

### Sensitivity Analysis:

(₹ in Lakhs)

Particulars	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligations	447.67	572.58	571.55	477.90

### Categories of Plan Assets:

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Gratuity Fund managed by Life Insurance Corporation of India	67.23	41.97

**Note 40****Earnings Per Share:**

Particulars	2018-19	2017-18
Net profit after tax	24,36,44,865	14,42,37,261
Weighted No. of Equity shares for Basic EPS	119,46,020	119,46,020
Nominal value of equity share (in ₹ per share)	10	10
Basic and Diluted EPS (in ₹ per share)	20.40	12.07

**Note 41****Unrecognised Deferred Tax Asset:**

Net deferred tax asset available to Vishnu Barium Private Limited on its losses, gratuity & compensated absences and provision for non-moving stock has not been recognised in the books of account as there is a probability that taxable profit may not be available against which such deferred tax asset can be realized.

The details of deferred tax assets and liabilities are as given below –

Particulars	2018-19	2017-18
<b>Deferred tax asset:</b>		
On account of unabsorbed depreciation	770.02	1,066.57
On account of gratuity & compensated absences	31.48	22.26
On account of non-moving stock	3.80	-
<b>Deferred tax liability:</b>		
On account of fixed assets	315.16	272.24
<b>Deferred tax asset (Net)</b>	<b>490.14</b>	<b>816.59</b>

**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:

Particulars	31.03.2019	31.03.2018
Trade Receivables	9063.74	9281.47
Trade Payables	4689.68	11018.27

**Note 43****Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013:**

Sl	Name of the Entity	Net Assets		Share in Total Comprehensive Income	
		Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Profit
1.	<b>Holding Company</b>				
	Vishnu Chemicals Limited	11,384.38	79.95	1,042.02	44.40
2.	<b>Subsidiary:</b>				
	<b>Indian Subsidiary</b>				
	Vishnu Barium Private Limited	2,855.86	20.05	1,304.64	55.60
	<b>TOTAL</b>	<b>14,240.24</b>	<b>100.00</b>	<b>2,346.66</b>	<b>100.00</b>

**Note 44**

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: 06 May 2019

**For and on behalf of the Board of Directors**

**Sd/-**

**Ch. Manjula**

Director

DIN:01546339

**Sd/-**

**P. Anjaneyulu**

Chief Financial Officer

**Sd/-**

**Ch. Siddartha**

Joint Managing Director

DIN:01250728

**Sd/-**

**Kishore Kathri**

Company Secretary



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

### 26<sup>th</sup> ANNUAL GENERAL MEETING HELD ON 27<sup>th</sup> JUNE, 2019

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 26th Annual General Meeting of the company being held on **Thursday, June 27, 2019 at 10.00 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 – 500033.









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

## 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 26th Annual General Meeting of the Company to be held on **Thursday, June 27, 2019 at 10.00 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
<b>Ordinary Business:</b>				
1	To consider and adopt the Standalone Financial Statement of the Company for the financial year ended March 31, 2019			
2	To consider and adopt the Consolidated Financial Statement of the Company for the financial year ended March 31, 2019			
3	Declaration of Dividend on Equity Shares			
4	Re-appointment of Mrs. Ch. Manjula (DIN: 01546339), as a Director liable to retire by rotation			
<b>Special Business:</b>				
5	To approve re-appointment Mr. Pradip Saha as Independent Director of the company for second term			
6	To appoint Mr. Santanu Mukherjee as a Director of the Company			
7	To give advances, loans including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by entities in whom the director of the company is/ are interested			
8	Approval for payment of remuneration to executive directors in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of their appointment			
9	To approve variation of terms of the existing 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of the company			
10	Ratification of Remuneration to be paid to the Cost Auditors for the financial year 2019-20			
11	Approval for fees to be charged for Service of documents under Section 20 of the Companies Act, 2013			

\* Applicable for investors holding shares in electronic form.

Signed on..... day of..... 2019

Affix  
Revenue  
Stamp

Signature of Shareholder / Proxy holder(s) \_\_\_\_\_

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:*



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