

June 21, 2022

VCL/SE/32/2022-23

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

To
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

Scrip Code: 516072

Symbol: VISHNU

Annual Report for the FY 2021-22 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir,

This is in furtherance to our letter dated May 25, 2022, May 27, 2022 and June 20, 2022, wherein the Company had informed that the 29th Annual General Meeting ('AGM') of the Company will be held on Friday, 15th July, 2022 at 2.30 p.m. (IST) via two-way Video Conference / Other Audio Visual Means only, in accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2022 read with General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and December 14, 2021 and SEBI Circular dated May 13, 2022 read with May 12, 2020 and January 15, 2021.

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Integrated Annual Report of the Company along with the Notice of the 29th AGM and other Statutory Reports for the Financial Year 2021-22, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ Registrar and Transfer Agent/ Depositories.

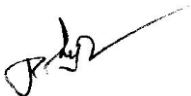
The same is also available on the website of the Company at https://vishnuchemicals.com/wp-content/uploads/2022/06/VCL_Annual-Report-2021-22.pdf

This is for your information and records.

Thanking You.

Yours faithfully,

For Vishnu Chemicals Limited



P Anjaneyulu
CFO & Compliance Officer

Encl: As above

WHERE
PERSEVERANCE
AND
COMMITMENT
COME TOGETHER

प्रतिकूलतायाः शक्तिः



VISHNU
CHEMICALS LTD

29th Annual
Report
2021-22

Read Through

CORPORATE OVERVIEW 01-23

- Vishnu Chemicals at a Glance **4**
- Key Performance Trends **14**
- CMD's Message **16**
- JMD's Message **18**
- Approach Towards Environmental Sustainability **20**
- Fulfilling Our Social Responsibility **21**
- Board of Directors **22**
- Corporate Information **23**

STATUTORY REPORTS 24-72

- Management Discussion and Analysis **24**
- Board's Report **28**
- Report On Corporate Governance **52**

FINANCIAL STATEMENTS 73-149

- Standalone **73**
- Consolidated **112**
- Notice **150**



For PDF version, visit our website at <https://vishnuchemicals.com/investors/>
Or simply scan to download



Quick Investor Information

Market Capitalisation as at 31st March, 2022	₹ 1,902.40 Cr
BSE Code	516072
NSE Symbol	VISHNU
Dividend Proposed	₹ 2 per share i.e. 20 percent
AGM Date	15th July, 2022
AGM Venue	Registered Office

Vishnu Chemicals Limited **epitomises** manufacturing of high-performance speciality chemicals, with **strong market leadership** and an intelligent symphony of forward and backward integration to produce **world-class products** that are focused on diverse needs and aspirations of its customers.

₹ 1,074.76 Cr Revenues	+ 58%	₹ 545.04 Cr Export Revenues	+ 60%	₹ 161.41 Cr EBITDA	+ 101%
₹ 81.39 Cr PAT	+ 136%	15 % EBITDA Margin	+ 317 bps	8 % PAT Margin	+ 251 bps
28 % ROCE	+ 1400 bps	34 % ROE	+ 1504 bps	5.3 times Interest Coverage Ratio	+ 130%

Disclaimer: Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.





PERSEVERANCE

The journey over the past three decades reflects the persistence with which the Company has been built brick-by-brick. Key attributes such as attention to detail, minute understanding of chemistry and following a logical approach has always been at the forefront of business' operations.



COMMITMENT

At all times, Vishnu Chemical's leadership has remained committed and always believed that the Company would create value through dedicated efforts towards manufacturing, enabling the Company to keep marching on its chosen path.

WHERE PERSEVERANCE AND COMMITMENT COME TOGETHER

प्रतिकूलतायाः शक्तिः

This sanskrit quote has inspired the Company to **stay the course** and not to give up on its **convictions**. The result of this strategic consistency is the ability to capitalise extensively on sectoral crests and adequately resist industry downturns to emerge as a responsible and resilient organisation.

Accomplishments of 2021-22

Better Operating Levels

Higher Gross Asset Turn

National and Global Recognition to Our Chemistry

Improved ROCE

Talent Retention

Procurement Planning

Customer Service

The Future

The world is evolving at a spectacular pace.

Vishnu Chemical's organisational structure has evolved to unlock greater synergy across the entire value chain, making it agile and efficient to an even higher level.

The Company is accelerating its planning and execution to achieve greater operational excellence.

What worked for Vishnu Chemicals in the past is rooted in the present and will continue to be relevant in the future. In doing so, the Company aspires to optimise its entire value chain aligned to tomorrow's needs.

VISHNU CHEMICALS AT A GLANCE

Who we are

Vishnu Chemicals is a Specialty Chemicals company with a work force of 1,000+ people and operating through four dedicated manufacturing plants across India and selling across 50+ countries. Established in 1989, and is listed on the BSE and NSE.

What we do

Vishnu Chemicals manufactures Specialty Chemicals and is a dependable supplier for customers across industries like pharmaceutical, coatings, automobile, glass, refractory and tiles, among others. The Company's products and processes conform to global standards, which is a testimony of product quality and reliability.

DRIVING

SUSTAINABILITY AT THE CENTRE
OF EVERYTHING WE DO.

DELIVERING

DELIGHT TO THE CUSTOMERS
ACROSS THE WORLD.



How we do it

By imbibing global competencies, improved design and integration, trained and confident workforce and adding capabilities that allow customers to keep pace with changing preferences, the business achieves consistency in manufacturing chemicals that can stand the test of time.

What we offer

Chromium Chemicals

The Company manufactures and supplies high-quality chrome chemicals across the globe. Chromium chemistry is proven to be of high-value as it possesses properties of high corrosion resistance, colours, uniformity, thereby improving the performance and life of industrial components, timber treatment, pharmaceuticals, pigments and dyes.

₹ **913.28** Cr Sales
₹ **132.84** Cr EBITDA

₹ **65.23** Cr PAT

Barium Chemicals

The Company manufactures and supply industry-grade Barium Carbonate that finds applications in the manufacture of a plethora of ceramic, tiles, glass and enamel products. Infrastructural development, increasing urbanisation and expansion in construction industry has fuelled the demand for barium chemicals.

₹ **175.33** Cr Sales
₹ **29.87** Cr EBITDA

₹ **16.15** Cr PAT



Vision

To be among the global leaders in specialty chemical manufacturing by bettering the best in process, technology, quality and through unending commitment to customers and environment.



Values

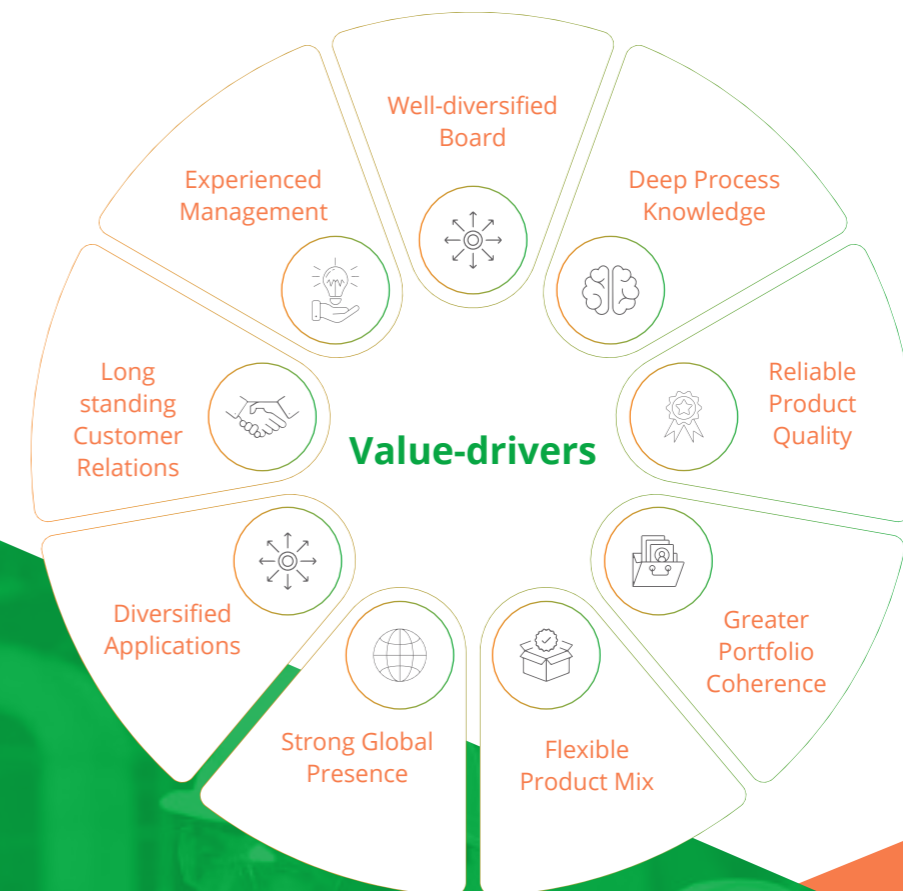
Upholding business relationships, ethics, transparency and commitment to the stakeholders.



Philosophy

Vishnu Chemicals values 'being consistent' in every aspect of its business. Be it dealing with stakeholders or the environment in which the Company operates. Vishnu Chemicals takes pride in its people for their true and unwavering selves at work.

- Accountability in every action
- Transparency in every transaction
- Dedication in every decision
- Collective in every concern



30+
Years Expertise

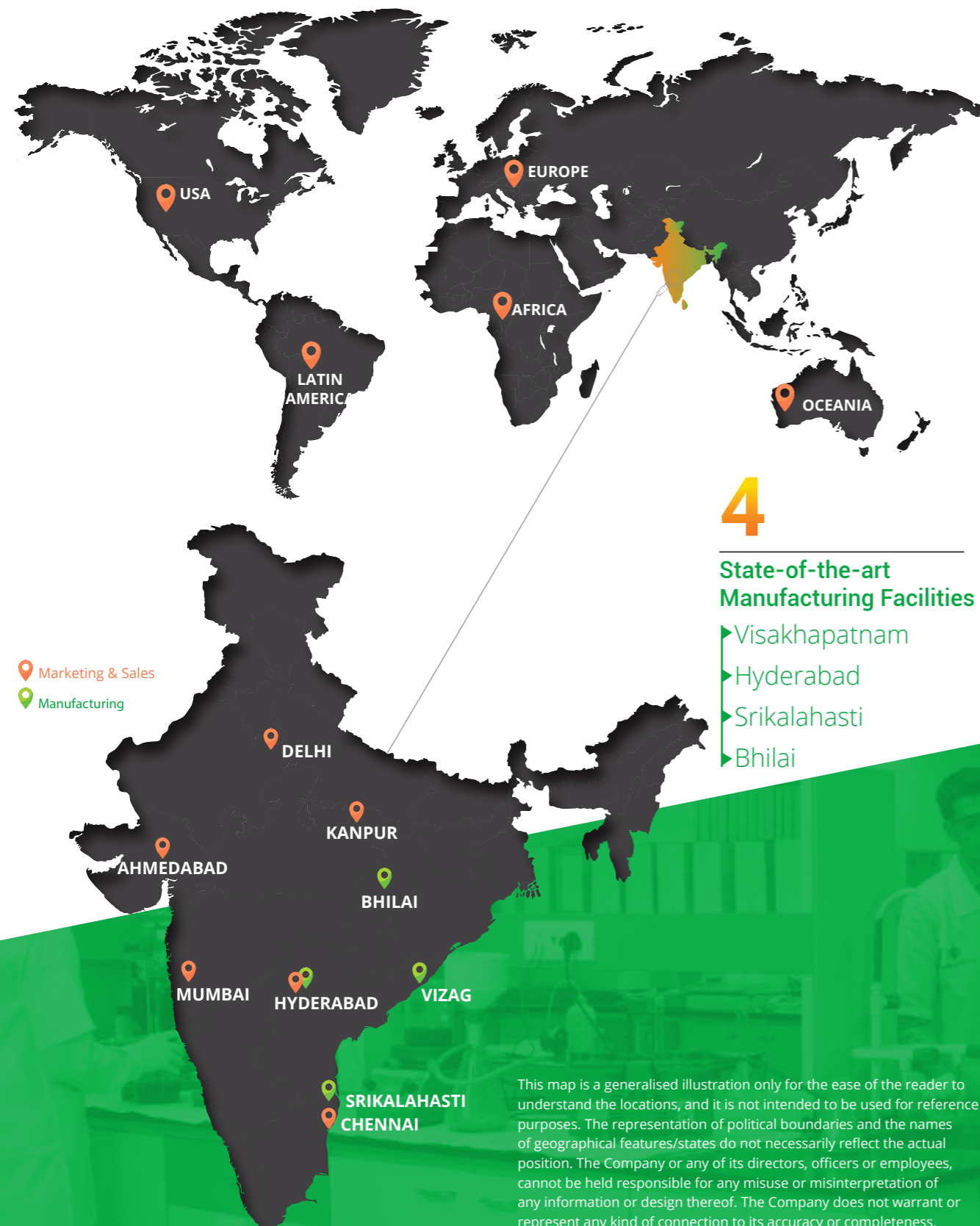
150+
Customers across India and Abroad

15+
User Application Industries

50+
Countries Export Presence

1,000+
Workforce

GLOBAL PRESENCE – MAKING IN INDIA, LEADING GLOBALLY!



This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

EPITOMISING VERSATILITY

Versatility enables speciality base products to be developed and variants offering exceptional properties to be manufactured for alternative applications. The Company's diversification into flexible derivative mix has allowed it to explore versatile applications across different industries. Vishnu Chemicals has an impeccable track record of selling to various industries across the globe.

From acting as strong oxidants in pharmaceuticals to creating a shining & reflective surface in tiles and ceramics or the silver finish on faucets, towel holders, hardware – door knobs or handles.

They add to aesthetic appeal of any vehicle. Be it the shining logo, stylish front grills, premium leather seats or sturdy engines and pistons.

Or be it colours, that don't fade away!

The properties of products make the industrial parts more versatile and indispensable, making them resistant to corrosion, oxidation & reducing wear and galling.

Application Areas



EPITOMISING MANUFACTURING EXCELLENCE

Over the years, Vishnu Chemicals has nurtured the chemistry and mastered in complex chemical processes by overcoming gestation period of stabilisation. Deep process knowledge enables the Company to track how a reaction unfolds and speeds up execution to achieve greater operational excellence.

The Company epitomise manufacturing of high-performance speciality chemicals, with strong market leadership and an intelligent symphony of forward and backward integration to produce world-class products that are focused on diverse needs and aspirations of its customers.



DEDICATED FACILITIES



FINEST INDUSTRY OPERATING LEVELS



DEEP PROCESS KNOWLEDGE



HIGHEST LEVELS OF TECHNOLOGICAL KNOWHOW



Flexible and Integrated

At Vishnu Chemicals, the business' key differentiator is the scale and operational flexibility that allows the Company to switch between different products and derivatives as per industry demand. An integrated manufacturing plant further protects the Company from inflationary pressures, ensures consistent supply and controls inventory needs.

EPITOMISING IMPROVEMENT

The Company's improvisation strategy is underpinned by a strong commitment to research, development and innovation. It has built a world-class infrastructure and emerged as **'a company of choice'** in the industry owing to constant learning and continuous improvement.

Given below are few noticeable outcomes:

- Balanced geographical mix
- Achieved greater portfolio coherence
- Domestic and exports sales grew by 57 percent and 60 percent respectively, in the last 12 months, despite pandemic-induced disruptions.



EPITOMISING GOOD GOVERNANCE

Sustaining an 'enduring edge' requires a deeply ingrained corporate culture that places a premium on good governance, compliance, integrity and collaborative approach. At Vishnu Chemicals, core cultural values define the way it does business globally and treat its stakeholders.

The Board and the leadership at Vishnu Chemicals conducts itself with integrity and honesty, setting the tone for an ethical organisational culture.

As a performance-driven company, Vishnu Chemicals believes in creating a culture of meritocracy that provides all the employees with equal opportunities to excel, learn and progress and create a place of positivity and joy to work at.



EPITOMISING PEOPLE CULTURE

A people-centric work culture within the organisation encourages innovative thinking, focuses on excellence, instils a sense of ownership and builds confidence in employees to make a difference.

With an organisational strength of 1,000+ people, we Vishnu Chemicals treated its people with dignity & compassion, leading to steadfast loyalty.

With safety at workplace being paramount, health and safety standards, are continuously assessed, identified and uplifted.

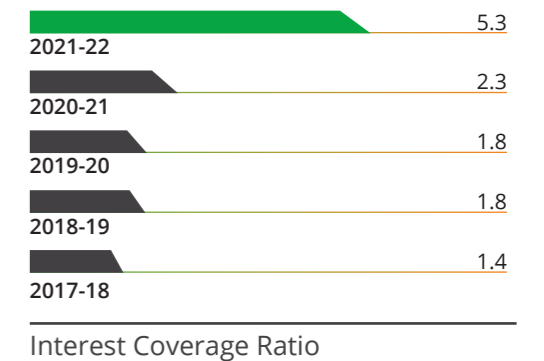
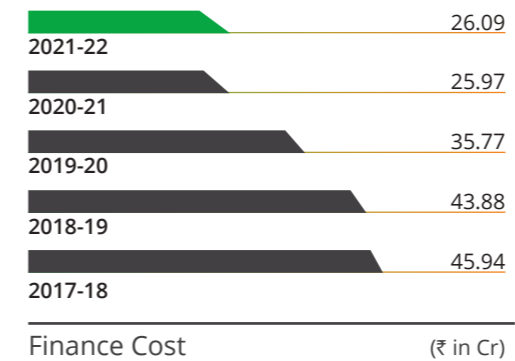
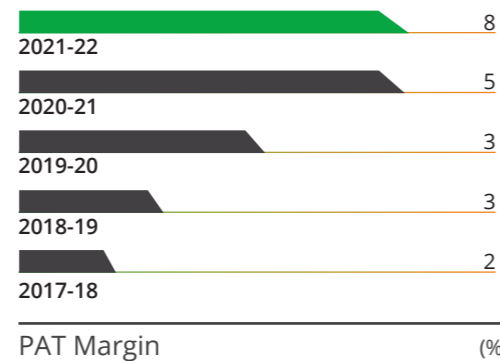
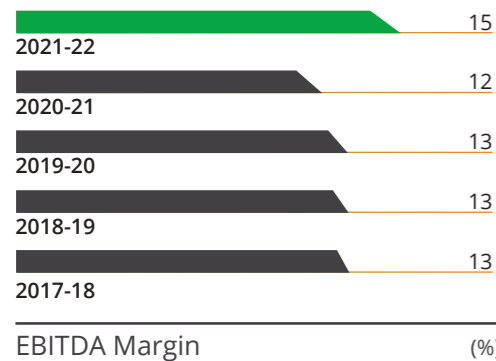
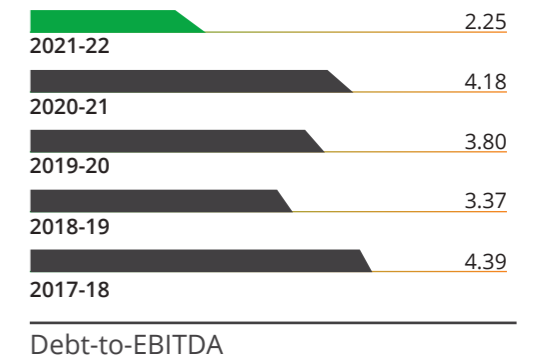
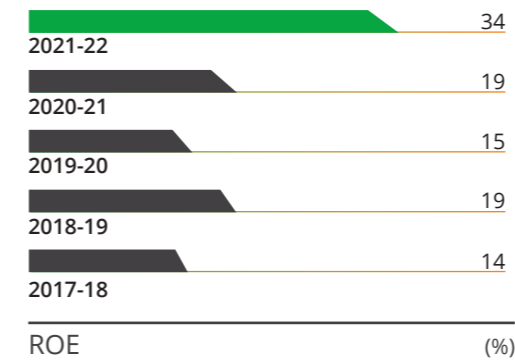
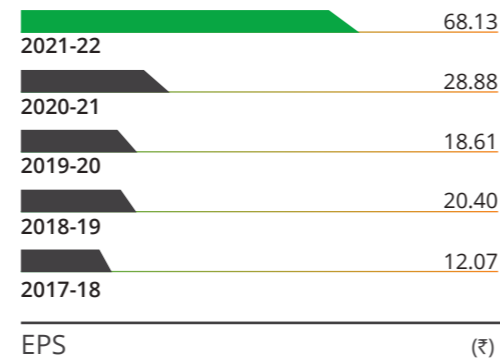
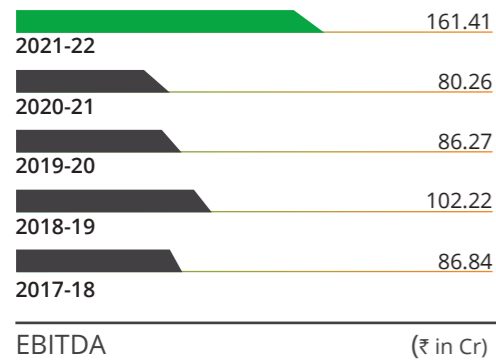
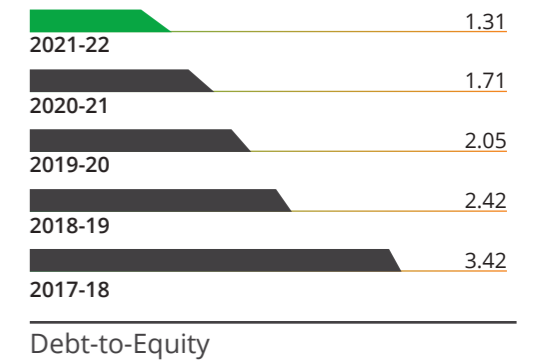
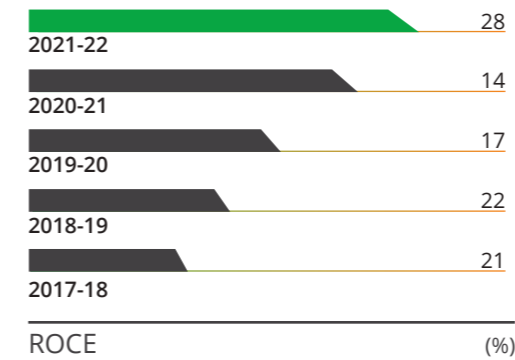
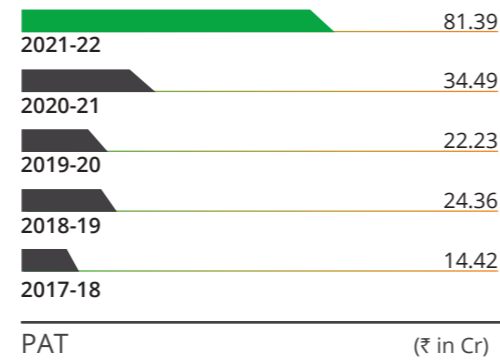
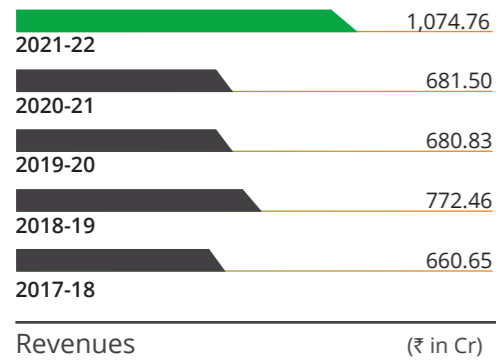
The fore vision and enterprising efforts of Vishnu's leadership has created an atmosphere where all the people have a strong bond and a sense of ownership because of the respect and responsibilities that are accorded to one and all.



KEY PERFORMANCE TRENDS

(On a consolidated basis)


The result of the several strategic initiatives taken over the past few years is visible in the way we have created value for our shareholders. Here's a glimpse of our YoY trends of key performance indicators:



ROCE = EBIT ÷ Average (Total Assets - Total Current Liabilities)
 ROE = PAT ÷ Average (Equity Share Capital + Other Equity)

CMD'S MESSAGE




2021-22 was a successful and eventful year at Vishnu Chemicals as we crossed an important milestone of ₹ 1,000 Cr sales. It is even more satisfying that we delivered good growth in both Indian and International markets. Our performance is an outcome of simple yet effective changes made over the years.

Dear Shareholders,

India is the largest democracy in the world. It is a moment of pride that we have entered into our 75th year of independence. In 2014, India was the 11th largest economy in the world. Today, it is 6th behind the US, China, Japan, Germany and the UK. It took us nearly 60 years after independence to achieve USD 1 Tn mark and now we are on track to become a USD 5 Tn economy in a few years. Soon, we will have the largest productive workforce in the world. Even in the past, India has always had the skills but today, we have started focusing on self-reliance which has led to self-confidence in our country's ability. So, *Atmanirbharta* (self-reliance) is the best asset of our country.

'Make in India', selling globally is a real thing today. Manufacturing is the engine of growth. The world is looking at Indian manufacturers to supply. In 2000, Indian manufacturing constituted 15 percent to India's GDP, and at present, is 17.4 percent. In the next few years Indian Manufacturing sector has the potential to reach USD 1 Tn, ~20 percent of GDP. Domestic manufacturing units have played a key role in improving their quality of operations and scaling to make products made in India, compete and stand out globally. Global customers are looking to move their global supply chains to trusted nations and trusted partners. Our costs have become very competitive. Public and private spending on infrastructure will further boost growth in India.

2021-22 was a successful and eventful year at Vishnu Chemicals as we crossed an important milestone of ₹ 1,000 Cr sales. It is even more satisfying that we

delivered good growth in both Indian and International markets. Our performance is an outcome of simple yet effective changes made over the years. First of all, we decided to integrate our processes as much as possible while maintaining a transparent, well-organised and well-controlled manufacturing line. Secondly, we focused on the business as a whole not only the production assets but also the logistics, sales and talent development.

Manufacturing is our core focus. The chemistry we operate is an essential engine for change and innovation. We epitomise manufacturing of unique range of speciality chemicals and have evolved as a global name to reckon with. We have established long-standing relationships with our customers as they trust us for our quality offerings.

We are committed to promoting a positive culture supported by our core values. These values define the way we do business globally, treat our stakeholders and set the leadership behaviours that are embedded in our culture. We are committed to making a positive contribution to the society, acting with integrity for the benefit of all our stakeholders. We are committed towards building sustainable and environment-friendly business practices in our day-to-day operations.

People are at the heart of our business and we are proud of our colleagues who went above and beyond, rising to every challenge in the most exceptional circumstances. Their health, safety and well-being have been and continue to be a top priority for us. As we uphold our commitment to fostering an


inclusive culture, with values that support our promises to our people, our stakeholders and our planet, we recognise our duty to act sustainably to leverage our enhanced scale and capabilities. Together, we are well-positioned to seize the unbelievable opportunities ahead of us and deliver sustainable growth for years to come.

Finally, our performance would not have been possible without the enduring trust of our customers, suppliers, bankers, regulators and shareholders. On behalf of the Board, I remain very grateful for your ongoing support and hope to continue on our journey for years to come.

Regards,
Mr. Ch. Krishna Murthy
Chairman & Managing Director

JMD'S MESSAGE




 At Vishnu Chemicals, we are collectively dedicated to improve the existing, execute the present and timely pivot into the future. Therefore, inspiring the best of talent to take up manufacturing as a career of choice.

Dear Shareholders,

This financial year was rewarding in more than one way. Crossing the ₹ 1,000 Cr sales is a milestone for the Company and a true validation of perseverance and commitment.

Our focus on manufacturing gives us the clarity of purpose. Stable execution, consistent supply and quality has helped the Company create a long sustainable relationship with its clients, which is not easy to establish.

Our revenues during the year increased 58 percent from ₹ 682 Cr in 2020-21 to ₹ 1,075 Cr in 2021-22. Domestic and exports sales witnessed 57 percent and 60 percent growth, respectively. We reported 101 percent growth in EBITDA and 317 bps improvement in the EBITDA margins. This was the result of our scale, paramount quality, operational flexibility, emphasis on supply chain and stronger procurement planning. Our PAT improved from ₹ 34 Cr in 2020-21 to ₹ 81 Cr in 2021-22, growing by 136 percent annually.

On the operational front, we have been effectively implementing our expansion strategies, and the key themes we identified have been strengthened and proven to be the right ones. I am happy to report our exciting venture into a new Barium chemical. Apart from enjoying strong synergies with existing chemistry, it also acts as an import substitute. Our incremental expansions during the year will allow us to generate additional volumes to meet the demand, penetrate deeper into the international markets and strengthen our domestic market share. Besides, it will further lead to operating leverage and drive better profitability.

Going ahead, we shall build upon our ability to deliver industry-leading, purpose-led growth with a long-term perspective. With the completion of our on-going capex in 2022-23, we shall deliver higher volumes in both existing and new speciality chemicals amid an expected surge in demand. With no major capacity additions globally, we are well-positioned to cater to the incremental global demand.

At Vishnu Chemicals, we are collectively dedicated to improve the

existing, execute the present and timely pivot into the future. Therefore, inspiring the best of talent to take up manufacturing as a career of choice. We are optimistic about our chemistry and positive about delivering value accretive growth for our stakeholders.

I am pleased to look back at a year of good achievements, in pursuit of delivering sustainable value-creation for all our stakeholders as we continue to respond with agility to the ongoing impact of the global pandemic, turning headwinds into opportunities. I'd like to thank our colleagues, customers, partners and suppliers for their great collaboration and commitment for all that we achieved. I'd also like to thank you for your commitment and faith in Vishnu Chemicals.

Regards,
Mr. Ch. Siddartha
Joint Managing Director

APPROACH TOWARDS ENVIRONMENTAL SUSTAINABILITY

Sustainability is at the centre of everything the Company does. Over the years, Vishnu Chemicals has been a growth catalyst to customers across diversified applications embracing changing preferences and sustainability. At Vishnu Chemicals, the commitment to conservation of environment and contribution to people's health, remains constant.



Environment

- Vishnu Chemicals is committed to the conservation of the environment. The Company's operations are in line with environment, health and safety policies.
- Stabilisation & waste residue, using an automated treatment plant and disposal as per hazardous waste rules.
- Awareness programs on safety and environment is regularly conducted for the staff and workers.



Health

- Imparted health education through programmes and initiatives and created awareness among employees about the pandemic.
- Organised frequent medical checkups for all employees and contract workers, at all locations of the Company.
- Availability of first aid boxes in every department/section and maintenance site.
- Availability of fully equipped ambulance, at all times, to take patients to the nearest hospital.
- Arrangement of hospitalisation facilities for employees suffering from severe Covid-19 infection.



Safety

- Maintaining a hygienic working environment by promoting self-hygiene among personnel.
- Ensured strict adherence to Covid-19 protocols across the sites and offices.
- Conducted equipment audits at regular intervals with the help of internal and external agencies.
- Conducted on-site emergency programmes, regular mock drills and evacuation programs.
- Installed fire extinguishers at appropriate places.

FULFILLING OUR SOCIAL RESPONSIBILITY

The Company believes in the health and welfare of its people, the community and society, as a whole, is intrinsic to business' long-term sustenance. With concerted efforts, the Company undertake initiatives that help uplift lives.

Our Priorities

- Promoting education.
- Supporting healthcare, including preventive healthcare.
- Ensuring environmental sustainability and fostering an ecological balance.
- Setting up old-age homes and other such facilities for senior citizens through measures that reduce inequalities faced by socially and economically disadvantaged groups.
- Contributing for rural development and infrastructure, with an endeavour to benefit the community in the long-run, in 2021- 22 the Company has spent it's CSR obligation to construct old-age homes to provide housing to the elderly along with provision for meals, recreational activities and appropriate healthcare facilities.



BOARD OF DIRECTORS

Mr. Ch. Krishna Murthy

Chairman & Managing Director

Mr. Ch. Krishna Murthy is a first generation entrepreneur and is a founder, promoter and one of the key architects in developing & transforming the organisation from single product to multi products manufacturing unit through his commitment. He has over three decades of rich experience in manufacturing of Speciality Chemicals.

He holds Master's Degree in Business and Administration specialised in Marketing.

Mr. Ch. Siddartha

Joint Managing Director

Mr. Ch. Siddartha being at helm of the Company for more than a decade, is playing a vital role in formulating business strategies and effective implementation of the same, also spearheaded expansion and focused on developing flexible product mix among various speciality chemicals. His leadership abilities have been instrumental in leading the core team of the Company.

He holds MS in Biotechnology from Northumbria University & MBA from Saginaw University.

Mrs. Ch. Manjula

Non-Executive Director

Mrs. Ch. Manjula is one of the promoters of the Company and a guide and support to the organisation for last three decades with her rich organisation skills. She plays a pivotal role in welfare policies of the Company. She keenly believes in serving the community and made a significant contribution in spheres of education, health and rural development. She is one of the Trustees of philanthropic trust, Krishna Foundation.

Mr. Tirthankar Mitra

Independent Director

Mr. Tirthankar Mitra is a Chemical Engineer from the prestigious Indian Institute of Technology, Kharagpur in the year 1978 and was honoured with Silver Medal for getting first rank in Chemical Engineering. He has around four decades of professional expertise in design, operation & management, process engineering, project management, innovation, cost -saving and business turnaround plans,

of Chemical units. During his tenure, he worked in various capacities including Executive Director, Director in Charge of various speciality chemicals manufacturing companies.

Mr. Chetan Navinchandra Shah

Independent Director

Mr. Chetan Navinchandra Shah is academically an MBA from University of Paisley, Scotland, UK. He is an alumnus of IIM-Ahmedabad, NM College of Commerce & Economics, Mumbai. He has an experience of over three decades in Finance. He has worked in various capacities at BNP Paribas.

Mr. V. Vimalanand

Independent Director

Mr. V. Vimalanand (DIN: 02693721) is a graduate in Commerce and Law. He is one of the leading advocates in State of Telangana with over three decades of experience in the field of Civil and Criminal Law matters. With vast experience in dealing with corporate suits, arbitration and other legal cases under Civil & Criminal Law, he acts as an advisory to several corporate houses & individuals.

Dr. Sita Vanka

Independent Director

Dr. Sita Vanka (DIN: 07016012) is currently a Professor at the School of Management Studies, University of Hyderabad, Hyderabad, India. Prior to that, she served as the Dean of the School of Management Studies for the years 2012-2015. She also served on the Board of APIIC, a Public Sector undertaking during the years 2012-2014 on behalf of the University. She is a member in several National bodies for accreditation and a subject expert in India-NAAC, AMDISA, NBA, UGC, AICTE, UPSC, DRDO, CSIR, among others. She won several awards in academia both in India and International.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ch. Krishna Murthy

Chairman & Managing Director

Mr. Ch. Siddartha

Joint Managing Director

Mrs. Ch. Manjula

Non-Executive Director

Mr. Tirthankar Mitra

Independent Director

Mr. Chetan Navinchandra Shah

Independent Director

Mr. Veeramachaneni Vimalanand

Independent Director

(w.e.f. 31st December, 2021)

Dr. Sita Vanka

Independent Director

(W.e.f. 16th May, 2022)

Mr. Pradip Saha

Independent Director

(till 9th November, 2021)

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 - 500 096

Tel: +91-40-23396817, 23327723/ 29, Fax: +91-40-23314158

Web Site: www.vishnuchemicals.com;

Email: vishnu@vishnuchemicals.com

com CIN: L85200TG1993PLC046359

AUDITORS

M/s. Jampani & Associates

Chartered Accountants, Hyderabad

SECRETARIAL AUDITORS

M/s. L.D.Reddy & Co.,

Company Secretaries, Hyderabad

COST AUDITORS

M/s. Sagar & Associates Cost Accountants, Hyderabad

BANKERS

State Bank of India

Union Bank of India

Indian Overseas Bank

REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd

306, Right Wing, 3rd Floor,

Amrutha Ville, Opp.Yashoda Hospital,

Somajiguda, Rajbhavan Road,

Hyderabad - 500082, India

Phone No: +91-40 4014 4582

Mail id: bsshyd1@bigshareonline.com

Web: www.bigshareonline.com

PLANT LOCATIONS

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

Kazipally Plant:

Survey No.15,

Gaddapotharam Medak District,

Telangana - 502319

Vishnu Barium Plant:

Survey No.27/1A, Uranduru-Village,

Maddiledu (P.O.), Srikalahasti (Mandal),

Chittoor (Dist), Andhra Pradesh - 517 640

MANAGEMENT DISCUSSION AND ANALYSIS



Economy

The global economy is still in the early phase of the recovery from the the Covid-19 pandemic. The global inflation rate has accelerated to levels not seen in recent decades, setting in strong possibilities of aggressive monetary tightening by most countries.

India remained the fastest-growing major economy of the world during 2021 and according to IMF estimates' India will continue to remain the torchbearer of growth in 2022 and 2023. India achieved an all-time high annual merchandise export of USD 417 Bn in FY22, an increase of 43 percent over USD 291 Bn in FY21 and an increase of 33 percent over USD 313 Bn in FY20. Strong Government spending, robust demand outlook and continued tractions in foreign trade are some of the prominent factors propelling growth.

Despite some hardening, the inflation levels in India are relatively low compared to peer developed and emerging nations. With public revenues increasing at a robust pace, there is a boost in infrastructure development, manufacturing and centres of innovation. Government finances are in much better shape versus most of the peers. The banking system remains stable with signs of modest acceleration in credit growth. With close to USD 600 Bn foreign exchange reserves, India's external sector also remains resilient.

(Source: World Economic Outlook (imf.org))

Industry review

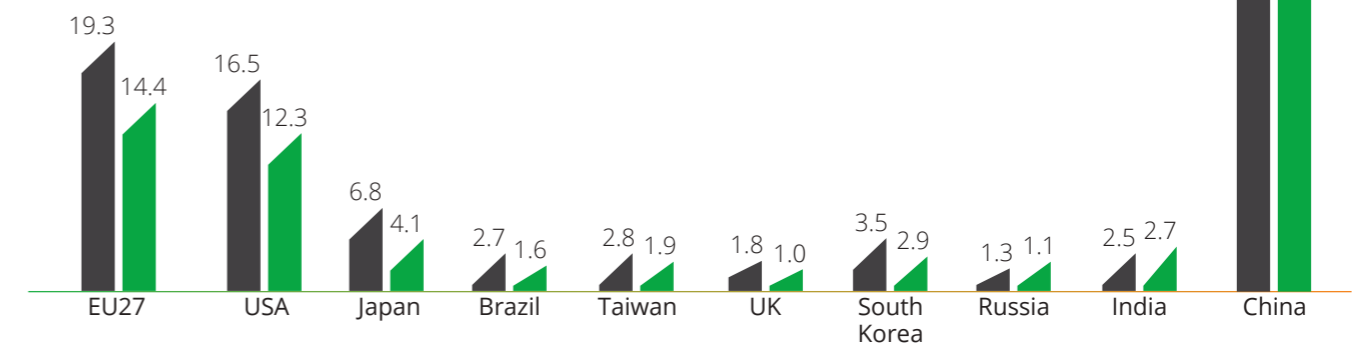
The Indian Chemical industry is one of the largest worldwide and ranked fifth in the world in terms of revenue, in 2020. It has over 80,000 products and is also one of the most diversified sectors in the country. India ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals). With earnings of almost USD 28 Bn, the Chemical sector is a key part of the Indian economy. It accounts for 6.7 percent of India's GDP and 10 percent of all exports.

The Indian Chemicals Export registered a growth of 106 percent in FY22 compared to FY14. For FY22 these exports hit a record at USD 29,296 Mn, whereas, in FY14 India's Chemical exports were USD 14,210 Mn.

BRICS countries (Brazil, Russia, India, China and South Africa) accounted for 50.2 percent of global chemical sales in 2020. Among the top 10 countries in terms of chemical sales, China dominates the world with a major share of nearly 45 percent. Indian manufacturers have recorded a CAGR of 11 percent in revenue between FY15 and FY21, increasing India's share in the global Specialty Chemicals market to 4 percent from 3 percent, according to a Crisil report, and is expected to double its share to nearly 6 percent by 2026.

World Chemicals Market Share Country-wise Share (%)

World chemical sales 2010 (€2,361 Bn)
World chemical sales 2020 (€3,471 Bn)

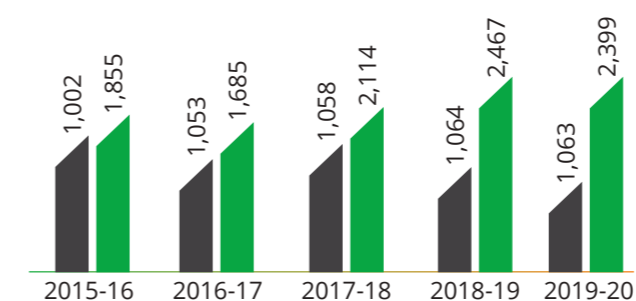


(Source: Cefic Chemdata International)

In FY20, the Specialty Chemicals market in India was valued at ₹ 2,441.66 Bn. It is expected to reach ₹ 6,995.86 Bn by FY27, expanding at a CAGR of 16.6 percent during the FY21- FY27 forecast period. The Specialty Chemicals market in India is highly fragmented, with only a few scaled-up firms in most sub-sectors. Scale of operations is a key differentiator across categories as it helps to earn higher revenues while also generating economies of scale.

Inorganic chemicals is the third-largest segment in the Chemicals industry in India and accounted for about 9 percent of the total chemicals output during the period FY20 and FY21 as per the Department of Chemicals and Petrochemicals. India largely relies on imports of inorganic chemicals for meeting domestic requirements as the consumption needs have exceeded production by around 1 Mn tonnes on an average during the five year period, FY16 to FY21.

Trend in Production and Consumption of Inorganic Chemicals in India ('000 tonnes)

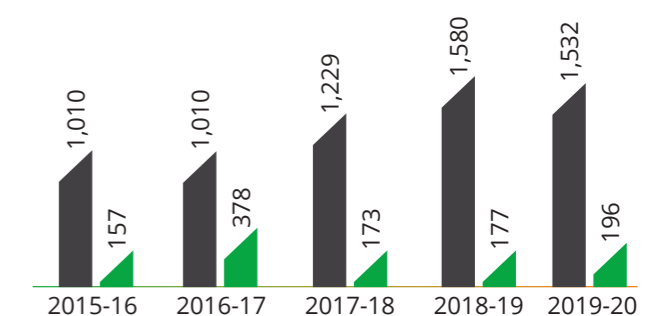


Production | Consumption

(Source: Department of Chemicals and Petrochemicals)

While the production of inorganic chemicals witnessed a CAGR of 1.5 percent from 10,02,000 tonnes in FY16 to 10,63,000 tonnes in FY20, consumption increased at a much faster CAGR of 6.7 percent from 18,55,000 tonnes in FY16 to 23,99,000 tonnes in FY20. As a result, India is mainly dependent on inbound shipments of inorganic chemicals to meet the domestic consumption needs.

Trend in Trade of Inorganic Chemicals by India ('000 tonnes)



Import | Export

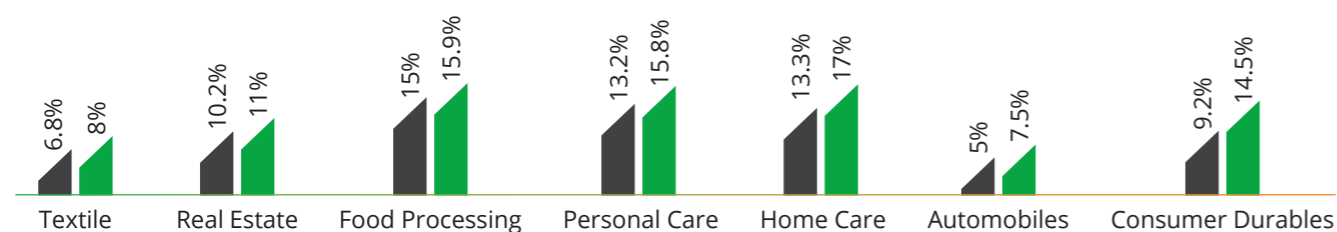
(Source: Department of Chemicals and Petrochemicals)

It is important to note that even while the output of inorganic chemicals has increased at a slower pace on an average over the five year period, the production did not see a fall on a YoY basis in any of these years barring FY21 when the output of inorganic chemicals declined by 12.7 percent to 9,29,000 tonnes due to disruptions caused by the pandemic.

India's strategic location, manufacturing capabilities, effective process engineering expertise, and highly skilled workforce supply have made it a preferred manufacturing destination for global businesses. India's specialty chemicals market is establishing itself as an export powerhouse.

Growth rate of speciality chemicals — End-user Industry

FY10 - FY15 | FY15 - FY20


Outlook

Global customers, engaging with India at economic level, are looking at the country to make a larger contribution going forward. Even though the Indian Chemical industry has witnessed robust growth in the past decade, the potential for future growth is significant. The per capita consumption of chemicals in India is much lower than the western countries. Despite the Chemical industry's significant GDP contribution, the industry represents only around 2.7 percent of global Chemicals industry.

The consumption and imports of inorganic chemicals has witnessed at a CAGR of 6.7 percent and 11 percent, respectively, over the five year period (FY16 to FY20). The upward momentum in demand is estimated to continue going ahead backed by volume uptick across end-user industries led by rising domestic consumption, the push for self-sufficiency leading to potential import substitution and higher exports.

In coming years, India is expected to rise as both, a manufacturing capital for valued goods and a consumer-driven economy from a broader perspective. The industry is likely to benefit from the improvement in investment climate, speedy approval of projects and proposed reform measures that would translate into higher industrial activity, in turn increasing demand for chemicals.

(Source: Netscribe report, Chemical Industry in India: Chemical Companies, Manufacturers & Exporters | IBEF)

Opportunities and Risks
Opportunities

- Attractive long-term opportunities to grow in Asia and America, to increase the market share in high-value industrial applications.
- Revenue and volume growth opportunities supported by structural megatrends. The Company is well-positioned to serve the growth and demand across consumer, industrial and pharmaceutical applications.
- New geographic markets for consumer and industrial products that require premium performance and long-lasting products.

- Opportunity to minimise social and environmental impact of production throughout supply chains and contribute positively to the health and well-being of society.
- Expected growth in higher disposable income and change in lifestyle will support demand for the consumer and industrial applications, thus auguring well for the growth of Chemicals industry.
- Demand from e-commerce business, increasing applications, technological advancements pose as future growth drivers for the industry.

Operational

On consolidated basis, revenue for the financial year 2021-22 grew by 58 percent to ₹ 1,07,475.93 Lakhs compared to ₹ 68,150.39 Lakhs of previous year. EBITDA grew by 101 percent to ₹ 16,141.30 Lakhs as against ₹ 8,027.21 Lakhs for previous year. PAT is ₹ 8,139.27 Lakhs, higher by 136 percent over the previous year's PAT ₹ 3,449.46 Lakhs.

On standalone basis, revenue for the financial year 2021-22 grew by 58 percent to ₹ 91,328.66 Lakhs compared to ₹ 57,708.97 Lakhs of previous year. EBITDA grew by 107 percent, to ₹ 13,284.36 Lakhs as against ₹ 6,415.23 Lakhs for previous year. PAT is ₹ 6,523.90 Lakhs, higher by 187 percent over the previous year's PAT ₹ 2,275.33 Lakhs.

Details of substantial changes in key standalone financial ratios, along with extensive explanations:

- Debtors Turnover: Increased by 5 percent compared to previous financial year.
- Interest Coverage Ratio: Improved by 144 percent from 1.9 times in FY21 to 4.6 times in FY22 due to margin enhancement and optimum utilisation of finances.
- Current Ratio: Increased by 6.48 percent due to reduction in working capital requirement.
- Debt Equity Ratio: Reduced by 33 percent YoY due to disciplined repayments.
- Net Profit: Increased by 187 percent YoY driven by holistic improvement.
- Return on Net Worth: Increased by 115 percent YoY due to prudent business planning and efficient execution.

Risk Management

Vishnu Chemicals assesses risks on a regular basis and develops new strategies when market conditions change. The Company thinks that risk should be mitigated early on so that activities can continue without interruption. The audit committee and management are collaborating to identify and mitigate risks. Some of the Company's risks and mitigation methods are listed below.

Stagnant Economy

A slowdown in India's economy could result in downfall in revenue for the organisation, lowering profitability.

Response

Vishnu provides its products domestically and worldwide to a number of industries lowering risk.

Raw Material

Global raw material price volatility is also a major challenge for the Chemical industry. Lack of raw resources or a sudden price increase can stymie manufacturing and have a negative impact on the bottom line.

Response

As a major player in the industry, the Company keeps enough inventory on hand to avoid being affected by raw material shortages. The Company maintains sufficient safety stock of strategic raw materials and completed commodities to mitigate any potential risks. As a result, both domestic and foreign activities is expected to function smoothly.

Environmental sustainability

The Company's environmental effect is due to the industry in which it operates. Chemical accidents pose a threat to environment, health and safety in society, and viability of businesses. Chemical companies are held accountable not only for following environmental standards, but also for adding value to society.

Response

The Company complies with all environmental rules and regulations laid by the Government. Individual facilities have robust safety procedures and practices in place to counteract this threat. Furthermore, in accordance with rules, the Company handles risky materials in a safe manner. It has also made significant expenditures in environmentally-friendly projects that will help the Company improve sustainability levels consistently.

Threat of Competition

The Chemical industry is very competitive due to its large number of producers. The Company's profitability gets impacted when it does not act fast enough to capitalise on the underlying opportunities.

Response

The Company is always on the lookout for new opportunities in the chemical business and responds by adding new products to its portfolio.

Internal Control

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company uses an established ERP system to record day-to-day transactions for accounting and financial reporting. The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain their views on the internal financial control systems.

The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed. However, the Company recognises that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals.

Human Resource

The Company considers its human capital to be the most important asset and treats its people with respect and dignity in all situations. The team is a balanced mix of experience and youth which allows a holistic approach to varied situations. Employee knowledge enrichment is a core value of the organisation, and focus has been placed on training and development of the Company's human capital. The Company organises team building exercises through sports and recreation and encourages work-life balance which leads to improved productivity and longevity. The enhancement of human resources' skill sets has led to better execution, communication and best-in-class customer service for our global clientele.

Outlook

Execution leads to optimism. India Inc. is walking the talk consistently. The global market is absolutely open to trade and partner with Indian suppliers. The world is looking at India to make a larger contribution going forward.

Vishnu Chemicals has achieved the historic milestone of ₹ 1,000 Cr sales. The year gone by has given the Company a sense of accomplishment in terms of output, sound financial health and national & global recognition to its chemistry. The Company's established market position, wide product range, diversified end-user industries, and strong distribution network with marquee client base will help bolster future growth.

BOARD'S REPORT

To the Members,

The Board of Directors are pleased to present the Company's Twenty Ninth Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended 31st March, 2022.

Financial Results

The Company's financial performance for the year ended 31st March, 2022, is summarised below:

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	90668.70	57310.23	106900.18	67868.09
Other income	659.96	398.74	575.75	282.30
Total income	91328.66	57708.97	107475.93	68150.39
Earnings before finance cost, depreciation & amortisation and taxes (EBITDA)*	13284.36	6415.23	16141.30	8027.21
Earnings before finance cost and taxes (EBIT)*	11357.69	4699.09	13842.86	5997.44
Finance cost	2452.00	2472.93	2609.52	2597.15
Profit Before Taxation	8905.69	2226.16	11233.34	3400.29
Less: Tax expense	2381.79	(49.17)	3094.07	(49.17)
Profit After Taxation	6523.90	2275.33	8139.27	3449.46
Other comprehensive income/ (expenses) (net of taxes)	(40.92)	20.30	(56.43)	15.83
Total comprehensive income for the year	6482.98	2295.63	8082.84	3465.29
EPS (of ₹ 10/- each)				
Basic	54.61	19.05	68.13	28.88
Diluted	54.61	19.05	68.13	28.88

*including other income

Performance Review & Company's State of Affairs

On consolidated basis, revenue for the financial year 2021-22 grew by 58% to ₹ 1,07,475.93 Lakhs compared to ₹ 68,150.39 Lakhs of previous year. Also growth in EBITDA recorded 101% to ₹ 16,141.30 Lakhs as against ₹ 8,027.21 Lakhs for previous year. PAT is ₹ 8,139.27 Lakhs, higher by 136% over the previous year's PAT ₹ 3,449.46 Lakhs.

On standalone basis, revenue for the financial year 2021-22 grew by 58% to ₹ 91,328.66 Lakhs compared to ₹ 57,708.97 Lakhs of previous year. Also growth in EBITDA recorded over 107% to ₹ 13,284.36 Lakhs as against ₹ 6,415.23 Lakhs for previous year. PAT is ₹ 6,523.90 Lakhs, higher by 187% over the previous year's PAT ₹ 2,275.33 Lakhs.

Geography-wise performance:

Particulars	Standalone				Consolidated			
	2021-22		2020-21		2021-22		2020-21	
Domestic	47,194.47	52.18%	28,760.22	50.67%	52,084.01	48.86%	33,118.75	49.30%
Overseas	43,251.93	47.82%	27,997.61	49.32%	54,503.60	51.14%	34,057.40	50.69%
	90,446.40	100%	56,757.82	100%	1,06,587.61	100%	67,176.15	100%

For the first time the Company has achieved a historic milestone of ₹ 1,000 Crores in sales during the financial year 2021-22 marking the best ever annual performance of the Company since inception. The performance for 2021-22 was satisfactory with the growth in domestic as well as export sales by 57% and 60% respectively. Indeed, the demand environment was good throughout the year. During the year, apart from the growth in revenues the consolidated EBITDA margin has improved to 15.0% compared to 11.8% in 2020-21, which is an increase of 317 basis points year-on-year. The said growth in EBITDA is aided by multiple factors, some of which were scale, quality of products, operational flexibility, focus on supply chain and better procurement planning.

Also, the Company achieved the best ever PAT in 2021-22 at ₹ 8,139.27 Lakhs compared to ₹ 3,449.46 Lakhs in 2020-21. During the year, PAT margins also increased by 251 basis points.

Further we are confident that robust demand environment continue to drive enquiries for Company's products as they are essential to extending the life, impart colours and improving the performance of many consumer and industrial components such as construction equipment, wind turbines, engine pistons etc; we are positive and confident of continuing the growth momentum in 2022-23 and deliver industry leading value accretive growth.

BOARD'S REPORT (CONTD.)

Outlook

Outlook is covered in Management Discussion and Analysis forming part of this Annual Report.

Management Discussion and Analysis

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report. As required under the provisions of the Listing Regulations, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended 31st March, 2022.

Dividend

The Board at its meeting held on 16th May, 2022 has recommended Dividend of ₹ 2.00 (i.e. 20%) per equity share of ₹ 10/- each for the financial year 2021-22, (previous year ₹ 1/- per equity share of ₹ 10/- each i.e. 10%) amounting to ₹ 238.92 Lakhs. The dividend pay-out is subject to the approval of the shareholders at ensuing Annual General Meeting. The dividend will be paid to the members whose names appear in register of members before the day of Closure of Register of Members and Share Transfer Books i.e. as on Friday, 8th July, 2022.

As far as Preference Dividend is concerned, on request of the Company, the preference shareholders holding 100% preference share capital i.e. 7,66,37,500 (Seven Crore Sixty Six Lakh Thirty Seven Thousand Five Hundred only) 7% Cumulative Redeemable

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 31st March, 2022:

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

Change in the nature of the business, if any

There is no change in the nature of the business of the Company or any of its subsidiaries during the year under review.

Material changes and commitments, affecting the financial position of the Company

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report i.e. between 31st March, 2022 to 16th May, 2022.

Deposits

The Company did not accept any deposits within the meaning of section 73 of the Companies Act, 2013 during the year. As such, no

Preference Shares (CRPS) of ₹ 10/- (Rupees Ten only) each, consented to accept reduced rate of dividend i.e. 1% per annum instead of 7% per annum for the financial year 2021-22.

Dividend Distribution Policy

The Company has adopted the Dividend Distribution Policy in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") to determine the distribution of dividends on equity shares of the Company. The Dividend Distribution Policy is available on the Company's website, at <https://vishnuchemicals.com/wp-content/uploads/2022/05/VCL-Dividend-Distribution-Policy-dt-16052022.pdf>.

Transfer to reserves

The Board of Directors has decided to retain the entire amount of profits for 2021-22 in the Retained Earnings.

Share capital

During the year under review there were no changes in authorised 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 total paid-up share capital of the Company as on financial year ended 31st March, 2022 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.

amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited and National Stock Exchange of India Limited. The Annual Listing fee for the year 2021-22 has been paid to both the Stock Exchanges. There was no suspension on shares of the Company during the year.

Subsidiaries, Joint Ventures and Associates

The Company has two wholly-owned subsidiaries (WOS) namely: (i) Vishnu Barium Private Limited (VBPL) is a material subsidiary w.e.f. 1st April, 2019, as per the amended definition given under the Listed Regulations, as amended from time to time, read with the policy

BOARD'S REPORT (CONTD.)

for determining material subsidiaries as approved by the Board. A copy of the policy can be accessed on the Company's website at the link: <https://www.vishnuchemicals.com/investors/#Policies>

(ii) Vishnu South Africa (Pty) Limited (VSAL) which is yet to commence its operations. The Company doesn't have any joint ventures or associate companies.

A report on the financial position of each of the subsidiaries as per the Act is provided in Form AOC-1 attached as **'Annexure A'**.

During the year, the Company has complied with the applicable corporate governance requirements as prescribed under Regulation 24 of Listing Regulations with respect to its subsidiaries and Secretarial Audit for its material subsidiary viz. VBPL was carried out by M/s. L.D Reddy & Co., Company Secretaries, Hyderabad in terms of Regulation 24A of the Listing Regulations and a copy of the report is annexed to this Board's Report as **'Annexure B'**. The Secretarial Audit Report of VBPL does not contain any qualification, reservation, adverse remark or disclaimer.

Consolidated Financial Statements

During the year, the Board of Directors reviewed the affairs of the subsidiaries and prepared consolidated financial statements (CFS) of the Company and its subsidiaries for the financial year 2021-22 in compliance with the provisions of Section 129(3) of the Companies Act, 2013 and as stipulated under Regulation 33 of the Listing Regulations as well as in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries as approved by the respective Board of Directors. The audited CFS together with the Auditor's Report thereon forms part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act the audited financial statements including consolidated financial statements and related information of the Company and audited accounts of the each of its subsidiaries are available on Company's website www.vishnuchemicals.com. The annual accounts of the subsidiaries and related detailed information will be made available to investors seeking information till the date of the AGM.

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 (please refer Note No. 3, 4 & 7). During the financial year, the Company has not given any loans and advances to the firms/ Companies where directors of the Company are interested except to its subsidiaries.

Directors and Key Managerial Personnel

Directors

The Board received a declaration from all the directors under section 164 and other applicable provisions, if any, of the

Companies Act, 2013 that none of the directors of the Company is disqualified under the provisions of the Companies Act, 2013 ('Act') or under the Listing Regulations.

i. Appointment

Based on the recommendations of Nomination and Remuneration Committee (NRC), Mr. Veeramachaneni Vimalanand (DIN: 02693721) and Mrs. Sita Vanka (DIN:07016012) were appointed as Additional Directors (for Independent Director category) of the Company by the Board at its meeting held on 31st December, 2021 and 16th May, 2022 respectively, with immediate effect under the provisions of section 161 (1) and other applicable provisions, if any, of the Companies Act, 2013 and are entitled to hold office up to the date of 29th Annual General Meeting of the Company.

The Company has received consent from Mr. Vimalanand and Mrs. Sita Vanka in writing to act as a director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time along with a declaration that they are eligible for appointment as Independent Director and confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(1)(b) of Listing Regulations. As per the declarations received, Mr. Vimalanand and Mrs. Sita Vanka are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013. In opinion of the Board, they both fulfill the conditions specified in the Companies Act, 2013 & Listing Regulations and are independent of the management.

The Board recommends the Special Resolutions set out at Item No. 4 & 5 of the Notice for approval of the Members.

ii. Re-appointment

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mrs. Ch. Manjula, Non-Executive Director of the Company, retires by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment.

Based on the recommendations of NRC, the Board at its meeting held on 16th May, 2022 approved re-appointment of Mr. Tirthankar Mitra (DIN: 02675454) and Mr. Chetan Shah (DIN: 08038633) as Independent Directors of the Company for a second term of three (3) years i.e. from August 14, 2022 to 13th August, 2025 and two (2) years i.e. 12th February, 2023 to 11th February, 2025 respectively, subject to approval of the shareholders under section 149 and all other applicable provisions of the Companies Act, 2013 read with Listing Regulations at ensuing annual general meeting of the Company. Accordingly, resolutions are being proposed

BOARD'S REPORT (CONTD.)

in the notice of 29th AGM along with explanatory statement thereof, for approval of the members of the Company by passing a special resolutions.

Pursuant to the provisions of Regulation 36 of the Listing Regulations and Secretarial Standard - 2 (SS-2) on General Meetings issued by Institute of Company Secretaries of India (ICSI), brief particulars of the directors proposed to be appointed/ re-appointed are provided as an annexure to the notice convening the AGM.

The Board recommends the Special Resolutions set out at Item No. 6 & 7 of the Notice for approval of the Members.

iii. Change in terms & conditions of appointment/ re-appointment:

During the year under review, Mr. Ch. Siddartha was re-appointed as a Joint Managing Director of the Company for a further term of five (5) years w.e.f. 2nd May, 2021 up to 1st May, 2026 on such terms and conditions including remuneration of ₹ 48.00 Lakhs (Rupees Forty Eight Lakhs only) per annum and the said re-appointment was approved by the shareholders of the Company by passing special resolution under section 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 read with Listing Regulations at 28th Annual General Meeting of the Company held on 12th July, 2021.

Further, as per approved terms and conditions of his re-appointment and based on the recommendations of NRC, the Board at its meeting held on 16th May, 2022 revised the terms & conditions of his re-appointment to increase remuneration from ₹ 48.00 Lakhs (Rupees Forty Eight Lakhs only) per annum to ₹ 72.00 Lakhs (Rupees Seventy Two Lakhs only) per annum w.e.f. 1st June, 2022 which is within the limits as approved by the shareholders at their 28th AGM of the Company held on 12th July, 2021 by way of special resolution.

Further, based on the recommendations of NRC, the Board at its meeting held on 16th May, 2022 revised the terms of appointment of Mr. Ch. Krishna Murthy, Chairman & Managing Director of the Company to increase the remuneration payable to him from ₹ 96.00 Lakhs (Rupees Ninety Six Lakhs only) per annum to ₹ 192 Lakhs (Rupees One Crore Ninety Two Lakhs only) per annum in line with the performance of the Company subject to approval of the shareholders at ensuing AGM in terms of the provisions of section 197 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and Regulation 17 and all other applicable provision, if any, of the Listing Regulations. In this regard, a special resolution is being proposed in the notice of 29th AGM along with

explanatory statement thereof, for approval of the members of the Company.

iv. Cessation

During the year Mr. Pradip Saha (DIN: 07677683), Independent Director of the Company retired on 9th November, 2021 on completion of his term of appointment and ceased to be Director of the Company. The Board placed on record its appreciation for his invaluable contribution and guidance during his tenure as Independent Director of the Company.

Independent Directors

In terms of Section 149 of the Act, Mr. Tirthankar Mitra (DIN: 02675454), Mr. Chetan Navinchandra Shah (DIN: 08038633), Mr. V. Vimalanand (DIN: 02693721) and Mrs. Sita Vanka (DIN: 07016012) are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent from the management. The Independent Directors of the Company hold office till the end of their term of appointment or until completion of 75 years, whichever is earlier. They are not liable to retire by rotation in terms of Section 149(13) of the Act. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Board members and Senior Management and Codes under SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in chemicals/ manufacturing industry, strategy, auditing, tax and risk advisory services, financial services, corporate governance, etc. and that they hold standards of integrity.

The Independent Directors of the Company got included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Familiarisation Programme for Independent Directors

The Members of the Board of the Company have been provided opportunities to familiarise themselves with the Company, its management and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. Executive Directors and Senior Management provide an overview of the

BOARD'S REPORT (CONTD.)

operations and familiarise the new Non-Executive Directors on matters related to the Company's values and commitments. They are also introduced to the organisation structure, constitution of various committees, board procedures, risk management strategies, etc.

Strategic Presentations are made to the Board where Directors get an opportunity to interact with Senior Management. Directors are also informed of the various developments in the Company through Press Releases, emails, etc. Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. The Board is provided with the summary of critical regulatory changes from time to time.

The familiarisation programme along with terms and conditions of appointment of Independent Directors is disclosed on the Company's website <https://www.vishnuchemicals.com/investors/#Policies>.

Committees of the Board

The Board of Directors has the following Committees:

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

The details of all the above Committees (except for Risk Management Committee) along with their composition, number of meetings and attendance at the meetings are provided in detail in the Corporate Governance Report annexed to this Board's Report.

Risk Management Committee

The Risk Management Committee consists of the following Directors and Senior Management of the Company:

- a. Mr. Ch. Krishna Murthy, Chairman & Managing Director
- b. Mr. Ch. Siddartha, Joint Managing Director
- c. Mr. Tirthankar Mitra, Independent Director
- d. Mrs. Ch. Manjula, Non-Executive Director
- e. Mr. CPC Kamalakara Rao, Director (Operations)
- f. Mr. P. Anjaneyulu, Chief Financial Officer
- g. Mr. T. Ramakrishna, Director (Commercial & Corporate Affairs)

Mr. Ch. Krishna Murthy, Managing Director is the Chairman of the Committee; Mr. P. Anjaneyulu, Chief Financial Officer of the Company is designated as Chief Risk Officer and Mr. Kishore Kathri, Company Secretary acts as Secretary to the Committee.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat risks. The Risk management procedures are reviewed by the Audit Committee and the Board of Directors on a quarterly basis at the time of review of the Quarterly Financial Results of the Company.

Brief description of terms of reference of the Committee, inter alia, includes the following:

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

During the year, no meetings were held by the Committee.

Key Managerial Personnel

Mr. Ch. Krishna Murthy, Chairman & Managing Director; Mr. Ch. Siddartha, Joint Managing Director; Mr. P. Anjaneyulu, CFO and Mr. Kishore Kathri, Company Secretary & AGM-Legal, are Key

BOARD'S REPORT (CONTD.)

Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There has been no change in the Key Managerial Personnel (KMP) during the financial year.

Board Meetings

During the year under review, six Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report, which forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

Procedure for Nomination & Appointment of Directors and Remuneration Policy

The Nomination and Remuneration Committee (NRC) 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, Key Managerial Personnel and Senior Management of the Company.

During the financial year 2021-22, the Board had also identified the list of core skills, expertise and competencies of the Board of Directors as are required in the context of the business and sector applicable to the Company and those actually available with the Board. The Company has also mapped each of the skills, expertise and competencies against the names of the Board Members possessing the same.

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.

A copy of the Nomination & Remuneration Policy is available on the website of the Company <https://vishnuchemicals.com/wp-content/uploads/2022/06/NRC-Policy-dt-09022018.pdf>

Mechanism for Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects

of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated 5th January, 2017, the Company has adopted the criteria recommended by the SEBI. The Directors were given Six Forms for evaluation of the following:

- a. Evaluation of the Board;
- b. Evaluation of Committees of the Board;
- c. Evaluation of Independent Directors;
- d. Evaluation of Chairperson;
- e. Evaluation of Non-Executive and Non-Independent Directors; and
- f. Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

A report on the above evaluation has been prepared and submitted to the Chairman with feedback for continuous improvement.

In a separate meeting held on 16th May, 2022, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Director and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees were also discussed.

Code of Conduct for the Board of Directors and Senior Management Personnel

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel of the Company. A declaration to this effect has been signed by the Chairman & Managing Director forms part of the Annual Report.

Particulars of Employees and Remuneration

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of

BOARD'S REPORT (CONTD.)

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are enclosed as '**Annexure C**' to this Report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules does not form part of this Report however the same shall be kept open for inspection in terms of Section 136 of the Act and any member can obtain a copy of the said statement by writing an email to the Company Secretary at investors@vishnuchemicals.com

Internal Financial Controls

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company uses an established ERP system to record day-to-day transactions for accounting and financial reporting.

The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed. However, the Company recognises that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during 2021-22.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that for the year ended 31st March, 2022:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 of the Company for that period;
- c. they have taken proper and sufficient care for the 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 fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors

i. Statutory Audit

M/s. Jampani & Associates, Chartered Accountants (FRN - 016581S), Hyderabad were re-appointed as statutory auditors of the Company for second term of five (5) years i.e. from the date of 28th Annual General Meeting till the conclusion of 33rd AGM to be held in year 2026 in terms of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules) and the same was approved by the members at 28th AGM held on 12th July, 2021.

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.

Further, the report of the Statutory Auditors along with notes to accounts is a part of the Annual Report. There has been no other qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report except below:

Auditor's Observations:

The Statutory Auditors have mentioned in their report at 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 ₹ 951.59 Lakhs) to wholly-owned subsidiary (WOS) i.e. Vishnu Barium Private Limited (VBPL). Further, they also mentioned in their report at point no. (a) of (vii) of Annexure – 'B' that the Company has generally

BOARD'S REPORT (CONTD.)

been regular in depositing undisputed statutory dues except instances of payment of income tax and they also mentioned that there are no dues outstanding for a period of more than six months from the date they became payable as at 31st March, 2022.

Management Replies:

The above said interest-free unsecured loan was infused by the Company in WOS Company i.e. VBPL, to comply with the conditions stipulated by the Banker for sanction of term loan and working capital facilities to VBPL and such infusion of unsecured loan is for the ultimate benefit of the Company; During the year, the Company has paid all its statutory dues pertaining to the previous years and efforts are being made to comply with the provisions of advance tax during the financial year 2022-23.

ii. Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to prepare, maintain as well as get its cost records audited by a Cost Accountant and accordingly such cost accounts and records are being maintained by the Company.

During the year, there occurred a casual vacancy in the office of Cost Auditor due to the sudden demise of Mr. N.V.S. Kapardhi, Cost Auditor and such causal vacancy was filled by the Board, on the recommendation of the Audit Committee, at its meeting held on 14th February, 2022 by appointing M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118) as the Cost Auditors of the Company to conduct audit of the cost records of the Company for 2021-22 under section 148 and all other applicable provisions of the Act.

Further, on the recommendations of the Audit Committee, the Board at its meeting held on 16th May, 2022 has re-appointed M/s. Sagar & Associates, Cost Accountants (FRN: 000118) as the Cost Auditors of the Company to conduct audit of the cost records of the Company for 2022-23 at such terms & conditions as approved by the Board.

M/s. Sagar & Associates, Cost Accountants (FRN: 000118) has confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3) (g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

In terms of the provisions of Section 148(3) 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 payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their

ratification. Accordingly, a resolution for seeking Members' ratification for the remuneration payable to M/s. Sagar & Associates, Cost Accountants (FRN: 000118) for the 2021-22 and 2022-23 is included at Item Nos. 10 & 11 of the Notice convening the AGM.

iii. 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 2021-22. The Secretarial Audit Report of 2021-22 is annexed herewith as '**Annexure D**'.

There has been no other qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report except the concern about delay in deposit of some of the tax dues. In this regard, the management explained that the Company has deposited all its pending taxes during the 2021-22 and has assured that the same will be given priority hereinafter.

Secretarial Standards

The Board has devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and that such systems were adequate and operating effectively.

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 E**'.

Particulars of Contracts or Arrangements with Related Parties

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All the transactions with related parties were approved by the Audit Committee and the Board, as may be applicable; and the same are reviewed by the Audit Committee on quarterly basis. Also prior omnibus approval of the Audit Committee is obtained for related party transactions which are of repetitive in nature entered in ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval are reviewed by the internal audit team and the Audit Committee on quarterly basis.

BOARD'S REPORT (CONTD.)

The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the web link is <https://www.vishnuchemicals.com/investors/#Policies>.

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended 31st March, 2022 is annexed to this Board's Report in prescribed Form AOC-2 as '**Annexure F**'.

Corporate Social Responsibility (CSR) initiatives

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company, details regarding CSR Committee and the initiatives undertaken by the Company on CSR activities during the year are set out in '**Annexure G**' of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. CSR Policy is available on the Company's website on <https://www.vishnuchemicals.com/wp-content/uploads/2021/03/CSR-Policy-updated-on-12022021.pdf>

Whistle blower policy/ Vigil mechanism

In terms of the requirements of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has a vigil mechanism to deal with instances of fraud and mismanagement, if any, including reporting instances of leak of UPSI or suspected leak of UPSI by employees, anti-bribery & anti-corruption 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. The details of the vigil mechanism are displayed on the website of the Company <https://www.vishnuchemicals.com/investors/#Policies>

Prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives along with Code of Fair Disclosures and a copy of the same are available on company's website <https://www.vishnuchemicals.com/investors/#Policies>.

Environment, Health and Safety

The Company considers it is essential to protect the Earth and limited natural resources as well as the health and wellbeing of every person especially employees/ workers of the Company.

The Company strives to achieve safety, health and environmental excellence in all aspects of its business activities. Acting responsibly with a focus on safety, health and the environment to be part of the Company's DNA.

In line with the 'Go Green' philosophy, the Company is continuously adopting new techniques to eliminate and minimise the environmental impact. Various projects have been implemented by the Company to use alternate sources of energy wherever possible.

The Company does not just talk about 'Sustainability'; it follows in true letter and spirit; Sustainability is about how VCL operates. VCL strives to promote Circular Economy and deliver Societal Value. VCL's approach is to innovate, collaborate and educate communities.

With an intensive focus on safety, we have achieved decline in our total recordable injury rate (TRIR). We firmly believe that we can progress only as fast as the successful implementation and acceptance of our safety programmes and initiatives.

Our aim is to build a more mature and sustainable safety culture that will allow us to increase our productivity and operational discipline and facilitate highly competitive organic growth.

Occupational health is a key aspect of VCL's safety activities. Currently, there are several health programmes initiated at each site and location, including global health days with dedicated initiatives.

Process safety is an integral part of our mission to operate in the safest manner possible by increasing the efficiency and reliability of our operations.

Prevention of Sexual Harassment ('POSH')

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 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. To build awareness in this area, the Company has been conducting awareness sessions during induction. During the year under review, no complaints pertaining to sexual harassment of women employees were reported.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is available on the Company's website on https://vishnuchemicals.com/wp-content/uploads/2022/05/VCL_Form_MGT_7-dt31032022-draft-pdf.pdf

Corporate Governance

A detailed report on Corporate Governance forms part of this Report as '**Annexure H**'. The Secretarial Auditors of the Company

BOARD'S REPORT (CONTD.)

have examined the Company's compliance and have certified the same as required under the Listing Regulations. A copy of the certificate on corporate governance is reproduced in this Annual Report.

Business Responsibility Report

The 'Business Responsibility Report' (BRR) of your Company for the year ended 31st March, 2022 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **'Annexure I'**.

Transfer of Unpaid and Unclaimed amounts to Investor Education and Protection Fund (IEPF)

As per section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereto ("the Rules"), all shares in respect of which dividends has not been paid or claimed for seven consecutive years or more shall be transferred to Investor Education and Protection Fund (IEPF).

In line with the aforesaid provisions, during the year, unclaimed interim dividend declared for the FY 2014-15 along with the underlying shares on which dividend has not been claimed for seven consecutive years have been transferred to IEPF.

The procedure for claiming such unclaimed dividend/ shares from IEPF has been made available on website of the Company <https://vishnuchemicals.com/wp-content/uploads/2022/04/Procedure-for-claiming-shares-unclaimed-dividend.pdf>. Also, the List of shareholders whose shares have been transferred to IEPF is available on the website of the Company https://vishnuchemicals.com/wp-content/uploads/2021/09/List-of-shareholders-whose-shares-are-being-transferred-to-IEPF-along-with-Unclaimed_Unpaid-dividend-for-seven-consecutive-years.pdf.

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.

Acknowledgements

The Directors wish to place on record their appreciation for the continued support and co-operation by Financial Institutions, Banks, Customers, Suppliers, Government Authorities and other stakeholders. Your Directors also acknowledge the support extended by all the employees for their dedicated service.

For and on behalf of the Board of Directors

Hyderabad
16th May, 2022

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Sd/-
Ch. Manjula
Director
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]

(i) Part "A": Subsidiaries

₹ in Lakhs

S.No.	Particulars	Vishnu Barium Private Limited			Vishnu South Africa (Pty) Limited	
		₹ in Lakhs	In ₹			
	Reporting period	31st March, 2022			31st March, 2022	
	Reporting currency and Exchange rate of subsidiaries				Rand in actuals/ Exchange Rate is ₹ 4.88	
1	Share capital	8,727.50	4,880		1,000	
2	Reserves & surplus	(1,879.92)	(9,760)		(2,000)	
3	Total assets	16,819.42	0		0	
4	Total Liabilities(Excl. share capital and R&S)	9,971.85	4,880		1,000	
5	Investments	145.98	-		-	
6	Turnover	17,533.61	-		-	
7	Profit before taxation	2,327.66	(732)		(150)	
8	Provision for taxation	712.28	-		-	
9	Profit after taxation	1,615.38	(732)		(150)	
10	Total Comprehensive income	1,599.87	-		-	
11	Proposed Dividend					
	- Equity	Nil	Nil		Nil	
	- Preference	NA	NA		NA	
12	% of shareholding	100%	100%		100%	

Note: Vishnu South Africa (Pty) Limited, overseas wholly-owned subsidiary 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, 2022.

For and on behalf of the Board of Directors

Sd/-
Ch. Krishna Murthy
 Chairman & Managing Director
 DIN: 00030274

Sd/-
Ch. Manjula
 Director
 DIN: 01546339

Sd/-
P. Anjaneyulu
 Chief Financial Officer

Sd/-
Kishore Kathri
 Company Secretary & AGM-Legal

Hyderabad
 16th May, 2022

'ANNEXURE B'

FORM MR - 3

Secretarial Audit Report

For the Period from 1st April, 2021 to 31st March, 2022

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]

To
The Members
M/s. Vishnu Barium Private Limited
Plot No. C-23, Road No. 8, Film Nagar,
Jubilee Hills, Hyderabad – 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 Barium Private 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 authorised representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from 1st April, 2021 to 31st March, 2022, 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 M/s. Vishnu Barium Private Limited ("The Company") for the Period from 1st April, 2021 to 31st March, 2022 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not Applicable to the Company during audit period)
 - iii. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder; (Not Applicable to the Company during audit period)
 - iv. Since the Company being unlisted material Subsidiary of the M/s. Vishnu Chemicals Limited (Listed Entity) the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during audit period)
 - ii. SEBI (Prohibition of Insider Trading) Regulations, 2015. (Not Applicable to the Company during audit period)
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during audit period)
 - iv. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014. (Not Applicable to the Company during audit period)
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable to the Company during audit period)
 - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (Not Applicable to the Company during audit period)
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not Applicable to the Company during audit period)
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not Applicable to the Company during audit period)
 - ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - vi. The Payment of Wages Act, 1936
 - vii. Minimum Wages Act, 1948
 - viii. Employees Provident Fund And Misc. Provisions Act, 1952
 - ix. Employees State Insurance Act, 1948
 - x. Payment of Gratuity Act, 1972
 - xi. Employee's Compensation Act, 1923
 - xii. Contract Labour (Regulation & Abolition) Act, 1970
 - xiii. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 - xvi. Income Tax Act, 1961
 - xv. GST Acts and Rules made thereunder
 - xvi. The Insurance Act, 1938 as amended.
 - xvii. The Factories Act, 1948 and Andhra Pradesh Factories Rules, 1980
 - xviii. Water (Prevention & Control of Pollution) Act 1974 and rules there under
 - xix. Air (Prevention & Control of Pollution) Act 1981 and rules there under

'ANNEXURE B' (CONTD.)

- xx. The Environment (Protection) Act, 1986
- xxi. Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016
- xxii. Customs Act, 1962
- xxiii. The Boilers Act, 1923 and Indian Boilers Regulations - 1950
- xxiv. The Petroleum Act, 1934 and Petroleum Rules, 2002

We have also examined compliance with the applicable clauses of

- xxv. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - xxvi. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited - Not Applicable.
2. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - Service of documents by the Company on its Directors, Members, Auditors.
 - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - Approvals of the Members, the Board of Directors and the government authorities, wherever required;
 - Payment of remuneration and reappointment of Directors including the Managing Director and Whole-time Directors,
 - Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditor.
 - Borrowings and registration, modification and satisfaction of charges wherever applicable;
 - Format of Balance Sheet and statement of profit and loss is as per Schedule III of the Companies Act, 2013.
 - Report of the Board of Directors;

- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment;
3. We further report that there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, Depositories Act, and Rules, Regulations and Guidelines framed there under on the Company or on its Directors and Officers.
4. We further report that:
- The Company has obtained consent of Andhra State Pollution Control Board, 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 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;
 - Major decision taken by the members in pursuance of Section 180 of the companies Act, 2013 relating to business expansion.
 - No Merger/Amalgamation/Reconstruction, etc.,
 - No Foreign Technical Collaborations;

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

Sd/-
L. Dhanamjay Reddy
 (Proprietor)
 M.No.13104; CP No.3752
 UDIN: A013104D000321016
 PR: 1262/2021

Date : 14th May, 2022
 Place: Hyderabad

'ANNEXURE'

To

The Members

Vishnu Barium Private Limited

Our report of even date is to be read along with this letter.

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

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

Sd/-

L. Dhanamjay Reddy

(Proprietor)

M.No.13104; CP No.3752

UDIN: A013104D000321016

PR: 1262/2021

Date : 14th May, 2022

Place : Hyderabad

'ANNEXURE C'

Disclosure of Managerial Remuneration

[Pursuant to Section 197 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	
		Name of the Director	Ratio (in x times)
1	The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year.	Mr.Ch. Krishna Murthy	22 times
		Mr. Ch. Siddartha	11 times
		Mrs. Ch. Manjula*	-
		Mr. T Mitra*	-
		Mr. Chetan Shah*	-
		Mr. V Vimalanand*	-
		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 ₹ 4.20 Lakhs p.a.

2	The percentage 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	38 %
		Mr. Ch. Siddartha	Nil
		Mr. P. Anjaneyulu	13 %
3	The percentage increase in the median remuneration of employees in the financial year;	Mr. Kishore Kathri	25 %
		During 2021-22, the percentage increase in the median remuneration of employees is 13 %	
4	The number of permanent employees on the rolls of company;	There were 416 employees as on 31st March, 2022	
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;	The average percentile increase already made in the salaries of employees is 13%.	

6. Affirmation: It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other senior employees is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

Ch. Manjula

Director

DIN: 01546339

Hyderabad

16th May, 2022

'ANNEXURE D'

FORM NO.MR-3

Secretarial Audit Report

For the Period from 1st April, 2021 to 31st March, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
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 TG 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 authorised representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from 1st April, 2021 to 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Vishnu Chemicals Limited ("the Company")** for the period from 1st April, 2021 to 31st March, 2022 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during audit period)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period).
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - vi. The Payment of Wages Act, 1936
 - vii. Minimum Wages Act, 1948
 - viii. Employees Provident Fund and Misc. Provisions Act, 1952

'ANNEXURE D' (CONTD.)

- ix. Employees State Insurance Act, 1948
- x. Payment of Gratuity Act, 1972
- xi. Employee'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. GST Acts and Rules made thereunder
- xvi. The Insurance Act, 1938, as amended
- xvii. The Factories Act, 1948
- 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 and Other Wastes (Management & Trans boundary Movement) Rules, 2016.
- xxii. Customs Act, 1962
- xxii. The Boilers Act, 1923 and Indian Boilers Regulations ,1950
- xxiv. The Petroleum Act, 1934 and Petroleum Rules, 2002

We have also examined compliance with the applicable clauses of

- xxv. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - xxvi. the Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
2. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- Closure of the Register of Members.
 - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
 - Service of documents by the Company on its Directors, Members, Auditors etc.
 - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

- Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditor.
- Borrowings and registration, modification and satisfaction of charges wherever applicable;
- Format of Balance Sheet and statement of profit and loss is as per Schedule III of the 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 Business Conduct & Ethics for Directors and Senior Management;

We further report that 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 thereunder against the Company or its Directors and Officers.

3. We Further Report That:

- 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 is regular in publishing Audited and Unaudited Financial Results.
- 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.

4. 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

'ANNEXURE D' (CONTD.)

compliance with applicable laws, rules, regulations and guidelines.

5. We further Report that during the audit Period we notice that the Company has to comply with the below.

- *Some portion of tax dues are deposited with some delay.*

6. 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)

M.No.13104; CP No.3752

UDIN: A013104D000320983

PR:1262/2021

Date : 14th May, 2022

Place: Hyderabad

ANNEXURE

To

The Members

M/s. Vishnu Chemicals Limited

Our report of even date is to be read along with this letter.

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

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

Sd/-

L. Dhanamjay Reddy

(Proprietor)

M.No.13104; CP No.3752

UDIN: A013104D000320983

PR: 1262/2021

Date :14th May, 2022

Place: Hyderabad

'ANNEXURE E'

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:

- Energy efficient spares and consumables were purchased for replacements.
- Single effect evaporators under vacuum are being replaced with multiple effect evaporators to save steam.

(ii) Steps taken by the Company for utilising alternate sources of energy:

The Company has decided to set up solar power at subsidiary unit under the long term power contract model.

(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

(i) The efforts made towards technology absorption:

During the year, the Company improved its packaging processes through adoption of latest technology.

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

Resulted in increase in domestic and export turnover.

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

- | | | |
|--|---|---|
| <ol style="list-style-type: none"> the details of technology imported; the year of import; whether the technology been fully absorbed; 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)	
	2021-22	2020-21
Total Foreign Exchange used and earned in terms of actual inflows and actual outflow:		
Used / Outflow	18,063.10	12,603.58
Earned / Inflow	39,814.06	24,677.78

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

Ch. Manjula

Director

DIN: 01546339

Hyderabad
16th May, 2022

'ANNEXURE F'

FORM NO. 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:

- There are no contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length basis.
- During the financial year the Company has not entered in to any material contracts or arrangements. However, the following transactions are entered in term of section 188(1) of the Companies Act, 2013 at arm's length basis:

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Vishnu Barium Private Limited, WOS Company	Sharing of common resources for services related to accounting, marketing and other supporting services.	Five years i.e. from 1st April, 2018 till 31st March, 2023	Charges of ₹ 10.00 Lakhs per month shall be paid to Vishnu Chemicals Limited for using common resources	30th May, 2018	Nil
2	Vishnu Barium Private Limited, WOS Company	Sale of Rotary Kiln -3 to VBPL as the same was lying as a spare.	One time	Sold at consideration of ₹ 80.00 Lakhs and the said consideration is arrived based on the independent valuer's report	12th February, 2021	Nil
2	Vasantha Transport Corporation (VTC), Proprietary Concern, Where Mr. Ch. Krishna Murthy, Managing Director is Proprietor	Availing transport, hire services and CHA services	Renewed the contract for a period from 6th May, 2019 till 31st March, 2024 and the same has been amended on 12th August, 2021 for addition of CHA services.	The aggregate value of transaction during any financial year shall be less than 10% of the turnover of the Company, as per latest audited balance sheet or ₹ 5,000.00 Lakhs, whichever is less. All the services rendered during the contract term shall be at prevailing market price.	6th May, 2019 & 12th August, 2021	Nil
4	Mr. Ch. Krishna Murthy, Managing Director of the Company	The Company has taken building on lease.	Duration of the agreement is ten years i.e. from 1st July, 2017 till 30th June, 2027	Lease rent is ₹ 3.70 Lakhs per month, which is prevailing market rate and the same shall be enhanced by 15% once in every three years.	28th August, 2017	Nil
5	Mrs. Ch. Manjula, Director of the Company	The Company took land admeasuring Ac. 2.11 cents on lease for the purpose of preserving its raw material.	Duration of the lease is from 1st June, 2021 till 31st May, 2024	Lease rent is of ₹ 2.11 Lakhs per month (excluding all applicable taxes), which is prevailing market rate.	19th May, 2021	Nil
6	Vishnu Life Sciences Limited (VLS), Where Mr. Ch. Siddartha, Joint Managing Director is Director and holds more than 2%	The Company has taken factory premises of VLS on lease	Duration of the lease was renewed on 30th September, 2019 for a period from 1st October, 2019 till 31st March, 2024; However, the lease was terminated on 30th June, 2021.	Lease rent is ₹ 2.00 Lakhs per month which is at prevailing market price	Renewal is approved at Board Meeting 6th May, 2019 and its termination is noted on 19th May, 2021	Nil

ANNEXURE F (CONTD.)

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
7	Vishnu Life Sciences Limited (VLS), Where Mr. Ch. Siddartha, Joint Managing Director is Director and holds more than 2%	Sale of equipment installed at factory premises of VLS	One time	Sold at a consideration of ₹ 110.00 Lakhs (including for immovable structures) and the said consideration is arrived based on the valuation report provided by independent valuer.	19th May, 2021	Nil
8	Vishnu Life Sciences Limited (VLS), Where Mr. Ch. Siddartha, Joint Managing Director is Director and holds more than 2%	Agreement entered on 12th August, 2021 for procuring Metpen in required quantities from time to time	Duration of the agreement is from 10th May, 2021 till 9th May, 2024	The said procurement of product shall be at prevailing market price and the aggregate value of the transactions shall not exceed ₹ 1,000.00 Lakhs during any financial year	12th August, 2021	Nil

Note:

- All related party transactions entered during the year were at arm's length basis.
- Appropriate approvals have been taken from the Audit Committee and the Board for the related party transactions entered by the Company and advances paid have been adjusted against bills, wherever applicable.

For and on behalf of the Board of Directors

Hyderabad
16th May, 2022

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Sd/-
Ch. Manjula
Director
DIN:01546339

'ANNEXURE G'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility reflects the strong commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society.

This policy shall apply to all CSR initiatives and activities taken up at the various work-center and locations of Vishnu Chemicals Limited (VCL), for the benefit of different segments of the society. The objective of the Company is:

- To ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities in & around its Work Centre and results, over a period of time, in enhancing the quality of life & economic wellbeing of the local people.
- To generate, through its CSR initiatives, a goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

2. The Composition of CSR Committee:

The Corporate Social Responsibility Committee ('CSR Committee') of the Board of Directors of the Company comprises of the Directors as indicated below:

S. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Chetan Shah	Chairman*, Independent Director	2	1
2	Mr. Ch. Krishna Murthy	Member, Managing Director	2	2
3	Mrs. Ch. Manjula	Member, Non-Executive Director	2	2
4	Mr. Pradip Saha	Chairman#, Independent Director	2	1

* Mr. Chetan Shah is the Chairman & Member of Committee w.e.f. 10th November, 2021.

Mr. Pradip Saha ceased to be the Chairman & Member of Committee w.e.f. 9th November, 2021.

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

CSR Policy: <https://www.vishnuchemicals.com/investors/#Policies> Composition of the Committee: https://vishnuchemicals.com/wp-content/uploads/2022/06/Board_Composition-as-on-16052022.pdf

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below: <https://www.vishnuchemicals.com/company/csr/>

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: ₹ 43.27 Lakhs

6. Average net profit of the Company as per section 135(5): ₹ 2,163.42 Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 43.27 Lakhs

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

(c) Amount required to be set off for the financial year, if any: ₹ 43.27 Lakhs

(d) Total CSR obligation for the financial year (7a+7b-7c): Nil

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

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
323.50	Nil	-	-	Nil	-

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of implementation –Through implementing agency	
				State	District			Name	CSR Reg. No.
1.	Setting up & maintenance of old age homes for senior citizens	Setting up of old age homes	Yes	Andhra Pradesh	Krishna District, Parsipalli Village	322.86	No	Krishna Foundation	CSR00003021
TOTAL						322.86			

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of implementation –Through implementing agency	
				State	District			Name	CSR Reg. No.
1	Distribution of Essentials to migrated labour during Covid-19 lockdown	Eradicating Hunger	Yes	Andhra Pradesh	Visakhapatnam	0.14	Yes	-	-
2	Digging of Bore well	Making safe drinking water available	Yes	Telangana	Hyderabad	0.50	Yes	-	-
TOTAL						0.64			

(d) Amount spent in Administrative Overheads: Nil
(e) Amount spent on Impact Assessment, if applicable: Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 323.50 Lakhs
(g) Excess amount for set off, if any

S. No.	Particulars	Amount ₹ in Lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	43.27
(ii)	Total amount spent for the Financial Year	323.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	323.50
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]*	323.50

*CSR obligation of ₹ 43.27 Lakhs for the FY 2021-22 has been adjusted against the excess CSR spent during the previous years i.e. ₹ 78.35 Lakhs. Hence, the total amount of ₹ 323.50 Lakhs spent during the financial year 2021-22 will be carried forward along with ₹ 35.08 Lakhs (pertaining to previous years) for set off in succeeding financial years thereby the overall excess CSR available for set-off as on 31st March, 2022 is ₹ 358.58 Lakhs.

ANNEXURE G (CONTD.)

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Nil
- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**
₹ 322.86 Lakhs
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not applicable
- Date of creation or acquisition of the capital asset(s)
 - Amount of CSR spent for creation or acquisition of capital asset
 - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.,
 - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

For and on behalf of the Board of Directors

16th May, 2022
Hyderabad

Sd/-
Chetan Shah
Chairman-CSR Committee
DIN:08038633

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

'ANNEXURE H'

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on corporate governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all the stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

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. We are 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.

Board and its Composition:

Your Board comprises optimal combination of Independent as well as Non-Executive Directors having in-depth knowledge of the business of the industry. The size and composition of the Board conforms to the requirements of the Corporate Governance code under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the brief profiles of the Directors are placed on the Company's website.

S. No.	Name of the Director & DIN	Category of Directorship	Attendance at Board Meeting		No. of Directorship including this listed entity (Refer Regulation 26(1) of Listing Regulations)*	Number of memberships/ chairmanship in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)		Whether present at the previous AGM
			Held	Attended		Chairman	Member	
1	Mr. Ch. Krishna Murthy DIN: 00030274	Promoter and CMD	6	6	1	0	1	Yes
2	Mrs. Ch. Manjula DIN: 01546339	Promoter and NED	6	5	3	1	1	Yes
3	Mr. Ch. Siddartha DIN: 01250728	Promoter and JMD	6	5	3	0	2	Yes
4	Mr. Tirthankar Mitra DIN: 02675454	NED & ID	6	6	2	0	2	Yes
5	Mr. Chetan Navinchandra Shah DIN: 08038633	NED & ID	6	6	2	1	3	Yes
6	Mr. V. Vimalanand DIN: 02693721	NED & ID	6	2	1	0	1	NA
7	Mr. Pradip Saha DIN: 07677683	NED & ID	6	4	0	1	2	Yes

Notes:

- Chairman & Managing Director (CMD), Joint Managing Director (JMD), Non-executive Director (NED), Independent Director (ID) and Not applicable (NA)
- Mr. Pradip Saha retired as an Independent Director of the Company on 9th November, 2021 on completion of his term of appointment and thereby he ceased to be the Chairman & Member of Board Committees.
- Mr. Chetan Shah was appointed as Chairman of Audit Committee w.e.f 10th November, 2021 and Chairman & Member of CSR Committee w.e.f. 10th November, 2021.
- Mr. Tirthankar Mitra was appointed as Chairman of Nomination & Remuneration Committee and Member of Stakeholders' Relationship Committee w.e.f. 10th November, 2021.
- Mr. V. Vimalanand, was appointed as an Independent Director and Member of the Audit Committee and Nomination & Remuneration Committee w.e.f. 31st December, 2021.

* excludes directorships in private limited companies, associations, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships.

@ During the year 2021-22, Mr. Chetan Shah was an Independent Director of a listed company Focus Lighting and Fixtures Limited and none of the other Directors were Directors of other listed companies.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Board Procedure

For seamless scheduling of Meetings, the calendar of Meetings of the Board and Committees is circulated and agreed upon at the beginning of the year.

The Company Secretary tracks and monitors the Board and Committee proceedings to ensure that the terms of reference are adhered to, decisions are properly recorded in the minutes. The terms of reference are amended and updated from time to time in order to keep the functions and role of the Board and Committees at par with the changing statutes/ regulations. Meeting effectiveness is ensured through clear agenda, circulation of material in advance, detailed presentations at the meetings and tracking of action taken reports at every meeting.

Additionally, based on the agenda, meetings are attended by members of the senior leadership as invitees, which bring in the requisite accountability and also provide developmental inputs.

The Board plays a critical role in the strategy development of the Company. To enable the Board to discharge its responsibilities effectively and take informed decisions, the Managing Director & Joint Managing Director apprises the Board on the overall performance of the Company every quarter.

The Board periodically reviews the strategy, annual business plan, business performance of the Company and its key subsidiary, quality, customer centricity, capital expenditure budgets and risk management, safety and environment matters. Amongst other things, the Board also reviews the compliance reports of the laws applicable to the Company, internal financial controls and financial reporting systems, minutes of the Board Meetings of the Company's subsidiary companies, adoption of quarterly/half-yearly/annual results, minutes of the Meetings of the Audit and other Committees of the Board.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, which is required to be placed before the Board, the Board is also apprised of major events and approvals obtained from time to time, if necessary. In compliance with the relaxations granted by the Ministry of Corporate Affairs due to outbreak of Covid-19, the Company conducted its Board and Committee Meetings through video conferencing, without physical presence of Directors and attendees, to adhere to the social distancing norms. Looking forward, more emphasis will be given in coming days to have a structured digital means for conducting Board and Committee meetings.

Board Meetings

The Board met six (6) times during the year 2021-22 as detailed hereunder. The gap between two meetings did not exceed one

hundred and twenty days and the meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings. During the financial year, the facility of Video Conference (VC) was enabled for all the Board & Committee meetings.

Date of the Meeting	Board Strength	No. of Directors Present
23rd April, 2021	6	5
19th May, 2021	6	6
12th August, 2021	6	6
6th November, 2021	6	6
31st December, 2021	6	5
14th February, 2022	6	6

During the year 2021-22, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

Disclosure of relationship between directors inter-se

Mr. Ch. Krishna Murthy, Mrs. Ch. Manjula and Mr. Ch. Siddartha 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.

Shares held by Non-Executive Directors

Mrs. Ch. Manjula, Promoter and Non-Executive Director, 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, 2022; Mr. Chetan Shah, Independent Director, holds 4,400 (0.03%) through his spouse and none of the other non-executive directors hold any shares in the Company.

Appointment/Re-appointment of Directors

As required under Regulation 26(4) and Regulation 36(3) of the Listing Regulations and Secretarial Standards – 2 on General Meetings issued by Institute of Company Secretaries of India (ICSI), particulars of Directors seeking appointment/ re-appointment at this AGM are given in the Notice of the AGM which forms part of this Annual Report.

Web-link where details of familiarisation programmes imparted to independent Directors:

<https://www.vishnuchemicals.com/wp-content/uploads/2021/03/Familiarization-Program-for-IDs-dt-31032021.pdf>

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Board skills / expertise / competencies

Your Board aims to be comprised of Directors with the appropriate mix of skills, experience, expertise and diversity relevant to the Company's business and the Board's responsibilities. The skills matrix adopted by the Board vis-à-vis the skills / expertise / competencies of respective directors are as under:

Board of Directors	Industry expertise (Chemical Manufacturing and Development)	Sales, Marketing and Market Strategy	Executive leadership and Board experience	Strategy & Risk Management	Corporate Governance	Expertise in financial matters	Health, safety, environment and sustainability	M&A/ Capital Markets
Mr. Ch. Krishna Murthy	√	√	√	√	√	√	√	√
Mrs. Ch. Manjula	√	-	√	-	√	-	√	-
Mr. Ch. Siddartha	√	√	√	√	√	√	√	√
Mr. Tirthankar Mitra	√	√	√	√	√	√	√	-
Mr. Chetan Navinchandra Shah	-	√	√	√	√	√	√	√
Mr. V. Vimalanand	-	-	√	√	√	-	√	-

Independence of Directors

The Company has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In opinion of the Board, the Independent Directors fulfill the conditions of independence specified in the Act and the Listing Regulations and are independent of the management. Further, the Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and uploaded on website of the Company viz. <https://vishnuchemicals.com/wp-content/uploads/2021/04/Terms-and-conditions-of-appointment-of-independent-directors.pdf>.

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as an Independent Director in more than seven listed companies. Further, the Executive Directors of the Company do not serve as Independent Directors in any other listed entity.

During the year 2021-22, one meeting of the Independent Directors was held on 19th May, 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

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 at <https://www.vishnuchemicals.com/wp-content/uploads/2021/03/Code-of-Conduct-updated-12022021.pdf>.

The Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended 31st March, 2022. The Annual Report of the Company contains a Certificate duly signed by the Chairman & Managing Director in this regard.

Committees of the Board

The Board of Directors has 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 five Board Level Committees:

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Audit Committee

The Audit Committee's role is to assist the Board fulfill its Corporate Governance and overseeing responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions.

The Audit Committee functions according to its Charter/Terms of Reference that defines its composition, authority, responsibilities and reporting functions. The Board has adopted a Charter of the Audit Committee for its functioning. All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations are covered in its terms of reference.

Terms of Reference

The Audit Committee of the Company is responsible for supervising the Company's internal controls and financial reporting process and inter alia, performs the following functions:

- Oversight of the Company's financial reporting process and disclosure of its financial information;
- Review of the Company's accounting policies, internal accounting controls, financial and such other matters;
- Review the functioning of Whistleblower Mechanism of the Company which shall include the Vigil Mechanism for Directors and employees to report genuine concerns in the prescribed manner;
- Discuss and review, with the management and auditors, the annual/quarterly Financial Statements before submission to the Board;
- Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit;
- Evaluate auditors' performance, qualification, independence and effectiveness of audit process;
- Recommend to the Board, the appointment, re-appointment, removal of the external auditors, fixation of audit fees and also approval for payment of audit and non-audit services;
- Scrutinise inter-corporate loans and investments, and review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary;
- Reviewing the adequacy of internal control system, internal audit function and risk management function;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Provide guidance to the Compliance Officer for setting forth policies and implementation of Code of Conduct for Prevention of Insider Trading. Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, atleast once in a financial year and verifying that the

systems for Internal Controls are adequate and are operating effectively;

- Review the significant related party transactions;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 Cr or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Further pursuant to Regulation 18(2)(c) of the Listing Regulations, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other Independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

During the financial year under review, Audit Committee met four (4) times i.e. on 19th May, 2021, 12th August, 2021, 6th November, 2021 and 14th February, 2022. Composition and attendance of directors is as under:

S. No.	Name of the Audit Committee Member	No. of meetings held	No. of meetings attended
1	Mr. Chetan Shah, C&ID	4	4
2	Mr. Tirthankar Mitra, ID	4	4
3	Mr. Ch. Siddhartha, JMD	4	4
4	Mr. V. Vimalanand, ID	4	1
5	Mr. Pradip Saha, ID	4	3

Notes:

- C&ID - Chairman & Independent Director, ID - Independent Director, JMD - Joint Managing Director
- Mr. Pradip Saha retired as an Independent Director of the Company on 9th November, 2021 on completion of his term of appointment thereby he ceased to be a member of Audit Committee on 9th November, 2021.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- c. Mr. V. Vimalanand has been appointed as a member of the Audit Committee w.e.f. 31st December, 2021.

Throughout the year the composition of the Committee is in conformity with Section 177 of the Act read with rules made thereunder and Regulation 18(1) of the Listing Regulations. The Audit Committee consists of Independent Directors and Joint Managing Director as members and all the members of the Committee are financially literate and Mr. Chetan Shah, Chairman of the Committee, being a graduate in Commerce & Economics and an experience of over three decades in Finance has expertise in accounting and financial management. The Company Secretary of the Company is secretary to the Committee. Internal Auditors, Statutory Auditors, Secretarial Auditors and Cost Auditors are invited for Audit Committee meetings on need basis.

Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee (NRC) covers the areas as prescribed under Section 178 of the Act and Regulation 19 of Listing Regulations, besides other terms as referred by the Board of Directors and include formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other senior employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on diversity of Board of Directors; identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment, removal and noting their cessation; recommending to the Board on extension or continuation of the terms of appointment of the independent directors; recommend to the board, all remuneration, in whatever form, payable to senior management; and carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

During the financial year under review, Nomination and Remuneration Committee met three (3) times i.e. on 23rd April, 2021, 19th May, 2021 and 31st December, 2021. Composition and attendance of directors is as under:

S. No.	Name of NRC Member	No. of meetings held	No. of meetings attended
1	Mr. Tirthankar Mitra, C&ID	3	3
2	Mr. Ch. Manjula, NED	3	2
3	Mr. Chetan Shah, ID	3	3
4	Mr. V. Vimalanand, ID	3	NA
5	Mr. Pradip Saha, C&ID	3	2

Notes:

- a. C – Chairman, ID - Independent Director, NED – Non-executive Director

- b. Mr. Pradip Saha retired as an Independent Director of the Company on 9th November, 2021 on completion of term of appointment thereby he ceased to be a member of NRC on 9th November, 2021.
- c. Mr. V. Vimalanand was appointed as a member of NRC w.e.f. 31st December, 2021.

Throughout the year the composition of the Committee is in conformity with Section 178 of the Act and Regulation 19 of the Listing Regulations. The Company Secretary of the Company is secretary to the Committee.

The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board. As per section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairperson of the Committee, Mr. Pradip Saha was present at the 28th Annual General Meeting of the Company held on 12th July, 2021.

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:

- Qualifications: Professional qualifications;
- Experience: Experience relevant to the entity;
- Knowledge and Competency:
 - How the person fares for effective functioning of the entity and the Board; and
 - Whether the person has sufficient understanding and knowledge of the entity and fulfilment of the independence criteria as specified in these regulations and their independence from the management;
- Fulfilment of functions: Whether the person understands and fulfils the functions assigned to him/her as by the Board and the law;
- Ability to function as a team: Whether the person is able to function as an effective team- member;
- Initiative: Whether the person actively takes initiative with respect to various areas;
- Availability and attendance: Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay;
- Commitment: Whether the person is adequately committed to the Board and the entity;
- Contribution: Whether the person contributed effectively to the entity and in the Board meetings;
- Integrity: Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.);

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- k. Independence: Whether person is independent from the entity and the Management and there is no conflict of interest; and
- l. Independent views and judgment: Whether the person exercises his/ her own judgment and voices opinion freely.

Remuneration Policy

The Nomination and Remuneration policy of your Company is a comprehensive policy which is competitive, in line with the industry practices and rewards good performance of the employees of the Company. 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. A copy of the Nomination & Remuneration Policy is available on the website of the Company <https://vishnuchemicals.com/wp-content/uploads/2022/06/NRC-Policy-dt-09022018.pdf>.

Directors' Remuneration

The details of remuneration to the Directors for the financial year ended 31st March, 2022.

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. Siddhartha Joint Managing Director
Salary (Including perquisites)	91.00	45.12
Commission	0	0
Contribution to Provident Fund and Superannuation Fund	0	2.88
Other Benefits	0	0
Total	91.00	48.00

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 and other Committee meetings. 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/ commission is paid to the Non-Executive Directors during the financial year 2021-22 and the Company does not have any stock option scheme.

₹ in Lakhs	
Non-executive Directors	Sitting Fees
Mrs. Ch. Manjula	1.00
Mr. Tirthankar Mitra	2.00
Mr. Chetan Shah	2.00
Mr. V. Vimalanand	0.60
Mr. Pradip Saha	1.40
Total	7.00

Stakeholders' Relationship Committee

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders.

The terms of reference of the SRC are as under:

- Resolving the grievances of the security holders including complaints related to transfer/transmission of shares / debentures, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc;
- Reviewing details of transfer of unclaimed dividend / securities to the Investor Education and Protection Fund;
- Reviewing the transfer, transmission, dematerialisation of securities;
- Reviewing measures taken for effective exercise of voting rights by shareholders;
- Reviewing adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Reviewing various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- To approve issue of duplicate certificates.

During the financial year under review, SRC met seven (7) times i.e. on 19th May, 2021, 14th June, 2021, 20th September, 2021, 27th September, 2021, 6th November, 2021, 20th December, 2021 and

REPORT ON CORPORATE GOVERNANCE (CONTD.)

14th February, 2022. Composition and attendance of directors is as under:

S. No.	Name of the SRC Member	No. of meetings held	No. of meetings attended
1	Mrs. Ch. Manjula, C & NED	7	7
2	Mr. Ch. Krishna Murthy, CMD	7	7
3	Mr. Ch. Siddartha, JMD	7	7
4	Mr. T Mitra, NED&ID	7	1
5	Mr. Pradip Saha, NED & ID	7	2

Notes:

- C – Chairman, ID - Independent Director, NED – Non-Executive Director, CMD – Chairman and Managing Director, JMD – Joint Managing Director.
- Mr. Pradip Saha retired as an Independent Director of the Company on 9th November, 2021 on completion of term of appointment thereby he ceased to be member a of SRC on 9th November, 2021.
- Mr. Mitra was appointed as member of the Committee w.e.f. 10th November, 2021.

Status of Investor Complaints

The status of Investor Complaints as on 31st March, 2022 as reported under Regulation 13(3) of the Listing Regulations is as under:

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

Corporate Social Responsibility Committee

The Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company in conformity with Schedule VII of the Companies Act, 2013 and the Rules thereof; recommending the amount of expenditure to be incurred along with annual action plan; and monitoring the CSR Policy of the Company. During the year under review, the Committee met twice i.e. on 19th May, 2021 and 14th February, 2022. Composition of CSR Committee and attendance thereof is as under:

S. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Mr. Chetan Shah, C&ID	2	1
2	Mr. Ch. Krishna Murthy, CMD	2	2
3	Mrs. Ch. Manjula, NED	2	2
4	Mr. Pradip Saha, C& ID	2	1

Notes:

- C – Chairman, ID - Independent Director, NED – Non-Executive Director, CMD – Chairman and Managing Director

- Mr. Chetan Shah is the Chairman & Member of Committee w.e.f. 10th November, 2021.
- Mr. Pradip Saha ceased to be the Chairman & Member of Committee w.e.f. 9th November, 2021.

Finance Committee

Mr. Ch. Krishna Murthy, Chairman & Managing Director, Mrs. Ch. Manjula, Non-Executive Director and Mr. Ch. Siddartha, Joint Managing Director are the members of the Committee. During the year under review, the Committee met six (6) times i.e. on 14th June, 2021, 30th July, 2021, 13th September, 2021, 30th November, 2021, 6th December, 2021 and 7th March, 2022. The Committee was constituted, inter alia, to exercise the powers specified in clauses (d) to (f) of sub-section (3) of section 179 of the Companies Act, 2013.

Compliance Officer

Mr. Kishore Kathri, Company Secretary & AGM-Legal, is the Compliance Officer for complying with the requirements of the Securities Laws. He acts as the Secretary to all the mandatory sub-committees of the Board.

General Body Meetings

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

Financial Year	Date & Time of AGM	Venue of AGM
2020-21	Monday, 12th July, 2021 at 11.00 A.M (IST)	Held via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') deemed venue is the registered office situated at Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 033
2019-20	Friday, 14th August, 2020 at 11.00 A.M (IST)	Held via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') deemed venue is the registered office situated at Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 033
2018-19	Thursday, 27th June, 2019 at 10.00 AM (IST)	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad Telangana – 500033

Special Resolutions

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

- 28th AGM held on 12th July, 2021 – Special Resolutions
 - To re-appoint Mr. Siddartha Cherukuri (DIN: 01250728) as a Joint Managing Director of the Company for a further term of five years.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- II) 27th AGM held on 14th August, 2020 – Special Resolutions
- To re-appoint Mr. Ch. Krishna Murthy (DIN: 00030274) as a Managing Director of the Company for a further term of five years.
- II) 26th AGM held on 27th June, 2019 – Special Resolutions
- To approve re-appointment of Mr. Pradip Saha as Independent Director of the Company for second term.
 - 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.
 - 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 approve variation of terms of the existing 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of the Company.
- IV) During the year, no resolutions were passed through postal ballot.

Means of communication

Financials Calendar (Tentative):

- Unaudited results for 1st quarter of next Financial Year – by 14th August, 2022
- Unaudited results for 2nd quarter of next Financial Year – by 14th November, 2022
- Unaudited results for 3rd quarter of next Financial Year – by 14th February, 2023
- Audited results for next Financial Year – by 29th May, 2023

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

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

General shareholders information

Annual General Meeting:

Day & Date	- Friday, 15th July, 2022 at 2.30 PM IST
Venue	- In accordance with the General Circular No. 18 & 20 dated 18th April, 2020 & 5th May, 2020 respectively, issued by the MCA on 5th May, 2020, amendments thereof, the AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') only
Financial Year	- 2021-22 (1st April, 2021 to 31st March, 2022)
Record Date	- Not applicable
Date of Book Closure	- 9th July, 2022 to 15th July, 2022 (both days inclusive)
Date of Dividend Payment	- On or before 13th August, 2022
Dividend for the last three years	- 2020-21 : 10%
	- 2019-20 : 10%
	- 2018-19 : 10%

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

BSE Limited PhirozeJeejeebhoy Towers Dalal Street Mumbai- 400 001	National Stock Exchange of India Limited Exchange Plaza BandraKurla Complex Bandra (E), Mumbai - 400 051
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BSE Limited - Scrip Code: 516072

National Stock Exchange of India Limited - VISHNU

ISIN for the Equity Shares - INE270I01014

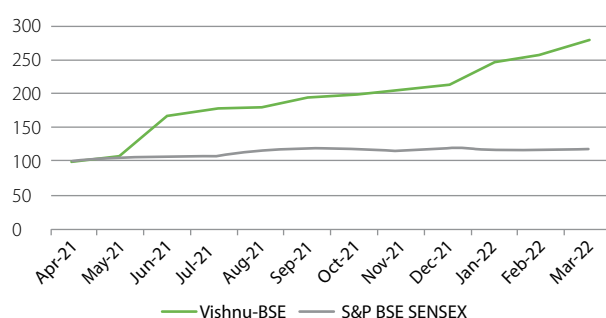
The Company has paid listing fee to both Stock Exchanges for the financial year 2021-22.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

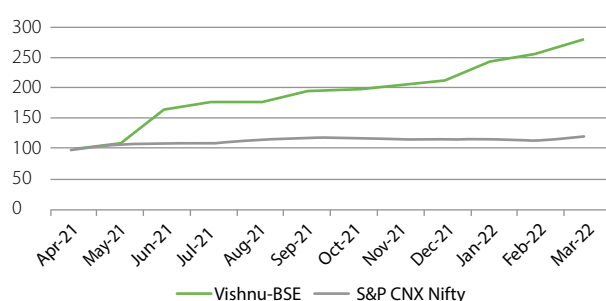
Monthly high and low of Company's shares on BSE Limited & National Stock Exchange of India Limited during the financial year 2021-22

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-21	367.50	278.80	369.50	279.50
May-21	399.00	313.00	398.90	311.55
Jun-21	567.10	353.00	564.65	356.00
Jul-21	705.35	540.00	707.40	540.00
Aug-21	658.95	562.05	659.50	562.05
Sep-21	798.00	585.00	805.50	592.00
Oct-21	815.00	678.00	817.00	666.20
Nov-21	965.00	769.75	957.35	771.35
Dec-21	908.00	771.60	905.00	776.75
Jan-22	1168.65	816.25	1161.70	850.00
Feb-22	1399.30	1110.25	1381.00	1103.65
Mar-22	1789.95	1213.00	1799.00	1237.85

Stock Performance vis-a-vis S&P BSE Sensex



Stock Performance vis-a-vis CNX NIFTY



Share Transfer System

The requests received for deletion of name, transmission of shares, split and issue of duplicate share certificates are processed and despatched to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being

valid and complete in all respects. All the valid deletion of name, transmission of shares, split and issue of duplicate share certificates are approved by Stakeholders Relationship Committee and are noted at Board Meetings.

The shares of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the year, the Company obtained a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, subdivision, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015. These certificates were duly filed with the Stock Exchanges.

Members may also refer to Frequently Asked Questions ("FAQs") on Company's Website <https://www.vishnuchemicals.com/investors/#1571313077497-a1a918a7-6e88>

Dematerialisation of shares and liquidity

1,18,57,960 (NSDL: 79,34,692; CDSL: 39,23,268) equity shares are in demat form i.e. 99.26% 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 dematerialise 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 dematerialised is uploaded on website of the Company 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). Procedure for the same is as under:

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14 through their registered email id. The said forms can be downloaded from the Company's website at <https://www.vishnuchemicals.com/investors/#1571313077497-a1a918a7-6e88> or <https://bigshareonline.com/Resources.aspx> Members are requested to submit the said form to their respective DPs in case the shares are held in electronic form and to the Registrar at bsshyd1@bigshareonline.com in case the shares are held in physical form, quoting your folio no.

REPORT ON CORPORATE GOVERNANCE (CONTD.)
Distribution of Shareholding (in ₹) as on 31st March, 2022:

Shareholding of Nominal in ₹	Number of Shareholders	Percentage of total shareholders	Share amount in ₹	Percentage of total share capital
Upto 5000	8885	93.52	5577710	4.66
5001-10000	285	3.00	2130870	1.78
10001-20000	160	1.68	2447430	2.05
20001-30000	52	0.55	1315250	1.10
30001-40000	21	0.22	758020	0.63
40001-50000	19	0.20	875420	0.73
50001-100000	32	0.34	2347070	1.96
100001-11946020	46	0.48	104008430	87.06
TOTAL	9500	100.00	119460200	100

Pattern of Shareholding as on 31st March, 2022:

Category	No. of Shares	% of shareholding
Promoters	89,59,506	75.00
Other Entities of the Promoter Group	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institutions, States and Central Government	-	-
Insurance Companies	-	-
Foreign Institutional Investors and Foreign Portfolio Investors - Corporate	54,614	0.46
NRI's / OCB's / Foreign Nationals	1,74,581	1.46
Corporate Bodies / Trust	1,73,328	1.45
Indian Public and Others	24,71,709	20.69
Alternate Investment Fund	-	-
IEPF account	1,02,155	0.86
Clearing Members	10,127	0.08
GRAND TOTAL	1,19,46,020	100

Address for correspondence for 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 - 500096
Phone: 040 23396817/ 23327723/29
Mail id: vishnu@vishnuchemicals.com
Website: www.vishnuchemicals.com

Registrar and Share Transfer Agents:

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

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

Bhilai Plant:

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Other disclosures

a. Corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 have been complied with. 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.

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. The transactions with related parties as covered under Indian Accounting Standard are disclosed in Note 42 forming part of the financial statements. Web-link for the Policy on dealing with related party transactions is <https://www.vishnuchemicals.com/investors/#Policies>

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

d. Disclosure of non-compliance by the 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.

e. Whistle Blower Policy/Vigil mechanism:

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 have been denied access to audit committee in this regard.

f. Policy for determining material subsidiary:

The Company has one material unlisted Indian Subsidiary i.e. Vishnu Barium Private Limited w.e.f. 1st April, 2019. The

minutes of the meetings of the subsidiaries are placed at the meetings of the Board of Directors of the Company. Quarterly and 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 <https://www.vishnuchemicals.com/investors/#Policies>

g. Commodity price risk or foreign exchange risk and hedging activities:

The Company is subject to commodity price risks due to fluctuation in prices of raw material and packing material. Also, Company's payables and receivables are partly in foreign currencies and due to fluctuations in foreign exchange rates, it is subject to Currency risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework. However, the Company being a net forex earner the risk of commodity and currency is mitigated via natural hedge.

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

i. Acceptance of recommendations of Committees by the Board of Directors: In terms of the Listing Regulations, there have been no instances during the year when the recommendations of any of the Committees were not accepted by the Board.

j. Fees paid to M/s. Jampani & Associates, Statutory Auditors and all entities in the network firm of the Statutory Auditors:

During 2021-22, a total fee of ₹ 26.35 Lakhs was paid by the Company and its subsidiaries, on a consolidated basis, for all services to M/s. Jampani & Associates, Statutory Auditors and all entities in the network firm/network entity of which they are part.

(₹ in Lakhs)

Services	VCL	VBPL	Total
Statutory Audit Fee	13.50	3.00	16.50
For taxation matters & Tax audit fee	4.25	1.00	5.25
GST Fee	1.40	0.25	1.65
Quarterly review	1.20	0.60	1.80
Other services	1.00	0.15	1.15
Total	21.35	5.00	26.35

k. Risk Management:

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimisation 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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- l. Code of Conduct for Directors and members of Senior Management:
The Company adopted a Code of Conduct 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.
- m. 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.
- n. PCS Certificate
Mr. L. Dhanamjaya Reddy, Practicing Company Secretary, proprietor of M/s. 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.
- o. 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.
- p. 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.
- q. 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

Hyderabad
16th May, 2022

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Sd/-
Ch. Manjula
Director
DIN: 01546339

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2022 as envisaged in Listing Regulations.

For Vishnu Chemicals Limited

Hyderabad
16th May, 2022

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members

Vishnu Chemicals Limited

H.No. 8-2-293/82/F/23-C, Plot no. 23,
Road no. 8, Film Nagar,
Jubilee Hills, Hyderabad - 500033

We have examined the compliance of the conditions of Corporate Governance by Vishnu Chemicals Limited for the year ended on 31st March, 2022 as stipulated under Regulations 17 to 27, Clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para 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).

The Compliance of the Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedure and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations, made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid -19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

L. Dhanamjaya Reddy

(Proprietor)

M. No. 13104; CP No.3752

UDIN No: A013104D000336757

PR: 1262/2021

Date: 17th May, 2022

Place: Hyderabad

'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 & Co., 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 31st March, 2022.

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 31st March, 2022:

List of Director of the Company as on 31st March, 2022:

S.No.	DIN	Full Name	Designation
1	00030274	Mr. Cherukuri Krishna Murthy	Managing Director
2	01250728	Mr. Cherukuri Siddartha	Joint Managing Director
3	01546339	Mrs. Cherukuri Manjula	Director
4	02675454	Mr. Tirthankar Mitra	Independent Director
5	08038633	Mr. Chetan Navinchandra Shah	Independent Director
6	02693721	Mr. Veeramachaneni Vimalanand	Independent Director

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

Sd/-
L. Dhanamjay Reddy
(Proprietor)
M. No. 13104; CP No.3752
UDIN: A013104D000336746
PR: 1262/2021

Date : 17th May, 2022
Place : Hyderabad

CEO & CFO COMPLIANCE CERTIFICATE

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

To
The Board of Directors
Vishnu Chemicals Limited
Hyderabad

- A. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2022 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: 16th May, 2022

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN : 00030274

Sd/-
P. Anjaneyulu
Chief Financial Officer

'ANNEXURE I'

BUSINESS RESPONSIBILITY REPORT

For the financial year ended March 31, 2022

[As per Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** : L85200TG1993PLC046359
2. **Name of the Company** : Vishnu Chemicals Limited (VCL)
3. **Registered Office address** : H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad, Telangana – 500096
4. **Phone no.** : 040-23396817/ 23327723/29
5. **Website** : <https://vishnuchemicals.com/>
6. **Email id** : vishnu@vishnuchemicals.com
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Both VCL and its WOS Company Vishnu Barium Private Limited (VBPL) are engaged in business of manufacturing & marketing of Specialty Chemicals.

S.No.	NIC Code of the product/Service	Name of main product/service	Description
1	20119	Specialty Chemicals	Manufacture of performance enhancing specialty chemicals

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

Vishnu Chemicals Limited along with its subsidiaries manufactures and sells the following products:

- Chromium Compounds
- Barium Compounds
- Performance Enhance Specialty Chemicals

9. Total number of locations where business activity is undertaken by the Company:

VCL along with its subsidiaries undertakes manufacturing activities in India in State of Telangana, Andhra Pradesh and Chhattisgarh and exports its products to all major continents.

10. Markets served by the Company: Local, State, National and International.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- a. **Equity Paid up Capital** : ₹ 1,194.60 Lakhs
- b. **Total Turnover** : ₹ 91,328.66 Lakhs
- c. **Total profit after taxes** : ₹ 6,523.90 Lakhs
- d. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**: Two percent
- e. **List of activities in which expenditure in 4 above has been incurred:**
 - Setting up of old age home

- Rural development projects
- Ensuring environmental sustainability

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has two wholly-owned subsidiaries as on 31st March, 2022:

- Vishnu Barium Private Limited (VBPL) - Indian Subsidiary
- Vishnu South Africa Pty Limited - Foreign Subsidiary

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes, the Company encourages its material subsidiary viz. VBPL to participate in Business Responsibility ('BR') initiatives on a wide range of topics. VBPL spends 2% of its profits towards CSR initiatives every year.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business entity.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- a) Details of the Director/Director responsible for implementation of the BR policy/policies:

DIN : 00030274
 Name : Ch. Krishna Murthy
 Designation : Chairman & Managing Director

- b) Details of the BR head:

S. No.	Particulars	Details
1	DIN Number	00030274
2	Name	Ch. Krishna Murthy
3	Designation	Chairman & Managing Director
4	Telephone number	+91-40-23396817
5	e-mail id	vishnu@vishnuchemicals.com

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1 - Businesses should conduct and govern themselves with Integrity and in a manner that is ethical, transparent and accountable, Transparency and Accountability (this forms part of the Code of Conduct).

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life

- a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/policies for:										
1	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	N
2	Does the policy conform to any national /international standards? If yes, specify? (50 words)	All the policies are in comparable with the best practices in the industry.								
3	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	N
4	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	N
5	Indicate the link for the policy to be viewed online?	Link of the policies https://vishnuchemicals.com/investors/#Policies								
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	N
7	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	N	Y	N
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	N
9	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N	Y	N

cycle (the policy is part of Company's Environment, Health and Safety (EHS) Policy).

P3 - Businesses should promote the well-being of all employees (certain policies form part of the Code of Conduct for employees. There are various policies for the benefit of the employees that are issued by the Human Resources function from time to time. The policies include Maternity Leave Policy, Employee Safety Policy, Medclaim Policy, etc.).

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised (the Company does not have a specific policy, however certain aspect of this principle forms part of the CSR Policy).

P5 - Businesses should respect and promote human rights (this forms part of the Code of Conduct of the Company which is applicable to all employees).

P6 - Businesses should respect, protect and make efforts to restore the environment (this forms part of Company's EHS policy).

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (not applicable).

P8 - Businesses should support inclusive growth and equitable development (this forms part of the Company's CSR Policy).

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	√
6	Any other reason (The Company does not carry-on any business that is engaged in influencing public and regulatory policy.)	-	-	-	-	-	-	√	-	-

3. Governance related to BR:

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Managing Director and top management review the BR performance of the Company through Business Review Meetings on a quarterly basis.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

BR will be published annually along with the Annual Report. www.vishnuchemicals.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

Yes. The policy of Code of Conduct, Ethics, Anti- Bribery and Anti-Corruption covers the Company and its subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

There were no complaints received from the shareholders during the financial year ended 31st March, 2022. With respect to other Stakeholders, the Company has formulated Whistle Blower Policy. However, the Company has not received any complaint under Vigil mechanism during the financial year ended 31st March, 2022.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

VCL is committed to the conservation of the environment, health and safety of its employees and all stakeholders. Sustainability is at the centre of all business processes at VCL and its subsidiaries. The Company's plants are equipped with modern machinery operated with sustainable practices. The flagship plant is integrated to capture and recover flu gases and use it as a vital input for its production in a sustainable eco-friendly manner.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- a. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**
- b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company takes required measures to mitigate impact to various environmental aspects like air quality, water, noise, waste water generation and soil through various engineering techniques, equipments and maintenance procedures. All the emissions from process are controlled by providing control equipment like wet scrubbers.

Continual improvement is the key factor in achieving highest standards sustainable growth. The Company has built an effluent wastewater treatment facility with tertiary treatment including reverse osmosis. The Company focuses on conservation of natural resources: minerals, water and

BUSINESS RESPONSIBILITY REPORT (CONTD.)

energy to maximum levels. Operations are engineered in a closed loop system. All water is treated and reused to achieve zero discharge.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business entity. VCL focuses on the principles of sustainable business practices. In the past financial year, there has been a significant improvement in the sourcing of key raw materials through its integrated facility. We have demonstrated being a better corporate citizen, reduce wastage, ensure appropriate utilisation of resources and reduce our carbon footprint.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company continues to adopt environment and people friendly best practices in the business. With a view of developing domestic suppliers, various key input raw materials are sourced through domestic small producers which includes packaging materials, spares and consumables. We prioritise procurement of goods and services from local suppliers who meet the standards we require. In some cases, we support local businesses and develop their process knowledge to meet these standards.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has installed air emission control equipments for controlling particle and air quality. We have also installed and scaled our wastewater treatment facility with tertiary treatment including reverse osmosis. Stabilisation of waste residue, using an automated treatment plant and operations are engineered in a closed loop system, all water is treated and reused to achieve zero discharge.

Principle 3: Businesses should promote the wellbeing of all employees:

1. Please indicate the Total number of employees: 416
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 620

3. Please indicate the Number of permanent women employees: 15

4. Please indicate the Number of permanent employees with disabilities: Nil

5. Do you have an employee association that is recognised by management: No

6. What percentage of your permanent employees is members of this recognised employee association? Not applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent employees: 115
- (b) Permanent women employees: 7
- (c) Casual/Temporary/Contractual Employees: 143
- (d) Employees with disabilities: NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised:

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement strategy development process.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, the Company has identified the communities which are vulnerable and need focussed intervention.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the Company follows an integrated development approach, which specifically targets the disadvantaged, vulnerable and marginalised stakeholders.

Principle 5: Businesses should respect and promote human rights:

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

All aspects of human rights are inbuilt and covered under the Company's Code of Business Conduct as well in various human resource practices / policies.

BUSINESS RESPONSIBILITY REPORT (CONTD.)
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints with respect to Human Rights were reported during the financial year ended 31st March, 2022.

Principle 6: Business should respect, protect, and make efforts to restore the environment:
1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company and its subsidiary companies adhere to all the statutory environmental regulatory requirements. The subsidiary company has adopted the Company's Environment, Health and Safety Policy.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company and its Subsidiary are working to optimise the usage of resources and contributing towards Water Footprinting, Carbon Footprinting etc., by upgrading the technology and adopting the alternatives.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company and its subsidiary have Risk Management mechanisms in place to identify and assess existing and potential risks across its operations.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company has installed air emission control equipments for controlling particle and air quality. We have also installed and scaled our wastewater treatment facility with tertiary treatment including reverse osmosis. Stabilisation of waste residue, using an automated treatment plant and operations are engineered in a closed loop system, all water is treated and reused to achieve zero discharge. The Company files environment compliance report as required under various statutes.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company and its subsidiary through their dedicated team of engineers, have been monitoring performance of various plants and equipment's to reduce energy consumption. The significant energy conservation measures initiated during the year are given in the statement under section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, which is made part of Annual Report

as an annexure to Boards' Report of the Company and Subsidiary Companies. The web link for the same is www.vishnuchemicals.com

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions/waste generated by the Company and its subsidiary is within the permissible limits specified by Central or State Pollution Control Board (CPCB/SPCB) for the financial year being reported.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no show cause/legal notices from CPCB/SPCB that are pending as at the end of the financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner:
1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company is a member of Federation of Telangana Chamber of Commerce and Industry (FTCCI), Telangana State, India.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No, we have not advocated/lobbied through the above mentioned association(s) for the advancement or improvement of public good.

Principle 8: Businesses should support inclusive growth and equitable development:
1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has adopted CSR Policy, the key areas of focus of CSR Policy are:

- (a) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (b) Ensuring environmental sustainability, ecological balance

BUSINESS RESPONSIBILITY REPORT (CONTD.)

- (c) Rural development projects
- (d) Ensuring environmental sustainability

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

The above-mentioned initiatives are implemented through its in-house team and through own Foundation named Krishna Foundation, registered public charitable trust.

3. Have you done any impact assessment of your initiative? No.
4. What is your company's direct contribution to community development projects-Amount in ₹ and the details of the projects undertaken:

The Company along with its subsidiary in India have spent an amount of ₹ 66.52 Lakhs on its CSR activities during financial year ended 31st March, 2022.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CSR model of the Company and its Subsidiary is well-integrated with its business strategy and has helped to bring about positive change in communities. The Company established Krishna Foundation along with its subsidiary to drive its CSR initiatives, which includes providing old age home facility to elderly group and said facility includes meals, gatherings, recreation activities, and basic health care etc., The Company also undertakes Plantation of Trees at Visakhapatnam towards promotion of Plantation and Social Forestry, for improving the quality of air.

Hyderabad
16th May, 2022

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner:
1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No complaints/consumer cases are pending as on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company and its subsidiary Companies displays product information on the product label as per the requirement of law.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case was filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out any formal consumer survey/consumer satisfaction trends. However, the Company keeps track of responses/comments from various stakeholders.

For and on behalf of the Board of Directors

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Sd/-
Ch. Manjula
Director
DIN: 01546339

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, 2022, 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, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity 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.

Aspects determined as KAM

1. Trade Receivables:

Trade receivables comprise almost half of the current assets and also form a sizeable component of the total assets of the company. Management's judgement in assessing their recoverability and estimating possible provision for any credit loss would involve consideration of facts from a multi-dimensional perspective like, among others, contractual terms, credit history of the customers, past payment patterns, any identifiable rejection possibilities and the like.

Audit Measures adopted to validate KAM included the following:

- Assessing the appropriateness in validation of certain overdue receivables basis the past payment history, current transactional issues and long-term binding contracts in place and correspondence with the customers.
- Testing the operational efficacy of relevant controls with respect to recognition and realizability of receivables and their application on a consistent basis.
- Undertook a substantive testing to ascertain any inconsistent realization patterns that would give rise to any impairment provisioning;

Basis the above stated measures, no significant exceptions were noted in valuation of trade receivables requiring any provision.

2. Contingent Liabilities and Disputed Liabilities:

The provisioning for contingent and disputed liabilities involves significant judgment to determine the possible outcome and their treatment in the books of accounts. These judgments could eventually lead to making an appropriate disclosure or might even require some provisioning to be made in the financial statements depending on whether an obligation requiring outflow of resources would arise in future or not.

As part of audit procedures, we sought the source documents as well as the correspondence and other material pertaining to each issue. We reviewed to validate the appropriateness of the management's judgment in arriving at a decision of disclosure / provision and see if they are adequate and comprehensive to the extent possible.

Emphasis of Matter

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing 6% of the eligible 7% dividend amounting to ₹ 459.83 Lakhs, receivable by them for the financial year 2021-22 as mentioned in Note 43 of Notes to Accounts.

INDEPENDENT AUDITORS' REPORT (CONTD.)

Our Opinion is not modified in respect of this matter.

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.

The Board of Directors is 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 scepticism 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.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- 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

- As required by Section 143(3) of the Act, based on our audit we report that:
 - 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.
 - 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.
 - 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.
- 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.
- On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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.
- 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.
- 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the

INDEPENDENT AUDITORS' REPORT (CONTD.)

- understanding whether recorded in writing or not that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- b. The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
- c. Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis- statement.
- v. In our opinion Company has complied with section 123 of the Companies Act, 2013 with respect to dividend declared/paid during the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Jampani & Associates**
Chartered Accountants
(Firm's Registration No. 016581S)

sd/-

Trinadha Rao Marisetty

Partner

(Membership No. 207990)

UDIN: 22207990AJSABQ7898

Place: Hyderabad

Date: 16th May, 2022

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, 2022 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.

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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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, 2022, 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
(Firm's Registration No. 016581S)

sd/-

Trinadha Rao Marisetty

Partner

(Membership No. 207990)

UDIN: 22207990AJSABQ7898

Place: Hyderabad

Date: 16th May, 2022

ANNEXURE 'B' 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)

3. i. In respect of the Company's fixed assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of verification to cover all the items of Property, Plant & Equipment 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 Property, Plant & Equipment 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 of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date.
 - (d) The company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.
 - (e) As per the information and explanations provided to us, no proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) The company has been sanctioned working capital limits in excess of Rupees five crore, in aggregate, from banks on the basis of security of current assets. Further, the quarterly returns or statements filed by the company with such banks are in agreement with books of account of the company.
- iii. (a) According to the information and explanations given to us, the Company has granted interest free unsecured loan and also Corporate Guarantee to its/on behalf of its Indian wholly owned subsidiary (WOS), in terms of the condition for sanctioning of Term loans by Banks to the WOS. While there is no fresh amount advanced during the year, 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 ₹ 951.59 Lakhs). While the original loan amount taken by WOS for which corporate guarantee was given was ₹ 4570 Lakhs, an amount of ₹ 3328.32 lakhs of the loans are outstanding as at the date of the balance sheet.
- (b) According to the information and explanations given to us, the terms and conditions of grant of the loans and guarantees provided are not prima facie prejudicial to the interests of the company.
- (c) As per the stipulation of the banks lending to WOS, the loan given by company to WOS cannot be withdrawn and guarantee will be in force till the loans taken from banks are repaid by WOS, which as per schedules of payment will last till 31-12-2028 and hence we are unable to offer any comment as required under this clause.
- (d) In view of aforesaid nature of the loans and guarantee, the comment as required under this clause is not pertinent.
- (e) As per the information provided and aforesaid nature of the loans and guarantee, no loan or advance in the nature of loans have been renewed or extended or fresh loans granted to settle overdues of existing loans given to same parties.
- (f) As mentioned herein, the repayment of the loan granted by the company to WOS is dependent on the closure of loans given to it by banks and hence no specific period of repayment is specified, the aggregate amount of which is ₹ 989 Lakhs (with an amortised value of ₹ 951.59 Lakhs) and which constitutes 100% of the total loans given by the company.
- 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 or amounts which are deemed to be deposits in terms of the directives

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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:

(b) Details of statutory dues referred to in sub-clause (a) which have not been deposited as at March 31, 2022 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
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 (₹ 14.68 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 (₹ 17.55 Lakhs deposited)

viii. According to the information and explanations provided to us, the Company has not surrendered or disclosed as income, during the year, any transactions not recorded in the books of account in tax assessments under the Income Tax Act, 1961.

ix. a. In our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. The Company has not declared as a wilful defaulter by any bank or financial institution or government or any government authority.

c. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

d. On an overall examination of the financial statements of the company, funds raised on short-term basis have, prima facie, not been used for long-term purposes by the company.

e. According to the information and explanations provided to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

f. According to the information and explanations provided to us and procedures performed by us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income Tax, sales tax, service tax, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities except in instances of payment of income taxes and there are no dues outstanding for a period of more than six months from the date they became payable as at March 31, 2022.

x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.

b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company

xi. a. 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 on the Company has been noticed or reported during the year.

b. To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. As represented to us, the Company has not received any whistle-blower complaints during the year.

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

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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. a. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the company issued till date for the period under audit.
- xv. In our opinion, 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 and hence reporting under clause 3 (xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. We continue to be statutory auditors of the Company since the previous year and have not resigned at any point during the year, hence reporting under clause 3 (xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Jampani & Associates**

Chartered Accountants
(Firm's Registration No. 016581S)

sd/-

Trinadha Rao Marisetty

Partner

Place: Hyderabad

Date: 16th, May 2022

Membership No. 207990

UDIN: 22207990AJSABQ7898

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2022

		₹ in Lakhs	
	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	37,520.88	36,393.81
(b) Capital work-in-progress	2	254.85	290.15
(c) Intangible Assets	2	0.39	0.18
		37,776.12	36,684.14
(d) Financial Assets			
(i) Investments	3	598.62	604.82
(ii) Loans	4	951.59	868.00
(e) Other non-current assets	5	1,112.52	798.11
		40,438.85	38,955.07
(2) Current assets			
(a) Inventories	6	14,997.95	17,753.37
(b) Financial Assets			
(i) Investments	7	100.40	-
(ii) Trade receivables	8	17,084.51	10,412.91
(iii) Cash and cash equivalents	9	11.34	11.42
(iv) Bank balances other than (iii) above	10	1,249.71	936.50
(v) Other financial assets	11	56.39	58.77
(c) Other current assets	12	2,825.36	2,230.29
(d) Assets classified as held for sale	13	190.00	-
		36,515.66	31,403.26
Total Assets		76,954.51	70,358.33
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	14	1,194.60	1,194.60
(b) Other Equity	15	20,421.88	13,948.53
		21,616.48	15,143.13
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	17,410.15	18,432.19
(ii) Lease liabilities	17	22.04	-
(b) Provisions	18	145.13	245.89
(c) Deferred tax liabilities (Net)	19	3,990.90	3,670.62
(d) Other Non-Current liabilities	20	1,523.76	3,338.22
		23,091.98	25,686.92
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	13,874.86	14,515.16
(ii) Trade payables			
- Due to MSME entities	22	0.18	20.56
- Other than MSME entities	22	14,332.36	12,051.66
(iii) Lease liabilities	23	15.96	-
(iv) Other financial liabilities	24	482.94	1,620.45
(b) Other current liabilities	25	2,089.76	995.13
(c) Provisions	26	20.31	44.42
(d) Current Tax Liabilities (Net)	27	1,429.68	280.90
		32,246.05	29,528.28
Total Equity and Liabilities		76,954.51	70,358.33

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date
 For **Jampani & Associates**
 Chartered Accountants
 Firm Registration No. 0165815

sd/-
Trinadha Rao Marisetty
 Partner
 Membership No. 207990

Place: Hyderabad
 Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-
Ch. Krishna Murthy
 Chairman & Managing Director
 DIN: 00030274

sd/-
P. Anjaneyulu
 Chief Financial Officer

Place: Hyderabad
 Date: 16th May, 2022

sd/-
Ch. Manjula
 Director
 DIN: 01546339

sd/-
Kishore Kathri
 Company Secretary & AGM-Legal

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDING 31ST MARCH, 2022

₹ in Lakhs

	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1 INCOME			
a. Revenue from Operations	28	90,668.70	57,310.23
b. Other Income	29	659.96	398.74
Total Income		91,328.66	57,708.97
2 EXPENSES			
a. Cost of Materials Consumed	30	35,272.59	23,426.26
b. Purchases of Stock-in-Trade		1,506.72	-
c. Cost of Consumables	31	13,459.85	7,375.91
d. Changes in Inventories of Finished Goods and Work-in-Progress	32	1,641.22	1,104.48
e. Employee Benefit Expenses	33	3,198.37	2,627.19
f. Finance Costs	34	2,452.00	2,472.93
g. Depreciation and Amortisation Expense	2	1,926.67	1,716.14
h. Power Cost	35	3,623.59	2,479.23
i. Manufacturing Expenses	36	8,137.37	6,655.66
j. Selling & Administrative Expenses	37	11,161.32	7,511.15
k. Corporate Social Responsibility Expenses	38	43.27	113.87
Total Expenses		82,422.97	55,482.81
3 Profit Before Tax		8,905.69	2,226.16
4 Tax Expense	39		
a. Current Tax		2,053.12	386.74
b. Tax pertaining to earlier years		(5.26)	(136.84)
c. MAT Reversal		-	785.86
d. Deferred Tax Prior Period		-	(1,328.51)
e. Deferred Tax		333.93	243.58
		2,381.79	(49.17)
5 Profit For the Period from Continuing Operations		6,523.90	2,275.33
6 Other Comprehensive Income		(54.68)	27.13
Less: Tax on above		(13.76)	6.83
7 Other Comprehensive Income (Net of Taxes)		(40.92)	20.30
8 Total Comprehensive Income for the Period (5+7)		6,482.98	2,295.63
9 Earnings Per Share			
Basic & Diluted (in ₹)		54.61	19.05
		(Annualised)	(Annualised)

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date
For **Jampani & Associates**
Chartered Accountants
Firm Registration No. 0165815

sd/-
Trinadha Rao Marisetty
Partner
Membership No. 207990

Place: Hyderabad
Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274

sd/-
P. Anjaneyulu
Chief Financial Officer

Place: Hyderabad
Date: 16th May, 2022

sd/-
Ch. Manjula
Director
DIN: 01546339

sd/-
Kishore Kathri
Company Secretary & AGM-Legal

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit before tax	8,905.69	2,226.16
Cash flows used in / from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	1,926.67	1,716.14
Profit on sale of investments	(3.64)	(0.77)
Profit on sale of property, plant and equipment	(0.50)	(13.98)
Interest income	(62.06)	(74.39)
Unwinding of interest income on interest free loan given to subsidiary	(83.58)	(76.24)
Interest expenses	2,108.42	2,194.17
Unwinding of interest expenses on loan from promoter directors	220.05	185.46
Unwinding of interest on interest free security deposits received from suppliers	5.18	(4.19)
Amortisation of processing fees of long term loans	5.85	7.70
Fair value (gain)/ loss on investments (net)	(1.21)	(7.19)
Obsolete stock provision	13.29	12.63
Other comprehensive income	(54.68)	27.13
Provision for bad/doubtful debts	-	15.90
Advances and bad debts written back (net)	-	36.74
Operating profit before working capital changes	12,979.48	6,245.27
Movement in working capital:		
(Increase)/Decrease in inventories	2,742.12	1,390.19
Increase/(Decrease) in trade receivables	(6,671.60)	(2,525.18)
(Increase) / Decrease in financial & non financial assets	(1,007.50)	255.17
(Decrease)/ Increase in trade payables	2,260.32	(648.52)
Increase/(Decrease) in financial & non financial liabilities & provisions	(703.46)	827.48
Cash generated from operations	9,599.36	5544.41
Income tax paid	(899.07)	(665.56)
Net cash flows used in / from operating activities (A)	8,700.29	4,878.85
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress	(3,326.47)	(4,011.70)
Proceeds from sale of property, plant and equipment	118.30	137.35
Investments in mutual funds	(151.52)	-
Proceeds from sale investments in mutual funds	162.57	60.20
Movement in Other Bank Balances	(313.21)	179.48
Interest received	62.06	74.39
Net cash flows used in / from investing activities (B)	(3,448.27)	(3,560.28)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net cash flows used in / from financing activities		
Increase/(Decrease) in long term borrowings	(805.77)	1,611.30
Increase/(Decrease) in short term borrowings	(1,044.46)	(971.09)
Interest paid	(2,108.42)	(2,194.17)
Dividend Paid	(1,293.45)	(119.46)
Net cash flows used in/from financing activities (C)	(5,252.10)	(1,673.42)
Net decrease in cash and cash equivalents (A+B+C)	(0.08)	(354.85)
Cash and cash equivalents at the beginning of the year	11.42	366.27
Cash and cash equivalents at the year end	11.34	11.42
Components of cash and cash equivalents:		
Cash on hand	4.22	3.39
Balances with banks	7.12	8.03
Total cash and cash equivalents	11.34	11.42

As per our report of even date
For **Jampani & Associates**
Chartered Accountants
Firm Registration No. 016581S

sd/-

Trinadha Rao Marisetty

Partner

Membership No. 207990

Place: Hyderabad

Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

sd/-

P. Anjaneyulu

Chief Financial Officer

Place: Hyderabad

Date: 16th May, 2022

sd/-

Ch. Manjula

Director

DIN: 01546339

sd/-

Kishore Kathri

Company Secretary & AGM-Legal

STATEMENTS OF CHANGES IN EQUITY OF STANDALONE FINANCIALS

AS AT 31ST MARCH, 2022

Note 14

a Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	Number of shares		₹ in Lakhs	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Balance as at the beginning of the year	1,19,46,020	1,19,46,020	1,194.60	1,194.60
Changes in share capital during the year	-	-	-	-
Balance as at the end of the year	1,19,46,020	1,19,46,020	1,194.60	1,194.60

Note 15

b. Other Equity

For the year ended 31st March, 2022

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortisation of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at 1st April, 2021	0.86	659.07	12,276.38	1,036.88	(24.66)	13,948.53
Add/(less) Profit for the year (Net of Taxes)			6,523.90			6,523.90
Add/(less) Changes during the year (net)				109.93		109.93
Add/(less) Other Comprehensive Income for the year (net of taxes)					(41.02)	(41.02)
Less: Dividend			119.46			119.46
Less: Corporate dividend tax						-
Less: Transfer to general reserve						-
Balance as at 31st March, 2022	0.86	659.07	18,680.82	1,146.81	(65.68)	20,421.88

For the period ended 31st March, 2021

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortisation of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at 1st April, 2020	0.86	659.07	10,120.52	768.04	(44.96)	11,503.53
Add/(less) Profit for the year (Net of Taxes)			2,275.32			2,275.32
Add/(less) Changes during the year (net)				268.84		268.84
Add/(less) Other Comprehensive Income for the year (net of taxes)					20.30	20.30
Less: Dividend			119.46			119.46
Less: Corporate dividend tax						-
Less :Transfer to general reserve						-
Balance as at 31st March, 2021	0.86	659.07	12,276.38	1,036.88	(24.66)	13,948.53

As per our report of even date
 For **Jampani & Associates**
 Chartered Accountants
 Firm Registration No. 016581S

sd/-
Trinadha Rao Marisetty
 Partner
 Membership No. 207990

Place: Hyderabad
 Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-
Ch. Krishna Murthy
 Chairman & Managing Director
 DIN: 00030274

sd/-
P. Anjaneyulu
 Chief Financial Officer

Place: Hyderabad
 Date: 16th May, 2022

sd/-
Ch. Manjula
 Director
 DIN: 01546339

sd/-
Kishore Kathri
 Company Secretary & AGM-Legal

BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

a) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 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 Indian Rupees (₹), which is the Company's functional currency and all values are rounded to the nearest Lakh, except otherwise indicated.

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 of time, the actual results could differ from these estimates.

Critical estimates and judgments in applying accounting policies

Estimates and judgments made in applying accounting policies that have significant effect on the amounts recognised 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.

B. Significant Accounting Policies

a) 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 capitalisation in the case of assets involving material investment and substantial lead time.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

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.

b) 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 amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised 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, if any, is recognised in profit or loss as incurred. Expenditure on development activities, if any, is capitalised 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.

c) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful

life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet.

d) 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.

e) Financial Instruments

Financial instruments are classified as:

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

All financial instruments are recognised 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) Amortised Cost

A financial asset shall be measured at amortised 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 amortised 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 recognised in Profit and Loss account as incurred.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

f) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- (iii) Hedges of a net investment in a foreign operation.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term

of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or nonfinancial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

g) 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 recognised 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

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.

h) Inventories

Inventories are valued at lower of cost, determined on First-in-First-Out (FIFO) basis, or net realisable 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 realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Revenue Recognition

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

The Company recognises revenue in accordance with Ind AS115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognise revenue to depict the transfer of control 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.

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 recognised 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.

j) Provisions

Provisions are recognised 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.

k) Borrowing Costs

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

l) Employee Benefits

The Company's contribution to Provident and Pension fund for the employees is covered under defined contribution plan and is recognised 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 recognised 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 categorised as follows:

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

The Company presents the first two components of defined benefit costs in profit 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 recognised in other comprehensive income, net of income tax.

Other long-term employee benefits 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 recognised in statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

m) 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 recognised 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.

n) 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, with the weighted average number of equity shares considered for deriving basic earnings per share.

o) 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.

p) Taxes on Income

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to items directly recognised 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 recognised amounts and where it intends either to settle on a net basis or to realise the asset and liability simultaneously.

ii. Deferred income tax

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

	Tangible Assets										Total	Intangible Assets	
													Computer Software
	Freehold land	Buildings - Factory	Lease hold Building	Plant and equipment	Lab equipment	R & D equipment	Office equipment	Data Processing Equipment	Furniture and Fixtures	Vehicles			
Cost													
At April 1, 2020	1,087.25	9,074.26	357.23	35,892.12	176.95	354.69	212.03	64.14	179.01	418.70	-	47,816.38	17.07
Additions	-	791.87	-	5,707.96	-	-	30.61	21.81	20.49	190.61	-	6,763.35	-
Disposals/discard	(7.70)	-	-	(291.74)	-	-	-	-	-	-	-	(299.44)	-
31st March, 2021	1,079.55	9,866.13	357.23	41,308.34	176.95	354.69	242.64	85.95	199.50	609.31	-	54,280.29	17.07
Additions	-	824.14	-	2,385.02	(48.93)	(354.69)	30.60	12.02	0.73	61.86	47.88	3,362.25	0.27
Disposals/discard	-	(31.93)	-	(232.63)	-	-	(6.57)	(8.11)	(15.89)	(4.97)	-	(703.72)	-
Re-classified to assets held for sale	(190.00)	-	-	-	-	-	-	-	-	-	-	(190.00)	-
31st March, 2022	889.55	10,658.34	357.23	43,460.73	128.02	-	266.68	89.87	184.34	666.20	47.88	56,748.82	17.34
Depreciation													
At April 1, 2020	-	3,258.72	73.95	11,913.05	135.93	347.36	127.46	57.66	95.83	287.52	-	16,297.48	16.89
Charge for the year	-	315.40	37.72	1,269.37	10.59	-	34.66	4.88	11.57	31.95	-	1,716.14	-
Disposals/discard	-	-	-	(127.14)	-	-	-	-	-	-	-	(127.14)	-
31st March, 2021	-	3,574.12	111.67	13,055.28	146.52	347.36	162.12	62.54	107.40	319.47	-	17,886.48	16.89
Charge for the year	-	296.37	37.72	1,459.78	7.85	0.00	37.92	10.12	12.65	53.50	10.70	1,926.61	0.06
Disposals/discard	-	(15.26)	-	(140.19)	(48.74)	(347.36)	(6.54)	(8.04)	(15.23)	(3.78)	-	(585.15)	-
31st March, 2022	-	3,855.23	149.39	14,374.87	105.63	-	193.50	64.62	104.82	369.19	10.70	19,227.94	16.95
Net Block													
At 31st March, 2021	1,079.55	6,292.01	245.56	28,253.06	30.43	7.33	80.52	23.42	92.09	289.84	-	36,393.81	0.18
At 31st March, 2022	889.55	6,803.11	207.84	29,085.86	22.39	-	73.18	25.25	79.52	297.00	37.18	37,520.88	0.39

Capital work in progress

	As on 31st March, 2022					As on 31st March, 2021	
						Project I	
	Project I	Project II	Project III	Project IV	Project V	Total	Project I
Capital Work in Progress (Civil Works)							
Capital Work in Progress at the beginning of the reporting period	15.27	-	-	-	-	15.27	71.41
Add: Additions during the year	92.22	146.90	554.87	40.39	14.88	849.26	270.10
Less: Capitalised during the year	75.50	146.90	554.87	26.82	14.88	818.97	326.24
Capital Work in Progress at the end of the reporting period (Civil Works)	31.99	-	-	13.57	-	45.56	15.27
Capital Work in Progress (Plant & Machinery)							
Capital Work in Progress at the beginning of the reporting period	274.88	-	-	-	-	274.88	357.72
Add: Additions during the year	571.67	376.97	976.35	242.84	-	2,167.83	556.89
Less: Capitalised during the year	637.26	376.97	976.35	242.84	-	2,233.42	639.73
Capital Work in Progress at the end of the reporting period (Plant & Machinery)	209.29	-	-	-	-	209.29	274.88
Total Capital Work in Progress at end of the reporting period						254.85	290.15

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

Capital work-in-progress ageing schedule for the year ending 31st March, 2022 & 31st March, 2021

₹ in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
As on 31st March, 2022					
Projects in Process	254.85				254.85
Projects temporarily suspended	-	-	-	-	-
As on 31st March, 2021					
Projects in Process	290.15	-	-	-	290.15
Projects temporarily suspended	-	-	-	-	-

NOTE 3 NON CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ in Lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Non Trade Investments - Unquoted (At Cost)		
Investment in Equity Instruments of Subsidiary Companies		
a. 8,72,74,950 (8,72,74,950) Equity Shares of face value of ₹ 10/- each in Vishnu Barium Private Limited *	188.00	188.00
b. Amortisation Cost of Interest Free Advance given to Subsidiary	388.08	388.08
c. 1,000 (1,000) Equity Shares of 1 Rand /- each in Vishnu South Africa Pty Limited	0.05	0.05
2. Non Trade Investments - Unquoted (At Fair Value)		
a. Equity Shares in Koganti Power Limited 60,000 (60,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 6,00,000 (₹ 6,00,000)-Net of impairment recognised.	0.00	0.00
b. Equity Shares in Sireen Drugs Private Limited 1,000 (1,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 10,000 (₹10,000) - Net of impairment recognised.	0.00	0.00
3. Investments in Mutual Funds - Quoted (At fair value)		
a. LMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,900 (49,990) Units, Cost ₹ 5,00,000 (₹ 5,00,000)	8.01	6.53
b. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹ 6,35,373 (₹ 6,35,373)	9.00	8.41
c. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units, Cost ₹ 1,99,990 (₹ 1,99,990)	2.64	2.48
d. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹ 2,00,000 (₹ 2,00,000)	2.84	2.57
e. SBI Life Smart Wealth Builder - Nil (45,085.23) Units, Cost ₹ Nil (₹ 7,00,000)	-	8.70
	598.62	604.82

Disclosures:

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Aggregate amount of quoted investments at cost	15.35	22.35
Aggregate amount of market value of quoted investments	22.49	28.69
Aggregate amount of unquoted investments *	576.13	576.13
Aggregate amount of impairment in value of investments	6.10	6.10

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 4 NON CURRENT FINANCIAL ASSETS - LOANS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good:		
Loan to Subsidiary (at amortised cost)	951.59	868.00
	951.59	868.00

NOTE 5 OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Capital Advances	337.80	218.28
b. Deposits	584.53	579.83
c. CSR Expenses - Excess spent	190.19	-
	1,112.52	798.11

NOTE 6 INVENTORIES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Valued at Cost or Net Realisable Value, whichever is lower		
a. Raw Materials	2,891.17	4,195.87
b. Work-in-progress	2,649.79	3,409.87
c. Finished Goods	7,336.46	8,217.61
d. Stores, Spares & Packing	2,165.08	1,961.28
Provision for obsolescence of non-moving stores	(44.55)	(31.26)
	2,120.53	1,930.02
	14,997.95	17,753.37

NOTE 7 CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. UBI-Union Corporate Bond Fund Regular plan - 8,02,715 (Nil) Units, Cost ₹ 1,00,00,000 (₹ Nil)	100.40	-
	100.40	-

Disclosures:

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Aggregate amount of quoted investments at cost	100.00	-
Aggregate amount of market value of quoted investments	100.40	-

Investment in UBI - Union corporate bond fund - regular plan (8,02,715) units is under lien with union bank of india against BG/LC issued

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 8 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Trade Receivables Considered Good; secured	-	-
b. Trade Receivables Considered Good; Unsecured	17,084.51	10,412.91
c. Trade Receivables which have significant increase in credit risk	-	-
d. Trade Receivables - Credit impaired	-	-
Less: Allowance for expected credit losses	-	-
	17,084.51	10,412.91

Trade receivables ageing schedule as at 31st March, 2022

₹ in Lakhs

	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months*	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Undisputed trade receivables						
a. Considered good	16,867.35	81.10	79.94	-	56.12	17,084.51
b. which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

Trade receivables ageing schedule as at 31st March, 2021

₹ in Lakhs

	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months*	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Undisputed trade receivables						
a. Considered good	9,895.35	478.41	11.84	27.31	-	10,412.91
b. which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

*Includes amounts not yet due for payment

NOTE 9 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Cash on Hand	4.22	3.39
b. Cheques, drafts on hand	-	-
c. Balances with Banks	7.12	8.03
d. Others	-	-
	11.34	11.42

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 10 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Other Bank Balances		
a. Margin Money Deposit in Banks against LCs & BGs	1,239.71	923.97
b. Unpaid Dividend Accounts	10.00	12.53
c. Bank deposits with original maturity more than 3 months but less than 12 months	-	-
	1,249.71	936.50

NOTE 11 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Salary and other Advances recoverable in cash or kind	28.92	27.35
b. Interest Receivable	27.47	31.30
c. Derivative Financial Instruments - Asset	-	0.12
	56.39	58.77

NOTE 12 OTHER CURRENT ASSETS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Advances to Suppliers	1,556.09	1,134.46
b. Balances with Government Authorities	672.73	1,021.15
c. Prepaid Expenses	506.49	74.68
d. CSR Expenses - Excess spent	90.05	-
	2,825.36	2,230.29

NOTE 13 ASSETS CLASSIFIED AS HELD FOR SALE

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Assets classified as held for sale	190.00	-
	190.00	-

Disclosures:

The Company intends to dispose off freehold land, it no longer utilises in the next 12 months. No impairment loss have been recognised on reclassification of such assets as held for sale, as the Company expects that the fair value less costs to sell is higher than the related carrying value.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 14 EQUITY SHARE CAPITAL

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Authorised Share Capital		
1,50,00,000 of equity shares of ₹10 par value	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, Subscribed and Fully Paid-up Capital		
At the beginning of the year		
1,19,46,020 of equity shares of ₹10 par value	1,194.60	1,194.60
At the end of the year		
1,19,46,020 of equity shares of ₹10 par value	1,194.60	1,194.60
	1,194.60	1,194.60

Disclosures:

- 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.
- Names of shareholders holding more than 5% of the Share capital and their shareholding.

EQUITY SHARES

	As at 31st March, 2022	As at 31st March, 2021
1 Sri. Ch. Krishna Murthy - No. of Shares	62,19,790	62,19,790
- % held	52.07%	52.07%
2 Smt. Ch. Manjula - No. of Shares	16,14,048	16,14,048
- % held	13.51%	13.51%
3 Sri. Ch. Siddartha - No. of Shares	11,25,668	11,25,668
- % held	9.42%	9.42%

3. **Promoters' Shareholding**

Shares held by Promoters at the end of the year				% change during the year
S. No.	Name of the promoter	No of shares	% of total shares	
1	Sri. Ch. Krishna Murthy	6,219,790	52.07%	Nil
2	Smt. Ch. Manjula	1,614,048	13.51%	Nil
3	Sri. Ch. Siddartha	1,125,668	9.42%	Nil

NOTE 16 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
A. Secured:		
1. Term Loans:		
From Banks	6,933.56	7,281.80
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	113.05	164.46
B. Unsecured:		
1. Loans and Advances from Related Parties:		
Loans from promoter directors (at amortised cost)	2,699.79	2,231.33
Loan from Subsidiary	-	989.00
2. Cumulative Redeemable Preference Shares	7,663.75	7,663.75
7,66,37,500, 7% cumulative redeemable preference shares of ₹ 10 each		
3 Inter Corporate Deposits	-	101.85
	17,410.15	18,432.19

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
Disclosures:
A. Secured
(i) Term Loans from Banks

S. No.	Name of the Lender	Period of maturity	Loan amount outstanding	No. of instalments outstanding	Rate of Interest	Overdue amount and period	Security
1	State Bank of India (FCTL)	Nov-2023	1,460.71	7	SOFR Plus 3% p.a.	-	Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, 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 promoter directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2	Union Bank of India (TL-III)	Feb-2024	500.78	8	1 Yr MCLR Plus 3% p.a.	-	
3	Union Bank of India (e-AB - FCTL)	Mar-2024	1,281.84	8	SOFR Plus 3.31% p.a.	-	
4	Union Bank of India (FCTL)	Feb-2024	862.42	8	SOFR Plus 3.31% p.a.	-	
5	State Bank of India (ECLGS 2.0)	Jan-2026	1,447.39	46	6 Months MCLR Plus 1% p.a.	-	
6	State Bank of India (ECLGS 2.0 Ext)	Nov-2027	875.87	48	6 Months MCLR Plus 1% p.a.	-	
7	Union Bank of India (ECLGS 2.0)	Nov-2025	1,342.58	44	1 Yr MCLR Plus 0.60% p.a.	-	
8	Union Bank of India (ECLGS 2.0 Ext)	Nov-2027	1,328.00	48	1 Yr MCLR Plus 0.60% p.a.	-	
9	Indian Overseas Bank (ECLGS 2.0)	Dec-2025	445.31	45	1 Yr MCLR Plus 1% p.a.	-	
10	Indian Overseas Bank (ECLGS 2.0 Ext)	Nov-2027	237.00	48	1 Yr MCLR Plus 1% p.a.	-	

(ii) Hire Purchase Loans

The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March, 2022 is ₹ 229.66 Lakhs (31st March, 2021: ₹ 210.62 Lakhs). The Company had capitalised the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

	₹ in Lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Minimum Lease Payments outstanding		
Within one Year	126.91	105.74
Later than one year and not later than five years	116.37	176.23
Future Interest on outstanding Lease payments		
Within one Year	15.76	17.06
Later than one year and not later than five years	3.31	11.77
Present Value of Minimum Lease Payments		
Within one Year	111.15	88.67
Later than one year and not later than five years	113.05	164.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

B) Unsecured Loans:

1 Loans from Promoter Directors:

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

2 Loan from Subsidiary

The loan from Subsidiary carries Interest rate of 7% (7%) per annum.

C) Cumulative Redeemable Preference Shares

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 31st March, 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 dividend @ 1% has provided amounting ₹ 76,63,750/- and preference shareholders has given their consent to forego 6% preference dividend amounting ₹ 4,59,82,500/- for the financial year 2021-22

S. No.	Name of Shareholder	As at	
		31st March, 2022	31st March, 2021
1	Sri. Ch. Krishna Murthy - No of Shares	7,11,21,750	7,11,21,750
	- % held	92.80	92.80
2	Smt. Ch. Manjula - No of Shares	52,71,250	52,71,250
	- % held	6.88	6.88
3	Sri. Ch. Siddartha - No of Shares	2,44,500	2,44,500
	- % held	0.32	0.32

NOTE 17 LEASE LIABILITIES

₹ in Lakhs

	As at	
	31st March, 2022	31st March, 2021
a. Lease liabilities on ROU assets	22.04	-
	22.04	-

NOTE 18 NON-CURRENT PROVISIONS

₹ in Lakhs

	As at	
	31st March, 2022	31st March, 2021
Provision for Employee Benefits (Net of Fund Assets)	145.13	245.89
	145.13	245.89

NOTE 19 DEFERRED TAX LIABILITIES (NET)

₹ in Lakhs

	As at	
	31st March, 2022	31st March, 2021
1. Deferred Tax Liability		
Property, Plant and Equipment	4,051.74	3,750.08
2. Deferred Tax Assets		
Provisions allowable on payment basis	60.84	79.46
Net Deferred Tax Liability	3,990.90	3,670.62

Disclosures:

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Income Taxes" (IND AS 12) issued by the institute of Chartered Accountants of India. The details of deferred tax assets and liabilities of the Company as on the date of Balance Sheet are as given above:

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

The gross movement in the deferred income tax account for the financial years ended 31st March, 2022 and 31st March, 2021 is as follows

	As at 31st March, 2022	As at 31st March, 2021
		₹ in Lakhs
a. Net deferred tax liability at the beginning	3,670.62	3,962.86
b. Accelerated depreciation for the tax purposes	297.57	228.67
c. Provisions allowable on payment basis	36.47	14.91
d. Temporary differences on their comprehensive income	(13.76)	6.83
e. Deferred tax liability (net) reversal due to new tax rate adoption	-	(1,328.51)
f. MAT credit entitlement	-	785.86
g. Net deferred tax liability at the end	3990.90	3670.62

NOTE 20 OTHER NON-CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
		₹ in Lakhs
Security Deposits	1,523.76	3,338.22
	1,523.76	3,338.22

NOTE 21 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31st March, 2022	As at 31st March, 2021
		₹ in Lakhs
A. Secured:		
a. Working capital - Cash Credit	10,584.20	11,080.60
B. Unsecured:		
a. Loans from Promoter Directors	6.13	160.15
b. Loan from Subsidiary	-	200.00
c. Inter Corporate Loans	329.01	327.55
d. Other Short Term obligations	-	195.51
Current maturities of long term debt	2,844.37	2,462.68
Current maturities of finance lease obligations	111.15	88.67
	13,874.86	14,515.16

Disclosures:
A) Secured Loans:

1 The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+2.75% to +5.00%. The rate of Interest on convertible FCNRB demand loan ranges from Libor+2.50% to 4.75% per annum.

2 Interest rate for the Bill Discounting facility ranges from 6.65% to 7.50%

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 promoter directors have extended their personal assets as securities i.e. land, plots, buildings and shares etc.,

4 Guarantees:

All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Trade payables - Due to Micro Small and Medium Enterprises	0.18	20.56
Trade payables - Other than Micro Small and Medium Enterprises	14,250.02	12,011.94
Trade payables - Related parties	82.34	39.72
	14,332.54	12,072.22

Disclosures:

The principal amount remaining unpaid as at 31st March, 2022 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 0.09 Lakhs (31st March, 2021 ₹ 16.24 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 0.08 Lakhs (31st March, 2021 ₹ 4.32 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.

Trade Payables ageing schedule as at 31st March, 2022

₹ in Lakhs

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade payables					
a. MSME	-	-	0.18	-	0.18
b. Others	13,782.47	542.18	7.71	-	14,332.36
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule as at 31st March, 2021

₹ in Lakhs

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade payables					
a. MSME	-	20.56	-	-	20.56
b. Others	11,732.57	310.43	6.59	2.07	12,051.66
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

*Includes amounts not yet due for payment

NOTE 23 LEASE LIABILITIES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Lease liabilities on ROU assets	15.96	-
	15.96	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 24 OTHER CURRENT FINANCIAL LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Cumulative Unpaid Preference Dividend	76.64	332.50
Dividend Distribution Tax on Preference Dividend	-	676.61
Interest on Dividend Distribution Tax Payable	-	238.99
Interest Payable to Subsidiary	356.93	314.67
Interest Payable to others	0.49	-
Unclaimed dividends	10.00	12.53
Derivative Liability	38.88	45.15
	482.94	1,620.45

₹ in Lakhs

NOTE 25 OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Advance from Customers	1,063.46	228.32
Advance from Subsidiary against Sales	196.87	73.83
Creditors for Capital Expenditure	200.24	213.35
Capital Advances Received (Against Sale of Assets)	410.00	210.00
Advance from others	3.52	3.76
Statutory dues Payable	215.67	265.87
	2,089.76	995.13

₹ in Lakhs

NOTE 26 CURRENT PROVISIONS

	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Net of Fund Assets)	20.31	44.42
	20.31	44.42

₹ in Lakhs

NOTE 27 CURRENT TAX LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Provision for Income Tax		
Provision for Tax (Net of TDS)	1,429.68	280.90
	1,429.68	280.90

₹ in Lakhs

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 28 REVENUE FROM OPERATIONS

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Sale of Products	90,446.40	56,757.82
2. Other Operating Revenues		
a. Sale of Scrap	158.22	138.44
b. Testing Charges	44.25	53.49
c. Export Incentives	19.83	360.48
	222.30	552.41
	90,668.70	57,310.23

NOTE 29 OTHER INCOME

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Interest Income		
a. Interest Income on bank and other deposits	62.06	74.39
b. Amortised Interest on Deposits/Loans	201.93	166.03
2. Other Non-Operating Income		
a. Insurance Claim Received	17.53	12.72
b. Profit on Sale of Investments	3.64	0.77
c. Net Gain on Foreign Currency Translation and Transactions	243.79	-
d. Other Income	129.30	123.66
e. Fair value gain / (Loss) on Investments	1.21	7.19
f. Profit on Sale of property, plant and equipment	0.50	13.98
	659.96	398.74

NOTE 30 COST OF MATERIAL CONSUMED

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Stock	4,195.87	4,790.75
Add: Purchase	33,967.89	22,831.38
Total	38,163.76	27,622.13
Less: Closing Stock	2,891.17	4,195.87
	35,272.59	23,426.26

NOTE 31 COST OF CONSUMABLES

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Consumption of Petcoke	2,971.32	1,313.65
Consumption of Furnace Oil	3,438.56	2,384.68
Consumption of Husk	655.12	451.40
Consumption of Coal	5,682.27	2,681.44
Consumption of LDO/Kerosene/Diesel	712.58	544.74
	13,459.85	7,375.91

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Finished Goods		
a. Opening Stock:	8,217.61	9,439.46
b. Closing Stock:	7,336.46	8,217.61
	881.15	1,221.85
2. Work-in-progress		
a. Opening Stock:	3,409.87	3,292.50
b. Closing Stock:	2,649.79	3,409.87
	760.08	(117.37)
Total Decrease / (Increase)	1,641.22	1,104.48

NOTE 33 EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries & Wages	2,848.01	2,282.68
Contribution to Provident and Other Funds	178.58	155.75
Staff Welfare Expenses	171.78	188.76
	3,198.37	2,627.19

NOTE 34 FINANCE COSTS

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Expense	1,458.63	1,754.01
Interest on Others	235.14	211.31
Unwinding of Interest/Discount on Financial Instruments	343.58	271.06
Other Borrowing Costs	338.01	236.55
Preference Dividend	76.64	-
	2,452.00	2,472.93

NOTE 35 POWER COST

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Power Charges	3,623.59	2,479.23
	3,623.59	2,479.23

NOTE 36 MANUFACTURING EXPENSES

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Equipment Hire Charges	693.40	640.66
Consumption of Stores & Spares	1,642.86	1,629.18
Repairs & Maintenance - Buildings	221.36	113.01
Repairs & Maintenance - P & M	802.38	664.80
Labour costs	1,416.06	717.51
Factory/Godown Maintenance	608.39	424.51
Effluent Disposal Expenses	2,061.48	1,810.51
Goods Movement Charges	691.44	655.48
	8,137.37	6,655.66

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 37 SELLING & ADMINISTRATIVE EXPENSES

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Labour costs	43.22	29.22
Insurance	280.81	253.10
Packing Charges	2,362.38	1,705.09
Shipping & forwarding Charges	6,069.06	3,389.98
Other Selling Cost	360.03	313.00
Rent	719.31	735.78
Rates & Taxes	121.41	97.75
Bank Charges	125.09	113.93
Net Loss on Foreign Currency Transaction & Translation	-	119.39
Travelling, Vehicle Maintenance & Conveyance	338.97	194.19
Professional & Consultancy Charges	284.58	207.91
Security Charges	89.11	79.03
Miscellaneous Expenses	367.35	272.78
	11,161.32	7,511.15

Disclosures:

Payment to statutory auditors

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
The details of payment to statutory auditors included in Professional & Consultancy charges above, are given below		
a. As an auditor - Statutory audit fee	13.50	11.50
b. For taxation matters & Tax audit fee	4.25	2.50
c. For company law matters	-	-
d. For other services	3.60	2.60
e. For reimbursement of expenses	-	-
	21.35	16.60

NOTE 38 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
CSR Expenses	43.27	113.87
	43.27	113.87
a. Gross amount required to be spent by the Company during the year	43.27	35.51
b. Amount Spent during the year on the above	43.27	113.87
c. Shortfall at the end of the year	-	-
d. Total of previous year shortfall	-	-
e. Reason for shortfall	Not Applicable	Not Applicable
f. Nature of CSR activities	* note below	* note below
g. Details of related party transactions	-	-
Contribution to a trust controlled by the Company in relation to Company	322.86	113.00
(i) Applicable for the current year	43.27	-
(ii) Excess amount contributed for future setoff	280.24	-
h. where a provision is made with respect to liability incurred-movement in the provision needs to be disclosed separately	-	-

*** Note:**

Construction of old-age home through Krishna Foundation, a registered public charitable Trust

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

NOTE 39 TAX EXPENSES

	₹ in Lakhs	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Current tax	2053.12	386.74
b. Tax pertaining to earlier period	(5.26)	(136.84)
c. MAT reversal	-	785.86
d. Deferred tax prior period	-	(1,328.51)
e. Deferred tax	333.93	243.58
	2,381.79	(49.17)

NOTE 40 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

	₹ in Lakhs	
	As on 31st March, 2022	As on 31st March, 2021
Contingent Liabilities:		
a. Claims against company not acknowledged as debt		
I. Claims arising from disputes not acknowledged as debts-Sales Tax Act (against which Pre-deposit of ₹ 146.79 Lakhs made (P.Y. Pre-deposit ₹ 146.79 Lakhs)	187.51	187.51
II. Claims arising from disputes not acknowledged as debts-Service Tax (against which Pre-deposit of ₹ 17.55 Lakhs made (P.Y. Pre-deposit ₹ 17.55 Lakhs)	652.62	652.62
Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	143.51	289.30

NOTE 41 SEGMENT REPORTING:

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

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

	₹ in Lakhs	
Geographic Location	2021-22	2020-21
Domestic	47,194.47	28,760.21
Overseas	43,251.93	27,997.61

Details of Non-Current Assets

	₹ in Lakhs	
Geographic Location	As on 31st March, 2022	As on 31st March, 2021
Domestic	38,888.64	37,482.25
Overseas	-	-

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 42 RELATED PARTY DISCLOSURES:

a) Details of Related Parties:

SI No	Name of the Related Party	Nature of Relationship
1	Mr. Ch. Krishna Murthy	Chairman and Managing Director, Key Managerial Personnel
2	Mrs. Ch. Manjula	Non-Executive Director
3	Mr. Ch. Siddartha	Joint Managing Director, Key Managerial Personnel
4	Mr. P. Anjaneyulu	Chief Financial Officer, Key Managerial Personnel
5	Mr. Kishore Kathri	Company Secretary, Key Managerial Personnel
6	Mr. Pradip Saha	Independent Director (retired on 9th November, 2021)
7	Mr. Tirthankar Mitra	Independent Director
8	Mr. Chetan Shah	Independent Director
9	Mr. T.S Appa Rao	Independent Director (retired on 28th June, 2020)
10	Mr. S. Saranathan	Independent Director (retired on 2nd February, 2021)
11	Mr. V. Vimalanand	Independent Director (appointed on 31st December, 2021)
12	M/s. Vasantha Transport Corporation	Concern in which Key Managerial Personnel is interested
13	M/s. K.M.S. Infrastructure Private Limited	Concern in which Key Managerial Personnel are interested
14	M/s. Vishnu Life Sciences Limited	Concern in which Key Managerial Personnel is interested
15	M/s. Vishnu Barium Private Limited	Wholly Owned Subsidiary
16	M/s. Vishnu South Africa (Pty) Limited	Wholly Owned Subsidiary
17	M/s. Krishna Foundation	Trust in which directors are Trustees and the company is the settlor

b) Details of Transactions:

₹ in Lakhs

Nature of Transaction	Key Managerial Personnel		Subsidiary		Concerns in which Key Managerial Personnel are Interested	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Particulars						
Expenses						
Remuneration	189.48	157.18	-	-	-	-
Rent	72.24	49.47	-	-	10.00	19.50
Maintenance Charges	-	-	-	-	-	8.76
Transportation Charges	-	-	-	-	1946.24	2152.44
Purchases	-	-	1006.24	372.79	225.82	-
Sales	-	-	129.56	241.79	111.73	-
Hire Charges	4.80	4.80	-	-	119.25	112.40
Interest Expense	-	-	46.96	128.31	-	-
Contract Service Charges	-	-	-	-	-	37.58
Income						
Interest Income recognised by way of amortisation on Loan given to Subsidiary	-	-	83.58	76.24	-	-
Rental Income	-	-	-	-	-	-
Management Services rendered	-	-	120.00	120.00	-	-
Receipts & Payments, Payables & Receivables Outstanding at year end						
Unsecured Loan from Promoter Directors during the year (net)	208.28	35.00	-	-	-	-
Unsecured Loans from Promoter Directors outstanding at year end	3015.13	2810.80	-	-	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

₹ in Lakhs

Nature of Transaction	Key Managerial Personnel		Subsidiary		Concerns in which Key Managerial Personnel are Interested	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Loan to Subsidiary (at amortised cost)	-	-	951.59	868.00	-	-
Advances from Subsidiary against sales	-	-	196.87	73.83	-	-
Loan from subsidiary	-	-	-	1189.00	-	-
Interest payable on Loan	-	-	356.93	314.67	-	-
Payables to KMP and Concerns in which KMP are interested.	16.31	13.38	-	-	66.04	28.38

Note: The details of the transactions during the year as reported above are net of GST, where applicable.

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management personnel is not ascertainable and, therefore, not included above.

During the year, the company has paid directors sitting fees to Non-executive director and Independent directors as under:

Sl. No.	Director Name	2021-22	2020-21
1	Mrs. Ch. Manjula	1.00	0.60
2	Mr. Pradip Saha	1.40	1.60
3	Mr. Tirthankar Mitra	2.00	1.00
4	Mr. Chetan Shah	2.00	0.20
5	Mr. T.S.Appa Rao	-	0.40
6	Mr. S. Saranathan	-	0.20
7	Mr. V. Vimalanand	0.60	-
	Total	7.00	4.00

An amount of ₹ 322.86 Lakhs (Previous Year: ₹ 113.00 Lakhs) has been contributed to Krishna Foundation during the year towards Corporate Social Responsibility.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

NOTE 43 The paid-up share capital of the Company as on financial year ended 31st March, 2022 and financial year ended 31st March, 2021 is ₹ 8,858.35 Lakhs 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 Public Shareholding in equity capital as on 31st March, 2022 and as on 31st March, 2021 is 25%.

The preference shareholders have given their consent to forego 6% preference dividend of the eligible 7% preference dividend amounting ₹ 459.83 Lakhs for the financial year 2021-22 and Preference shareholders forego 7% preference dividend amounting ₹ 536.46 Lakhs for the financial year 2020-21

NOTE 44 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 and Loss

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

₹ in Lakhs

Particulars	2021-22	2020-21
Contribution to Provident Fund	98.01	85.38
Contribution to Employee State Insurance	3.02	7.51

2. Defined benefit plans as per actuarial valuation as on 31st March, 2022

₹ in Lakhs

		Gratuity	Gratuity
		(Funded)	(Funded)
		2021-22	2020-21
1	Assumptions		
	Discount Rate	7.14%	6.57%
	Salary Escalation	3.00%	3.00%
2	Reconciliation of opening and closing balances of Defined Benefit obligation		
	Present value of obligations at beginning of year	375.87	379.09
	Interest Cost	23.85	24.10
	Current Service Cost	35.57	34.34
	Benefits Paid	(29.83)	(36.29)
	Actuarial (gain)/ loss on obligation	55.79	(25.37)
	Present Value of obligation at end of year	461.24	375.87
3	Reconciliation of opening and closing balances of fair value of plan assets		
	Opening fair value of plan asset	118.12	56.81
	Adjustment to opening Fair Value of Plan Asset	(1.91)	(2.37)
	Return on Plan Assets excl. interest income	1.11	1.76
	Interest Income	7.95	3.74
	Contributions by Employer	145.00	94.47
	Benefits paid	(29.83)	(36.29)
	Fair Value of plan Assets at end	240.44	118.12
4	Net defined benefit asset/ (liability) recognised in the balance sheet		
	Present value of defined benefit obligation	461.24	375.87
	Fair Value of plan Assets at end of period	240.44	118.12
	Net Asset/(liability) recognised in the balance sheet.	(220.80)	(257.75)
5	Net defined benefit expense (recognised in the Statement of profit and loss for the year) and Loss		
	Current service cost	35.57	34.35
	Net interest	15.89	20.35
	Expense recognised in the statement of Profit and Loss	51.46	54.70
6	Remeasurement (gain)/ loss recognised in other comprehensive income (OCI)		
	Actuarial gain/(loss) recognised for the period	55.79	(25.37)
	Return on plan assets excluding net interest	(1.11)	(1.76)
	Total actuarial (gain)/ loss recognised in OCI	54.68	(27.13)

Sensitivity Analysis:

₹ in Lakhs

	31st March, 2022		31st March, 2021	
	Discount Rate		Salary Escalation Rate	
	+1%	(1%)	+1%	(1%)
Present Value of Obligations	431.17	495.09	494.44	431.17

Categories of Plan Assets:

₹ in Lakhs

	31st March, 2022	31st March, 2021
Gratuity Fund managed by Life Insurance Corporation of India	240.44	118.12

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 45 EARNINGS PER SHARE (EPS)

	2021-22	2020-21
Net Profit after Tax (₹ in Lakhs) (a)	6,523.90	2,275.33
Weighted Average no. of Shares-Basic & Diluted (b)	1,19,46,020	1,19,46,020
Nominal value of equity share (in ₹ per share)	10	10
Earnings per Share - Basic & Diluted (₹) (a)/(b)	54.61	19.05

NOTE 46 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	
	31st March, 2022	31st March, 2021	2021-22	2020-21
Vishnu Barium Private Limited (at amortised cost)	951.59	868.00	951.59	868.00

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

NOTE 47 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	Vishnu South Africa (Pty) Limited
2	Percentage of Shareholding	100%	100%
3	Reporting Currency of the Subsidiary	₹ in Lakhs	Rand
Summary of the Financial Information:			
1	Share Capital	8,727.49	1,000.00
2	Reserves & Surplus	(1,879.92)	(2000.00)
3	Total Assets	16,819.42	-
4	Total Liabilities	9,971.85	1,000.00
5	Total Revenue for the Year	17,533.61	-
6	Net Profit / (Loss) for the Year (including OCI)	1,599.87	(150.00)

NOTE 48 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	Currency	31st March, 2022		31st March, 2021	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade receivables	USD	1,52,74,266	11,576.75	88,66,783	6,482.51
Trade receivables	EURO	7,81,959	658.57	14,63,677	1,255.10
Trade payables	USD	(24,09,286)	(1826.06)	(62,49,843)	(4,569.26)
Secured loans	USD	(1,05,64,569)	(8,007.15)	(23,83,234)	(1,742.38)
Secured loans	EURO	-	-	(10,59,005)	(908.10)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 49 ANALYTICAL RATIOS:

Sl. No	Ratio	Numerator	Denominator	2022	2021	Variance	Remarks
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.13	1.06	6.48%	-
2	Debt-equity ratio (in times)	Total Debt	Shareholders Equity	1.45	2.18	(33.40%)	Increase was primarily on account of increase in profits
3	Debt service coverage ratio (in times)	Earnings before debt service = Net profit after taxes + non Cash operating expenses + Interest + Other non-cash adjustments (like loss on sale of fixed assets etc)	Debt service = Interest & lease payments + principle repayments	2.35	1.43	64.45%	Increase was primarily on account of increase in profits
4	Return on equity ratio (in %)	Profit for the year	Average total Equity	35.08%	16.34%	114.61%	Increase was primarily on account of increase in profits
5	Inventory Turnover ratio (in times)	Revenue from operations	Average total inventory	5.54	3.11	78.29%	Increase was primarily on account of increase in revenue
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	6.59	6.26	5.38%	-
7	Trade payables turnover	Raw material purchases + Fuel purchase + Other expenses	Average trade payables	5.31	3.68	44.35%	Increase was primarily on account of increase in raw material and other related expenses with proportionate revenue than average trade payables
8	Net capital turnover ratio	Revenue from operations	Average working capital (ie., Total current assets less Total current liabilities)	29.44	31.61	(6.88%)	-
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	7.20%	3.97%	81.23%	Increase was primarily on account of increase in profits than increase in revenue
10	Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Debt + Deferred tax Liabilities	19.08%	7.91%	141.05%	Increase was primarily on account of increase in profits
11	Return on Investment	Income generated From invested Funds	Average invested funds in treasury investments	859.20%	624.45%	37.59%	Increase was primarily both on account of increase in revenue as well as profit of the subsidiary

NOTE 50 Figures for the previous year have been regrouped, rearranged, and reclassified, wherever considered necessary, to conform to the classification/ presentation of the current year.

As per our report of even date
For **Jampani & Associates**
Chartered Accountants
Firm Registration No. 016581S

sd/-
Trinadha Rao Marisetty
Partner
Membership No. 207990

Place: Hyderabad
Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274

sd/-
P. Anjaneyulu
Chief Financial Officer
Place: Hyderabad
Date: 16th May, 2022

sd/-
Ch. Manjula
Director
DIN: 01546339

sd/-
Kishore Kathri
Company Secretary & AGM-Legal

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, 2022, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Companies Act, 2013 in the manner so required and give a true and fair 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 consolidated state of affairs of the Group, as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated 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.

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.

Aspects determined as KAM

1. Trade Receivables:

Trade receivables comprise almost half of the current assets and also form a sizeable component of the total assets of the company. Management's judgement in assessing their recoverability and estimating possible provision for any credit loss would involve consideration of facts from a multi-dimensional perspective like, among others, contractual terms, credit history of the customers, past payment patterns, any identifiable rejection possibilities and the like.

Audit Measures adopted to validate KAM included the following:

- Assessing the appropriateness in validation of certain overdue receivables basis the past payment history, current transactional issues and long-term binding contracts in place and correspondence with the customers.
- Testing the operational efficacy of relevant controls with respect to recognition and realizability of receivables and their application on a consistent basis.
- Undertook a substantive testing to ascertain any inconsistent realization patterns that would give rise to any impairment provisioning;

Basis the above stated measures, no significant exceptions were noted in valuation of trade receivables requiring any provision.

2. Contingent Liabilities and Disputed Liabilities:

The provisioning for Contingent and disputed liabilities involves significant judgment to determine the possible outcome and their treatment in the books of accounts. These judgments could eventually lead to making an appropriate disclosure or might even require some provisioning to be made in the financial statements depending on whether an obligation requiring outflow of resources would arise in future or not.

As part of audit procedures, we sought the source documents as well as the correspondence and other material pertaining to each issue. We reviewed to validate the appropriateness of the management's judgment in arriving at a decision of disclosure / provision and see if they are adequate and comprehensive to the extent possible.

INDEPENDENT AUDITORS' REPORT (CONTD.)

Emphasis of Matter

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing 6% of the eligible 7% dividend amounting to ₹ 459.83 Lakhs, receivable by them for the financial year 2021-22 as mentioned in Note 43 of Notes to Accounts.

Our Opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon:

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, in doing so, consider whether the other information submitted with regard to unaudited financial statements of an overseas subsidiary is materially inconsistent with the consolidated 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.

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 scepticism 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 Holding 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.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- 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.

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 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 South Africa (Pty) Limited, overseas subsidiary of the Holding Company, whose financial statements / financial information reflect total assets of ₹ NIL Lakhs as at 31st March, 2022, total revenues of ₹ Nil and net cash outflows amounting to ₹ NIL Lakhs 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 subsidiary 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:

- 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.
- 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.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with

INDEPENDENT AUDITORS' REPORT (CONTD.)

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, 2022 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, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the 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 Group 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 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.
 - iv. a. The respective managements of the parent company and its subsidiaries, those incorporated in India, whose financial statements were audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate)

have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company or any such subsidiaries to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding whether recorded in writing or not, that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the holding company or any such subsidiaries (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

- b. The respective managements of the parent company and its subsidiaries, those incorporated in India, whose financial statements were audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding company or any such subsidiaries from any person(s) or entities, including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or not, that the Holding company or any such subsidiaries shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding parties (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- c. Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis-statement.
- v. In our opinion Company has complied with section 123 of the Companies Act, 2013 with respect to dividend declared/paid during the year.

For **Jampani & Associates**

Chartered Accountants
(Firm Registration No. 016581S)

sd/-

Trinadha Rao Marisetty

Partner

(Membership No.207990)

UDIN:22207990AJSAIC5264

Place: Hyderabad

Date: 16th May 2022

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, 2022 in conjunction with our audit of the financial statements of the Holding 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 such companies 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 the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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, 2021, 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
(Firm Registration No. 016581S)

sd/-

Trinadha Rao Marisetty
Partner

Place: Hyderabad
Date: 16th May 2022

(Membership No.207990)
UDIN:22207990AJSAIC5264

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2022

Particulars	Note No.	₹ in Lakhs	
		As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	46,324.58	38,746.20
(b) Capital work-in-progress	2	541.43	2,396.44
(c) Intangible Assets	2	0.39	0.18
		46,866.40	41,142.82
(d) Financial Assets			
Investments	3	22.49	28.69
(e) Other non-current assets	4	2,847.30	1,206.93
		49,736.19	42,378.44
(2) Current assets			
(a) Inventories	5	16,775.88	19,074.94
(b) Financial Assets			
(i) Investments	6	246.39	72.30
(ii) Trade Receivables	7	19,083.27	11,569.15
(iii) Cash and cash equivalents	8	33.52	32.42
(iv) Bank balances other than (iii) above	9	1,499.97	1,036.50
(v) Other financial assets	10	78.82	74.46
(c) Other current assets	11	3,847.84	3,048.62
(d) Assets classified as held for sale	12	190.00	-
		41,755.69	34,908.39
Total Assets		91,491.88	77,286.83
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	1,194.60	1,194.60
(b) Other Equity	14	26,492.73	18,419.52
		27,687.33	19,614.12
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	20,637.00	17,490.85
(ii) Lease liabilities	16	82.58	-
(b) Provisions	17	267.58	400.33
(c) Deferred tax liabilities (Net)	18	4,297.75	3,670.62
(d) Other Non-Current Liabilities	19	1,523.76	3,338.22
		26,808.67	24,900.02
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	15,698.54	16,061.23
(ii) Trade payables			
- Due to MSME entities	21	28.59	60.74
- Other than MSME entities	21	17,121.33	13,640.25
(iii) Lease liabilities	22	62.66	-
(iii) Other financial liabilities	23	142.38	1,331.79
(b) Other current liabilities	24	2,202.31	1,348.40
(c) Provisions	25	44.95	49.38
(d) Current Tax Liabilities (Net)	26	1,695.12	280.90
		36,995.88	32,772.69
Total Equity and Liabilities		91,491.88	77,286.83

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date
 For **Jampani & Associates**
 Chartered Accountants
 Firm Registration No. 0165815

sd/-
Trinadha Rao Marisetty
 Partner
 Membership No. 207990

Place: Hyderabad
 Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-
Ch. Krishna Murthy
 Chairman & Managing Director
 DIN: 00030274

sd/-
P. Anjaneyulu
 Chief Financial Officer

Place: Hyderabad
 Date: 16th May, 2022

sd/-
Ch. Manjula
 Director
 DIN: 01546339

sd/-
Kishore Kathri
 Company Secretary & AGM-Legal

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED 31ST MARCH, 2022

₹ in Lakhs

	Note No.	For the year ending 31st March, 2022	For the year ending 31st March, 2021
1 INCOME			
a. Revenue from Operations	27	1,06,900.18	67,868.09
b. Other Income	28	575.75	282.30
Total Income		1,07,475.93	68,150.39
2 EXPENSES			
a. Cost of Materials Consumed	29	39,979.25	27,559.51
b. Purchase of stock in trade		1,506.72	-
c. Cost of Consumables	30	15,487.02	8,467.18
d. Changes in Inventories of Finished Goods and Work-in-Progress	31	1,458.58	1,217.49
e. Employee Benefit Expenses	32	4,149.70	3,428.81
f. Finance Costs	33	2,609.52	2,597.15
g. Depreciation and Amortisation Expense	2	2,298.44	2,029.77
h. Power Cost	34	4,541.94	3,136.24
i. Manufacturing Expenses	35	9,578.64	7,424.20
j. Selling & Administrative Expenses	36	14,566.27	8,750.88
k. Corporate social responsibility expenses	37	66.52	138.87
Total Expenses		96,242.60	64,750.10
3 Profit Before Tax		11,233.34	3,400.29
4 Tax Expense	38		
a. Current Tax		2,458.55	386.74
b. Tax Pertaining to earlier years		(5.26)	(136.84)
c. MAT Reversal		-	785.86
d. Deferred Tax reversal due to change in tax rate		-	(1,328.51)
e. Deferred Tax current year		640.78	243.58
		3,094.07	(49.17)
5 Profit / (Loss) For the Period from Continuing Operations		8,139.27	3,449.46
6 Other Comprehensive Income/ Expense		(70.19)	22.65
Less: Tax on above		(13.76)	6.83
7 Other Comprehensive Income/ Expense (Net of Taxes)		(56.43)	15.83
8 Total Comprehensive Income for the Period (5+7)		8,082.84	3,465.29
9 Earnings Per Share			
Basic & Diluted (in ₹)		68.13	28.88
		(Annualised)	(Annualised)

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date
For **Jampani & Associates**
Chartered Accountants
Firm Registration No. 016581S

sd/-
Trinadha Rao Marisetty
Partner
Membership No. 207990

Place: Hyderabad
Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274

sd/-
P. Anjaneyulu
Chief Financial Officer

Place: Hyderabad
Date: 16th May, 2022

sd/-
Ch. Manjula
Director
DIN: 01546339

sd/-
Kishore Kathri
Company Secretary & AGM-Legal

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit before tax	11,233.34	3,400.29
Cash flows used in / from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	2,298.44	2,029.77
Profit on sale of Property Plant and Equipment	(0.50)	(12.40)
Profit on sale of Investments	(3.64)	(0.77)
Interest income	(66.07)	(81.67)
Unwinding of Interest on Interest free Security deposits received from Suppliers	5.17	(4.19)
Interest expenses	2,265.94	2,317.19
Unwinding of interest expenses on Loan from Promoter Directors.	220.05	185.46
Amortisation of Processing Fees of Long Term Loans.	5.85	8.90
Fair value (Gain)/ Loss on investments (net)	(20.63)	(28.20)
Obsolete Stock provision	16.80	16.55
Re-measurement of defined employee benefit plans	(70.19)	22.65
Advances and bad debts written back (Net)	-	52.64
Operating profit before working capital changes	15,884.56	7,906.22
Movement in working capital:		
(Increase)/Decrease in inventories	2,282.26	1,674.87
(Increase)/Decrease in trade receivables	(7,514.12)	(2,481.41)
(Increase) / Decrease in Financial & Non Financial Assets	(3,081.51)	(61.97)
(Decrease)/ Increase in trade payables	3,448.93	(118.68)
Increase/(Decrease) in Financial & Non Financial Liabilities & Provisions	(1,008.39)	483.19
Cash generated from operations	10,011.73	7,402.22
Income tax paid	(1,039.06)	(665.56)
Net cash flows used in / from operating activities (A)	8,972.67	6,736.66
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress less Capital Advances	(8,329.82)	(5,445.93)
Proceeds from Sale of Property Plant & Equipment	118.30	20.10
Investments in mutual funds	(182.10)	(10.99)
Proceeds from Sale of investments in mutual funds	212.57	60.19
Interest received	66.07	194.69
Net cash flows used in / from investing activities (B)	(8,114.97)	(5,181.94)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net cash flows used in / from financing activities		
(Decrease)/Increase in Long Term Borrowings	3,518.12	1,513.47
(Decrease)/Increase in Short Term Borrowings	(815.33)	(988.88)
Interest Paid	(2,265.94)	(2,317.19)
Dividend Paid	(1,293.45)	(119.46)
Net cash flows used in/from financing activities (C)	(856.60)	(1,912.06)
Net decrease in cash and cash equivalents (A+B+C)	1.10	(357.34)
Cash and cash equivalents at the beginning of the year	32.42	389.77
Cash and cash equivalents at the year end	33.52	32.42
Components of cash and cash equivalents:		
Cash on hand	27.45	3.68
Balances with banks	6.07	28.74
Total cash and cash equivalents	33.52	32.42

As per our report of even date

For **Jampani & Associates**

Chartered Accountants

Firm Registration No. 016581S

sd/-

Trinadha Rao Marisetty

Partner

Membership No. 207990

Place: Hyderabad

Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

sd/-

P. Anjaneyulu

Chief Financial Officer

Place: Hyderabad

Date: 16th May, 2022

sd/-

Ch. Manjula

Director

DIN: 01546339

sd/-

Kishore Kathri

Company Secretary & AGM-Legal

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31ST MARCH, 2022

Note 13

a Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	Number of shares		₹ in Lakhs	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Balance as at the beginning of the year	1,19,46,020	1,19,46,020	1,194.60	1,194.60
Changes in share capital during the year	-	-	-	-
Balance as at the end of the year	1,19,46,020	1,19,46,020	1,194.60	1,194.60

Note 14

b. Other Equity

For the year ended 31st March, 2022

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortisation of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at 1st April, 2021	982.88	659.07	15,749.88	1,036.88	(9.19)	18,419.52
Add/(less) Profit for the year (Net of Taxes)			8,139.27			8,139.27
Add/(less) Changes during the year (net)			-	109.93		109.93
Add/(less) Other Comprehensive Income for the year (net of taxes)		-			(56.53)	(56.53)
Less: Dividend			119.46			119.46
Less: Corporate dividend tax						-
Less :Transfer to general reserve						-
Balance as at 31st March, 2022	982.88	659.07	23,769.69	1,146.81	(65.72)	26,492.73

For the year ended 31st March, 2021

	Reserves and surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortisation of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at 1st April, 2020	982.88	659.07	12,419.88	768.04	(25.01)	14,804.86
Add/(less) Profit for the year			3,449.46			3,449.46
Add/(less) Changes during the year (net)				268.84		268.84
Add/(less) Other Comprehensive Income for the year (net of taxes)					15.83	15.83
Add/(Less) Adjustment on account of discontinuation of foreign operations						-
Less: Dividend			119.46			119.46
Less: Corporate dividend tax						-
Less :Transfer to general reserve						-
Balance as at 31st March, 2021	982.88	659.07	15,749.88	1,036.88	(9.19)	18,419.52

As per our report of even date
 For **Jampani & Associates**
 Chartered Accountants
 Firm Registration No. 0165815

sd/-
Trinadha Rao Marisetty
 Partner
 Membership No. 207990

Place: Hyderabad
 Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-
Ch. Krishna Murthy
 Chairman & Managing Director
 DIN: 00030274

sd/-
P. Anjaneyulu
 Chief Financial Officer

Place: Hyderabad
 Date: 16th May, 2022

sd/-
Ch. Manjula
 Director
 DIN: 01546339

sd/-
Kishore Kathri
 Company Secretary & AGM-Legal

BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation of Financial Statements

a) Statement of Compliance

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

b) Description of the Group

The consolidated financial statements comprise financial statements of Vishnu Chemicals Limited (the 'Company'), The Group has the following investments in subsidiaries –

Name of the Entity	Principal place of business and Country of Incorporation	Investee relationship		Proportion of ownership interest	
		31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Vishnu Barium Private Limited	India	Subsidiary	Subsidiary	100%	100%
Vishnu South Africa (Pty.) Limited	South Africa	Subsidiary	Subsidiary	100%	100%

As required under Consolidation of Financial Statements standards, the financial statements of the Group have been prepared in accordance with Ind AS, Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

c) Basis of Preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The consolidated financial statements have been prepared on a historical cost except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakhs, except otherwise indicated.

Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at 31st March, 2022 and 31st March, 2021.

its subsidiaries and step-down subsidiary (collectively, the 'Group') for the year ended 31st March, 2022. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at:

Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 096

The consolidated financial statements were authorised for publication in accordance with a resolution of the directors on 16th May, 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

d) Current versus non-current classification

The Group 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 Group 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 Group 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 of time, the actual results could differ from these estimates.

Critical estimates and judgments in applying accounting policies

Estimates and judgments made in applying accounting policies that have significant effect on the amounts recognised 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 Group'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.

B. Significant Accounting Policies:

a) 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 capitalisation in the case of assets involving material investment and substantial lead time.

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

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

b) 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 amortisation and accumulated impairment losses.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

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

c) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet.

d) Financial Instruments

Financial instruments are classified as:

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

All financial instruments are recognised 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:

i) Amortised Cost

A financial asset shall be measured at amortised 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 amortised cost using the effective interest method, less any impairment loss.

ii) 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 recognised in Profit and Loss account as incurred.

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

e) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- (iii) Hedges of a net investment in a foreign operation.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognised in finance costs and the

ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or nonfinancial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

f) Impairment of Assets

i) 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 recognised 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.

ii) 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.

g) Inventories

Inventories are valued at lower of cost, determined on First-in-First-Out (FIFO) basis, or net realisable 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

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

h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Group recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognise revenue to depict the transfer of control 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.

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 recognised 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.

i) Provisions

Provisions are recognised if, as a result of a past event, the Group 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.

j) Borrowing Costs

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

k) Employee Benefits

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

The Group's Gratuity scheme for its employees is a defined benefit retirement benefit plan. The liability recognised 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 categorised as follows:

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

The Group presents the first two components of defined benefit costs in 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 recognised in other comprehensive income, net of income tax.

Other long-term employee benefits 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 Group in respect of services provided by employees up to the reporting date. Re-measurements and other expenses related to long term benefit plans are recognised in statement of profit and loss/ other comprehensive income as applicable.

l) Foreign Currency Transactions and balances

The Group's consolidated financial statements are presented in Indian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

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.

m) 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.

n) 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.

o) Taxes on Income

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to items directly recognised 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 Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to

set off the recognised amounts and where it intends either to settle on a net basis or to realise the asset and liability simultaneously.

ii) Deferred income tax

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

	Tangible Assets											Total	Intangible Assets			
	Freehold land	Roads	Buildings - Factory	Buildings - Residential	Lease hold Building	Plant and equipment	Lab equipment	R & D equipment	Office equipment	Data Processing Equipment	Furniture and Fixtures			Vehicles	ROU - Vehicles	
Cost																
At 1st April, 2020	1,135.10	-	9,829.60	44.25	357.23	41,774.28	176.95	354.69	231.56	84.12	194.47	613.05	-	54,795.31	-	17.07
Additions	-	-	834.87	5.71	-	5,992.42	-	-	38.07	24.03	22.28	190.61	-	7,107.99	-	-
Disposals/discard	(7.70)	-	-	-	-	(320.15)	-	-	-	-	-	-	-	(327.85)	-	-
31st March, 2021	1,127.40	-	10,664.47	49.96	357.23	47,446.55	176.95	354.69	269.64	108.15	216.75	803.66	-	61,575.45	17.07	-
Additions	262.99	179.30	1,272.90	-	-	8,033.79	-	-	32.11	19.57	0.73	199.51	184.45	10,185.35	0.27	-
Disposals/discard	-	-	(31.93)	-	-	(232.63)	(48.93)	(354.69)	(6.57)	(8.11)	(15.89)	(4.97)	-	(703.72)	-	-
Reclassified to assets held for sale	(190.00)	-	-	-	-	-	-	-	-	-	-	-	-	(190.00)	-	-
31st March, 2022	1,200.39	179.30	11,905.44	49.96	357.23	55,247.71	128.02	-	295.18	119.62	201.59	998.20	184.45	70,867.08	17.34	-
Depreciation																
At 1st April, 2020	-	-	3,727.31	1.29	73.95	16,013.18	135.93	347.36	144.54	75.92	106.67	328.93	-	20,955.07	-	16.89
Charge for the year	-	-	341.12	0.72	37.72	1,530.79	10.59	-	35.46	6.06	12.29	55.02	-	2,029.77	-	-
Disposals/discard	-	-	-	-	-	(155.59)	-	-	-	-	-	-	-	(155.59)	-	-
31st March, 2021	-	-	4,068.43	2.01	111.67	17,388.38	146.52	347.36	180.00	81.97	118.96	383.95	-	22,829.25	16.89	-
Charge for the year	-	1.45	324.37	0.79	37.72	1,727.05	7.85	-	40.15	12.53	13.50	90.40	42.57	2,298.38	0.06	-
Disposals/discard	-	-	(15.26)	-	-	(140.18)	(48.74)	(347.36)	(6.54)	(8.04)	(15.23)	(3.78)	-	(585.13)	-	-
31st March, 2022	-	1.45	4,377.54	2.81	149.39	18,975.25	105.63	-	213.61	86.46	117.23	470.56	42.57	24,542.50	16.95	-
Net Block																
At 31st March, 2021	1,127.40	-	6,596.04	47.95	245.56	30,058.18	30.43	7.33	89.64	26.18	97.79	419.72	-	38,746.20	0.18	-
At 31st March, 2022	1,200.39	177.86	7,527.90	47.15	207.84	36,272.46	22.39	-	81.57	33.16	84.36	527.64	141.88	46,324.58	0.39	-

Capital work in progress

	As on 31st March, 2022					As on 31st March, 2021
	Project I	Project II	Project III	Project IV	Project V	
Capital Work in Progress (Civil Works)						
Capital Work in Progress at the beginning of the reporting period	208.99	-	-	-	-	71.41
Add: Additions during the year	526.56	170.79	554.87	48.54	14.88	463.82
Less: Capitalised during the year	703.55	146.90	554.87	26.82	14.88	326.24
Capital Work in Progress at the end of the reporting period (Civil Works)	32.00	23.89	-	21.72	-	208.99
Capital Work in Progress (Plant & Machinery)						
Capital Work in Progress at the beginning of the reporting period	2,187.44	-	-	-	-	1,343.99
Add: Additions during the year	4,307.85	608.62	999.23	242.84	-	1,483.19
Less: Capitalised during the year	6,286.00	376.97	976.35	242.84	-	639.73
Capital Work in Progress at the end of the reporting period (Plant & Machinery)	209.29	231.65	22.88	-	-	2,187.45
Total Capital Work in Progress at end of the reporting period						2,396.44

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
Capital work-in-progress ageing schedule for the year ending 31st March, 2022 & 31st March, 2021

	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
₹ in Lakhs					
As on 31st March, 2022					
Projects in Process	541.43				541.43
Projects temporarily suspended	-	-	-	-	-
As on 31st March, 2021					
Projects in Process	1,410.17	645.41	340.86	-	2,396.44
Projects temporarily suspended	-	-	-	-	-

NOTE 3 NON CURRENT FINANCIAL ASSETS - INVESTMENTS

	₹ in Lakhs	
	As at 31st March, 2022	As at 31st March, 2021
1. Non Trade Investments - Unquoted (At Fair Value)		
i Investment in Equity Instruments of other Companies		
a. Equity Shares in Koganti Power Limited 60,000 (60,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 6,00,000 (₹ 6,00,000)-Net of impairment recognised.	0.00	0.00
b. Equity Shares in Sreen Drugs Private Limited 1,000 (1,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 10,000 (₹10,000) - Net of impairment recognised.	0.00	0.00
ii Investments in Mutual Funds - Quoted (At fair value)		
a. LMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,900 (49,990) Units, Cost ₹ 5,00,000 (₹ 5,00,000)	8.01	6.53
b. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹ 6,35,373 (₹ 6,35,373)	9.00	8.41
c. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units, Cost ₹ 1,99,990 (₹ 1,99,990)	2.64	2.48
d. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹ 2,00,000 (₹ 2,00,000)	2.84	2.57
e. SBI Life Smart Wealth Builder - Nil (45,085.23) Units, Cost ₹ Nil (₹ 7,00,000)	-	8.70
	22.49	28.69

Disclosures:

	₹ in Lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Aggregate amount of Cost of Quoted Investments	15.35	22.35
Aggregate amount of market value of quoted investments	22.49	28.69
Aggregate amount of Cost of Unquoted Investments ₹ 100 (₹ 100)	0.00	0.00

NOTE 4 OTHER NON-CURRENT ASSETS

	₹ in Lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good:		
a. Capital Advances	1,374.10	493.00
b. Deposits	770.53	713.93
c. CSR expenses - Excess spent	190.19	-
d. Other Long Term Advances	512.48	-
	2,847.30	1,206.93

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 5 INVENTORIES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Valued at Cost or Net Realisable Value, whichever is lower		
a. Raw Materials	3,264.61	4,351.03
b. Work-in-progress	2,988.37	3,615.19
c. Finished Goods	7,456.43	8,288.18
d. Stock-in-trade (goods acquired for trading)	288.57	288.57
e. Stores, Spares & Packing	2,849.13	2,586.39
f. Provision for obsolescence of non-moving stores	(71.23)	(54.42)
	2,777.90	2,531.97
	16,775.88	19,074.94

NOTE 6 CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Valued at Cost or Net Realisable Value, whichever is lower		
a. UBI Union Dynamic Bond Fund- Growth at fair value 1,35,521.388 units (PY 1,35,521.388 units) - Cost ₹ 22,00,000/- (PY ₹ 22,00,000/-)	26.06	25.38
b. UBI Union Small Cap Fund Regular plan- Growth at fair value 1,76,120.314 units (PY 1,76,120.314 units) - Cost ₹ 23,33,906.58/- (PY ₹ 23,33,906.58/-)	51.07	37.27
c. UBI Union Flexi Cap Fund Growth plan- Growth at fair value 48,645.340 units (PY 35,029.634 Units) - Cost ₹ 11,99,875/- (PY ₹ 7,99,900/-)	15.96	9.39
d. UBI Union Large Cap Fund Regular plan- Growth at fair value 1,876.173 units (PY 1,876.173 units) - Cost ₹ 20,000/- (PY ₹ 20,000/-)	0.31	0.26
e. UBI Union Corporate Bond Fund Regular Plan Growth at fair Value 4,20,412.194 Units (PY NIL) - Cost ₹ 51,03,344/- (PY ₹ NIL)	52.59	-
f. UBI-Union Corporate Bond Fund Regular plan - 8,02,715 (Nil) Units, Cost ₹ 1,00,00,000 (₹ Nil)	100.40	-
	246.39	72.30

Disclosures:

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Aggregate amount of Cost of Quoted Investments	208.57	53.54
Aggregate amount of market value of quoted investments	246.39	72.30

Investments in UBI - Union corporate bond fund - regular plan (8,02,715) units is under lien with union bank of india against BG/LC issued

NOTE 7 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Trade Receivables Considered Good; secured	-	-
b. Trade Receivables Considered Good; unsecured	19,083.27	11,569.15
c. Trade Receivables which have significant increase in credit risk	-	-
d. Trade Receivables - Credit impaired	-	-
Less: Allowance for expected credit losses	-	-
	19,083.27	11,569.15

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

Trade receivables ageing schedule as at 31st March, 2022

₹ in Lakhs

	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months*	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Undisputed trade receivables						
a. Considered good	18,866.11	81.10	79.94	-	56.12	19,083.27
b. Which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

Trade receivables ageing schedule as at 31st March, 2021

₹ in Lakhs

	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months*	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Undisputed trade receivables						
a. Considered good	11,051.59	478.41	11.84	27.31	-	11,569.15
b. Which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

*Includes amounts not yet due for payment

NOTE 8 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Cash on Hand	6.07	3.68
b. Cheques, drafts on hand	-	-
c. Balances with Banks	27.45	28.74
d. Others	-	-
	33.52	32.42

NOTE 9 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Margin Money Deposit in Banks against LCs & BGs	1,489.96	1,023.97
b. Unpaid Dividend Accounts	10.01	12.53
	1,499.97	1,036.50

NOTE 10 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Salary and other Advances recoverable in cash or kind	39.90	29.25
b. Interest Receivable	28.88	36.21
c. Derivative Financial Instruments - Asset	-	0.12
d. TDS Receivable from NBFCS	10.04	8.88
	78.82	74.46

NOTE 11 OTHER CURRENT ASSETS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
a. Advances to Suppliers	2,034.50	1,712.36
b. Balances with Government Authorities	1,140.83	1,233.97
c. Prepaid Expenses	539.22	102.29
d. CSR Expenses - Excess spent	133.29	-
	3,847.84	3,048.62

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 12 ASSETS CLASSIFIED AS HELD FOR SALE

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Assets classified as held for sale	190.00	-
	190.00	-

Disclosures:

The Group intends to dispose off freehold land, it no longer utilises in the next 12 months. No impairment loss have been recognised on reclassification of such assets as held for sale, as the Company expects that the fair value less costs to sell is higher than the related carrying value.

NOTE 13 EQUITY SHARE CAPITAL

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Authorised Share Capital		
1,50,00,000 of equity shares of ₹ 10 par value	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, Subscribed and Fully Paid-up Capital		
At the beginning of the year		
1,19,46,020 of equity shares of ₹ 10 par value	1,194.60	1,194.60
At the end of the year		
1,19,46,020 of equity shares of ₹ 10 par value	1,194.60	1,194.60
	1,194.60	1,194.60

Disclosures:

- 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.
- Names of shareholders holding more than 5% of the Share capital and their shareholding.

EQUITY SHARES

		As at 31st March, 2022	As at 31st March, 2021
1	Sri. Ch. Krishna Murthy - No of Shares	62,19,790	62,19,790
	- % held	52.07%	52.07%
2	Smt. Ch. Manjula - No of Shares	16,14,048	16,14,048
	- % held	13.51%	13.51%
3	Sri. Ch. Siddartha - No of Shares	11,25,668	11,25,668
	- % held	9.42%	9.42%

3. Promoters' Shareholding

Shares held by Promoters at the end of the year				% change during the year
S. No.	Name of the promoter	No of shares	% of total shares	
1	Sri. Ch. Krishna Murthy	62,19,790	52.07%	Nil
2	Smt. Ch. Manjula	16,14,048	13.51%	Nil
3	Sri. Ch. Siddartha	11,25,668	9.42%	Nil

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 15 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
A. Secured:		
1. Term Loans:		
From Banks	10,031.15	7,324.18
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	196.34	164.46
B. Unsecured:		
1. Business Loans		
From Banks	3.10	5.27
From NBFC'S	42.87	-
Loans and Advances from Related Parties:		
2. Loans from promoter directors (at amortised cost)	2,699.79	2,231.34
3. Cumulative Redeemable Preference Shares 76637500, 7% Cumulative Redeemable Preference Shares of ₹ 10/- par value each	7,663.75	7,663.75
4. Inter corporate Deposits	-	101.85
	20,637.00	17,490.85

Disclosures:
I. Loans of Holding Company:
A. Secured
(i) Term loans from Banks

S. No.	Name of the Lender	Period of maturity	Loan amount outstanding	No. of instalments outstanding	Rate of Interest	Overdue amount and period	Security
1	State Bank of India (FCTL)	Nov-2023	1,460.71	7	SOFR Plus 3% p.a.	-	Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, 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 promoter directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2	Union Bank of India (TL-III)	Feb-2024	500.78	8	1 Yr MCLR Plus 3% p.a.	-	
3	Union Bank of India (e-AB - FCTL)	Mar-2024	1,281.84	8	SOFR Plus 3.31% p.a.	-	
4	Union Bank of India (FCTL)	Feb-2024	862.42	8	SOFR Plus 3.31% p.a.	-	
5	State Bank of India (ECLGS 2.0)	Jan-2026	1,447.39	46	6 Months MCLR Plus 1% p.a.	-	
6	State Bank of India (ECLGS 2.0 Ext)	Nov-2027	875.87	48	6 Months MCLR Plus 1% p.a.	-	
7	Union Bank of India (ECLGS 2.0)	Nov-2025	1,342.58	44	1 Yr MCLR Plus 0.60% p.a.	-	
8	Union Bank of India (ECLGS 2.0 Ext)	Nov-2027	1,328.00	48	1 Yr MCLR Plus 0.60% p.a.	-	
9	Indian Overseas Bank (ECLGS 2.0)	Dec-2025	445.31	45	1 Yr MCLR Plus 1% p.a.	-	
10	Indian Overseas Bank (ECLGS 2.0 Ext)	Nov-2027	237.00	48	1 Yr MCLR Plus 1% p.a.	-	

(ii) '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, 2022 is ₹ 352.04 Lakhs (31st March, 2021: ₹ 312.58 Lakhs). The Company had capitalised the

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

Particulars	₹ in Lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Minimum Lease Payments outstanding		
Within one Year	157.74	122.03
Later than one year and not later than five years	225.61	176.23
Future Interest on outstanding Lease payments		
Within one Year	25.14	17.36
Later than one year and not later than five years	29.26	11.77
Present Value of Minimum Lease Payments		
Within one Year	132.60	104.67
Later than one year and not later than five years	196.35	164.46

B) Unsecured Loans:

Loans from Promoter Directors:

The loans from promoter Directors 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 financial year 2017-18, 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 31st March, 2017 amounting to ₹ 29,13,75,000. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31st March, 2033. During the year, preference shareholders have given their consent to forego entire 6% preference dividend amounting ₹ 4,59,82,500/- for the financial year 2021-22

			As at 31st March, 2022	As at 31st March, 2021
1	Sri. Ch. Krishna Murthy	- No of Shares	7,11,21,750	7,11,21,750
		- % held	92.80%	92.80%
2	Smt. Ch. Manjula	- No of Shares	52,71,250	52,71,250
		- % held	6.88%	6.88%
3	Sri. Ch. Siddartha	- No of Shares	2,44,500	2,44,500
		- % held	0.32%	0.32%

II. Loans of Subsidiary Company:

A. Secured loans:

(i) Term loans from Banks

S. No.	Name of the Lender	Period of maturity	Loan amount outstanding	No. of instalments outstanding	Rate of Interest	Overdue amount and period	Security
1	Union Bank of India (TL- ₹)	May-2022	9.64	1	1 Yr MCLR Plus 4% p.a.	-	The above loans are 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 Mr. Ch. Siddartha, Managing Director and Mrs. Ch. Manjula, Executive Director of the Company and Mr. Ch. Krishna Murthy, Director 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 Mr. Ch. Krishnamurthy.
2	Union Bank of India (TL - FCTL)	May-2022	36.60	1	SOFR Plus 4.5% p.a.	-	
3	Union Bank of India (TL- ₹)	Dec-2028	1,229.15	24	1 Yr MCLR Plus 4% p.a.	-	
4	Union Bank of India (TL - FCTL)	Dec-2028	2,052.94	24	SOFR Plus 3% p.a.	-	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
B. Unsecured loans:
i) Business loans:

- (i) The above unsecured business loans from various NBFC's, carries interest rate ranging from 17.00% to 18.00% p.a. The loans are repayable in 18/24 monthly equal installments and the last installment of loan is in the month of August 2023. The aggregate amount of installments outstanding (including current maturities presented in Note 20 below) as on 31st March, 2022 is ₹ 193.54 Lakhs (31st March, 2021 ₹ 139.09 Lakhs). There are no overdue installments or interest payable.
- (ii) The above unsecured business loans from HDFC bank and IDFC First bank, carry interest rate of 17.60% and 16.50% p.a. The loans are repayable in 24/36 monthly equal installments and the last installment of respective loans fall due in the month of and June 2022 and January, 2023. The aggregate amount of installments outstanding (including current maturities presented in Note 20 below) as on 31st March, 2022 is ₹ 66.88 Lakhs (31st March, 2021 ₹ 40.93 Lakhs). There are no overdue installments or interest payable.

NOTE 16 LEASE LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Lease liabilities on ROU assets	82.58	-
	82.58	-

₹ in Lakhs

NOTE 17 NON-CURRENT PROVISIONS

	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Net of Fund Assets)	267.58	400.33
	267.58	400.33

₹ in Lakhs

NOTE 18 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2022	As at 31st March, 2021
1. Deferred Tax Liability		
Property, Plant and Equipment	4,358.59	3,750.08
2. Deferred Tax Assets		
Provisions allowable on payment basis	60.84	79.46
Net Deferred Tax Liability	4,297.75	3,670.62

₹ in Lakhs

Disclosures:

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Income Taxes" (Ind AS 12) issued by the Institute of Chartered Accountants of India.

The gross movement in the deferred income tax account for the financial years ended 31st March, 2022 and 31st March, 2021, is as follows -

	As at 31st March, 2022	As at 31st March, 2021
a. Net deferred tax liability at the beginning	3,670.62	3,962.86
b. Accelerated depreciation for tax purposes	656.69	228.67
c. Provisions allowable on payment basis	(15.80)	14.91
d. Temporary differences on Other Comprehensive Income	(13.76)	6.83
e. Deferred tax liability (net) reversal due to new tax rate adoption	-	(1,328.51)
f. MAT Credit Entitlement	-	785.86
Net deferred tax liability at the end	4,297.75	3,670.62

₹ in Lakhs

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 19 OTHER NON-CURRENT LIABILITIES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Security Deposits	1,523.76	3,338.22
	1,523.76	3,338.22

NOTE 20 CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
A. Secured:		
Loans repayable on demand		
From Banks		
a. Working capital - Cash Credit	11,981.98	12,449.25
B. Unsecured:		
a. Loans from Promoter Directors	6.14	160.14
b. Inter Corporate Deposits	329.01	327.55
c. Other Short Term obligations	-	195.51
Current maturities of long term debt	3,034.36	2,685.02
Current maturities of finance lease obligations	347.05	243.76
	15,698.54	16,061.23

Disclosures:

I. Loans of Holding Company:

A) Secured Loans:

- The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+2.75% to +5.00%. The rate of Interest on convertible FCNRB demand loan ranges from Libor+250 to 400 basis points per annum.
- Interest rate for the Bill Discounting facility ranges from 6.65% to 7.50%
- Security:

Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India, Indian Overseas Bank and Andhra Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the Company, and second pari passu charge on the fixed assets of the Company. The directors have extended their personal assets as securities i.e. land, plots, buildings, shares etc.

- Guarantees:

All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:

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

II. Loans of Subsidiary Company

A) Secured loans:

Cash Credit:

- The above cash credit from Union Bank of India is repayable on demand and carries interest rate of 1 year MCLR+2.80%.
- 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 Mr. Ch. Siddartha, Managing Director and Mrs. Ch. Manujula Executive Director of the Company and Mr. Ch. Krishna Murthy Director 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 Mr. Ch. Krishna Murthy.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 21 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Trade payables - Due to Micro Small and Medium Enterprises	28.59	60.74
Trade payables - Other parties	17,023.27	13,600.53
Trade payables - Related parties	98.06	39.72
	17,149.92	13,700.99

Disclosures:

The principal amount remaining unpaid as at 31st March, 2022 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 28.39 Lakhs (31st March, 2021 ₹ 56.25 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 0.20 Lakhs (31st March, 2021 ₹ 4.49 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.

Trade Payables ageing schedule as at 31st March, 2022

₹ in Lakhs

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade payables					
a. MSME	28.42	-	0.18	-	28.60
b. Others	16,571.43	542.18	7.71	-	17,121.32
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule as at 31st March, 2021

₹ in Lakhs

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade payables					
a. MSME	40.18	20.56	-	-	60.74
b. Others	13,221.16	310.43	6.59	2.07	13,540.25
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

*Includes amounts not yet due for payment

NOTE 22 LEASE LIABILITIES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Lease liabilities on ROU assets	62.66	-
	62.66	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 23 OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Cumulative Unpaid Preference Dividend	76.64	332.50
Dividend Distribution Tax on Preference Dividend	-	676.61
Interest on Dividend Distribution Tax Payable	-	238.99
Interest Payable to others	0.49	-
Unclaimed dividends	10.00	12.53
Derivative Financial Instruments - Liability	55.25	71.16
	142.38	1,331.79

NOTE 24 OTHER CURRENT LIABILITIES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Advance from Customers	1,186.70	621.29
Creditors for Capital Expenditure	338.99	213.36
Advances received against sale of Capital Assets	410.00	210.00
Advance from others	6.99	7.23
Statutory dues Payable	259.63	296.52
	2,202.31	1,348.40

NOTE 25 CURRENT PROVISIONS

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Net of Fund Assets)	44.95	49.38
	44.95	49.38

NOTE 26 CURRENT TAX LIABILITIES

₹ in Lakhs

	As at 31st March, 2022	As at 31st March, 2021
Provision for Income Tax (Net of TDS)	1,695.12	280.90
	1,695.12	280.90

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 27 REVENUE FROM OPERATIONS

	₹ in Lakhs	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Sale of Products	1,06,587.61	67,176.15
2. Other Operating Revenues		
a. Sale of Scrap	158.22	140.31
b. Testing Charges	44.25	53.49
c. Export Incentives	110.10	498.14
	312.57	691.94
	1,06,900.18	67,868.09

NOTE 28 OTHER INCOME

	₹ in Lakhs	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Interest Income		
a. Interest Income on bank and other deposits	66.08	81.67
b. Amortised Interest on Deposits/Loans	118.36	89.78
2. Other Non-Operating Income		
a. Insurance Claim Received	17.79	12.72
b. Profit on Sale of Investments (net)	3.64	0.77
c. Net Loss on Foreign Currency Transaction & Translation	348.19	39.02
d. Other Income	0.56	3.66
e. Fair value gain on Investments (net)	20.63	28.20
f. Profit on Sale of property, plant and equipment	0.50	26.48
	575.75	282.30

NOTE 29 COST OF MATERIAL CONSUMED

	₹ in Lakhs	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Stock	4,351.03	5,049.76
Add: Purchase	38,892.83	26,860.78
Total	43,243.86	31,910.54
Less: Closing Stock	3,264.61	4,351.03
	39,979.25	27,559.51

NOTE 30 COST OF CONSUMABLES

	₹ in Lakhs	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Consumption of Petcoke	3,561.25	1,598.14
Consumption of Furnace Oil	3,638.85	2,459.53
Consumption of Husk	655.28	539.40
Consumption of Coal	6,802.98	3,269.46
Consumption of LDO/Kerosene	828.66	600.65
	15,487.02	8,467.18

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Finished Goods		
a. Opening Stock:	8,288.18	9,635.99
b. Closing Stock:	7,456.43	8,288.18
	831.75	1,347.81
2. Work-in-progress		
a. Opening Stock:	3,615.19	3,484.87
b. Closing Stock:	2,988.36	3,615.19
	626.83	(130.32)
3 Stock-in-Trade		
a. Opening Stock:	288.57	288.57
b. Closing Stock:	288.57	288.57
	-	-
Total Decrease / (Increase)	1,458.58	1,217.49

NOTE 32 EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries & Wages	3,683.08	2,968.95
Contribution to Provident and Other Funds	252.45	224.81
Staff Welfare Expenses	214.17	235.05
	4,149.70	3,428.81

NOTE 33 FINANCE COSTS

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Expense	1,641.81	1,904.10
Interest on Others	208.92	184.24
Unwinding of Interest/Discount on Financial Instruments	343.58	272.26
Other Borrowing Costs	338.57	236.55
Preference Dividend	76.64	-
	2,609.52	2,597.15

NOTE 34 POWER COST

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Power Charges	4,541.94	3,136.24
	4,541.94	3,136.24

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 35 MANUFACTURING EXPENSES

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Equipment Hire Charges	777.69	694.94
Consumption of Stores & Spares	2,495.19	2,099.11
Repairs & Maintenance - Buildings	237.78	119.73
Repairs & Maintenance - P & M	836.92	688.76
Labour costs	1,821.10	906.16
Factory/Godown Maintenance	616.01	429.60
Effluent Disposal Expenses	2,061.48	1,810.51
Goods Movement Charges	732.47	675.39
	9,578.64	7,424.20

NOTE 36 SELLING & ADMINISTRATIVE EXPENSES

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Labour costs	43.22	29.22
Insurance	352.83	288.79
Packing Charges	2,596.44	1,877.03
Shipping & forwarding Charges	8,719.25	4,110.66
Other Selling Cost	464.47	374.07
Rent	787.60	805.77
Rates & Taxes	144.59	124.89
Bank charges	192.24	131.16
Net Loss on Foreign Currency Transaction & Translation	-	119.39
Travelling, Vehicle Maintenance & Conveyance	406.45	211.90
Professional & Consultancy Charges	331.13	253.23
Security Charges	112.99	100.66
Miscellaneous Expenses	415.06	324.11
	14,566.27	8,750.88

Disclosures:

Payment to statutory auditors

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
The details of payment to statutory auditors included in Professional & Consultancy charges above, are given below		
a. As an auditor - Statutory audit fee	16.50	13.50
b. For taxation matters & Tax audit fee	5.25	3.50
c. For company law matters	-	-
d. For other services	4.60	3.45
e. For reimbursement of expenses	-	-
	26.35	20.45

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 37 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
CSR Expenses	66.52	138.87
	66.52	138.87
a. Gross amount required to be spent by the Company during the year	66.52	55.68
b. Amount Spent during the year on the above	66.52	138.87
c. Shortfall at the end of the year	-	-
d. Total of previous year shortfall	Nil	Nil
e. Reason for shortfall	Not Applicable	Not Applicable
f. Nature of activity	* see note below	* see note below
g. Details of related party transactions		
Contribution to a trust controlled by the Company in relation to Company	389.36	138.00
(i) Applicable for the current year	66.52	-
(ii) Excess amount contributed for future settoff	323.48	-
h. where a provision is made with respect to liability incurred-movement in the provision needs to be disclosed separately	-	-

* Note:

Construction of old-age home through Krishna Foundation, a registered public charitable Trust

NOTE 38 TAX EXPENSE

₹ in Lakhs

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Current Tax	2,458.55	386.74
b. Tax Pertaining to earlier years	(5.26)	(136.84)
c. MAT Reversal	-	785.86
d. Deferred Tax Prior period	-	(1,328.51)
e. Deferred Tax current year	640.78	243.58
	3,094.07	(49.17)

NOTE 39 GROUP:

Vishnu Chemicals Limited has two 100% wholly owned subsidiaries – Vishnu Barium Private Limited in India and Vishnu South Africa (Pty) Limited in South Africa. Vishnu South Africa (Pty) Limited, incorporated in financial year 2017-18 is yet to commence operations. Vishnu Chemicals Limited invested Rand 1,000 in equity share capital during the financial year 2019-20.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 40 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

₹ in Lakhs

S. No.	Particulars	As on 31st March, 2022	As on 31st March, 2021
1	Contingent Liabilities:		
	Claims against the Group not acknowledged as debt		
a.	Claims arising from disputes not acknowledged as debts-Sales Tax (against which Pre-deposit of ₹ 146.79 Lakhs made (P.Y. Pre-deposit ₹ 146.79 Lakhs)	204.52	204.52
b.	Claims arising from disputes not acknowledged as debts-Service Tax (against which Pre-deposit of ₹ 17.55 Lakhs made (P.Y. Pre-deposit ₹ 17.55 Lakhs)	652.62	652.62
c.	Fuel surcharge adjustment expense pertaining to the period from April, 2008 to March, 2010 was not recognised as the collection of the same was stayed by Honorable High Court of Andhra Pradesh, which is still pending for disposal.	27.38	27.38
d.	The Recovery Officer, Employee State Insurance Corporation, has raised a demand to pay arrears along with interest. A writ petition was filed against the same in the Honorable High court of Andhra Pradesh and is contesting the aforesaid matter. Based on internal assessment and legal advice, the Management strongly believes that matter will be decided in its favour.	21.48	21.48
e.	The Assistant Commissioner (CT), LTU, Chittoor Division, Andhra Pradesh has raised a demand of ₹ 7.51 Lakhs for the period June 2017 towards excess Input Tax Credit availed and an equivalent amount towards penalty (against which pre-deposit of ₹ 0.94 Lakhs made)	15.02	15.02
f.	Guarantees excluding financial guarantees	66.48	21.79
2	Commitments:		
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	2,241.55	1,609.58

NOTE 41 SEGMENT REPORTING:

As the Group 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	2021-22	2020-21
	Revenue	Revenue
Domestic	52,079.70	33,118.75
Overseas	54,507.91	34,057.40

Details of Non-Current Assets*

₹ in Lakhs

Geographic Location	As on 31st March, 2022	As on 31st March, 2021
Domestic	49,713.70	42,349.75
Overseas	-	-

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

NOTE 42 RELATED PARTY DISCLOSURES:

a) Details of Related Parties:

SI No	Name of the Related Party	Nature of Relationship
1	Mr. Ch. Krishna Murthy	Chairman and Managing Director, Key Managerial Personnel
2	Mrs. Ch. Manjula	Non-executive Director (Executive Director in Subsidiary Vishnu Barium Private Limited)
3	Mr. Ch. Siddartha	Joint Managing Director, Key Managerial Personnel
4	Mr. P. Anjaneyulu	Chief Financial Officer, Key Managerial Personnel
5	Mr. Kishore Kathri	Company Secretary, Key Managerial Personnel
6	Mr. Pradip Saha	Independent Director (retired on 9th November, 2021)
7	Mr. Tirthankar Mitra	Independent Director (Non-executive director in Subsidiary Vishnu Barium Private Limited)
8	Mr. Chetan Shah	Independent Director (appointed on 12th February, 2021)
9	Mr. V. Vimalanand	Independent Director (appointed on 31st December, 2021)
10	Mr. S. Saranathan	Independent Director (retired on 2nd February, 2021)
11	Santanu Mukherjee	Independent Director (retired on 8th October, 2021) in Subsidiary Vishnu Barium Private Limited
12	M/s. Vasantha Transport Corporation	Concern in which Key Managerial Personnel is interested
13	M/s. K.M.S. Infrastructure Private Limited	Concern in which Key Managerial Personnel are interested
14	M/s. Vishnu Life Sciences Limited	Concern in which Key Managerial Personnel is interested
15	M/s. Vishnu Barium Private Limited	Wholly Owned Subsidiary
16	M/s. Vishnu South Africa (Pty) Limited	Wholly Owned Subsidiary
17	M/s. Krishna Foundation	Trust in which directors are Trustees and the Company is the settlor

b) Details of Transactions:

₹ in Lakhs

Nature of Transaction	Key Managerial Personnel		Concerns in which Key Managerial Personnel are Interested	
	2021-22	2020-21	2021-22	2020-21
Expenses				
Remuneration	286.83	229.18		
Rent Expenses	72.24	49.47	10.00	19.50
Maintenance Charges			-	8.76
Transportation, CHA services and hire charges			2,394.75	2,392.68
Purchases			225.82	-
Sales			111.73	-
Hire Charges	4.80	4.80	119.25	112.40
Contract Service Charges			-	37.58
Receipts & Payments, Payables & Receivables Outstanding at year end				
Unsecured Loan from Promoter Directors during the year	208.28	35.00	-	-
Unsecured Loans from Promoter Directors outstanding at year end	3,015.13	2,810.80	-	-
Payables to KMP and Concerns in which KMP are interested	22.21	17.38	75.85	61.01

Note: The details of the transactions during the year as reported above are net of GST, where applicable.

As post-employment benefits are actuarially determined on overall basis, the amount pertaining to the Key Management personnel is not ascertainable and, therefore, not included above.

During the year, the Group has paid directors sitting fees to non-executive director and independent directors as under:

SI. No.	Director Name	2021-22	2020-21
1	Mrs. Ch. Manjula	1.00	0.60
2	Mr. Pradip Saha	1.40	1.60
3	Mr. Tirthankar Mitra	2.80	1.80
4	Mr. Chetan Shah	2.00	0.20
5	Mr. T.S.Appa Rao	-	0.40
6	Mr. S. Saranathan	-	0.20
7	Mr.Santanu Mukherjee	0.60	0.80
8	Mr. Vimalanand	0.60	-
	Total	8.40	5.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

An amount of ₹ 389.36 Lakhs (Previous Year: ₹ 138.00 Lakhs) has been contributed to Krishna Foundation during the year towards Corporate Social Responsibility.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

NOTE 43 The paid-up share capital of the Company as on financial year ended 31st March, 2022 and financial year ended 31st March, 2021 is ₹ 8,858.35 Lakhs 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 Public Shareholding in equity capital as on 31st March, 2022 and as on 31st March, 2021 is 25%.

The preference shareholders have given their consent to forego 6% preference dividend of the eligible 7% preference dividend amounting ₹ 459.83 Lakhs for the financial year 2021-22 and The preference shareholders have given their consent to forego 7% preference dividend amounting ₹ 536.46 Lakhs for 2020-21.

NOTE 44 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	
	2021-22	2020-21
Contribution to Provident Fund	132.96	118.96
Contribution to Employee State Insurance	4.73	10.64

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 recognised in Statement of Profit & Loss and Other Comprehensive Income are given below:

		₹ in Lakhs	
		Gratuity (Funded)	Gratuity (Funded)
		2021-22	2020-21
1	Assumptions		
	Discount Rate	7.14%-7.36%	6.57%-6.74%
	Escalation	3%-5.50%	3%-5.50%
2	Reconciliation of opening and closing balances of Defined Benefit obligation		
	Present value of obligations at beginning of year	526.10	514.91
	Interest Cost	33.84	33.27
	Current Service Cost	49.08	46.21
	Benefits Paid	(37.16)	(44.95)
	Actuarial (gain)/ loss on obligation	67.38	(23.33)
	Present Value of obligation at end of year	639.24	526.10
3	Reconciliation of opening and closing balances of fair value of plan assets		
	Opening fair value of plan asset	149.80	71.96
	Adjustment to opening Fair Value of Plan Asset	(1.15)	(2.37)
	Return on Plan Assets excl. interest income	(1.37)	1.29
	Interest Income	10.46	5.14
	Contributions by Employer	194.66	118.73
	Benefits paid	(37.16)	(44.95)
	Fair Value of plan Assets at end	315.24	149.80

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

₹ in Lakhs

		Gratuity	
		(Funded)	
		2021-22	2020-21
4	Net defined benefit asset/ (liability) recognised in the balance sheet		
	Present value of defined benefit obligation	639.24	526.10
	Fair Value of plan Assets at end of period	315.23	149.80
	Net Asset/(liability) recognised in the balance sheet.	(324.01)	(376.31)
5	Expenses recognised in the statement of Profit and Loss		
	Current service cost	49.08	46.22
	Net interest	23.37	28.12
	Expense recognised in the statement of Profit and Loss	72.45	74.34
6	Other Comprehensive Income (OCI)		
	Actuarial gain/(loss) recognised for the period	67.38	(23.33)
	Return on plan assets excluding net interest	1.37	(1.29)
	Total actuarial (gain)/ loss recognised in OCI	68.75	(24.62)

Sensitivity Analysis:

₹ in Lakhs

Particulars	31st March, 2022		31st March, 2021	
	Discount Rate		Salary Escalation Rate	
	+1%	(1%)	+1%	(1%)
Present Value of Obligation	592.76	692.18	691.64	592.40

Categories of Plan Assets:

₹ in Lakhs

Particulars	31st March, 2022	31st March, 2021
Gratuity Fund managed by Life Insurance Corporation of India	315.23	149.80

NOTE 45 EARNINGS PER SHARE:

	2021-22	2020-21
Net Profit after Tax (₹ in Lakhs) (a)	8,139.27	3,449.46
Weighted Average no. of Shares - Basic & Diluted (b)	1,19,46,020	1,19,46,020
Nominal value of equity share (in ₹ per share)	10	10
Earnings per Share - Basic & Diluted (₹) (a)/(b)	68.13	28.88

NOTE 46 UN-HEDGED 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	Currency	31st March, 2022		31st March, 2021	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade receivables	USD	1,69,36,654	12,836.72	95,96,375	7,015.91
Trade receivables	EURO	9,87,591	831.75	17,83,376	1,529.24
Trade payables	USD	(24,09,286)	(1,826.06)	(62,49,843)	(4,569.26)
Secured loans	USD	(1,19,18,882)	(9,033.62)	(23,83,234)	(1,742.38)
Secured loans	EURO	(8,27,400)	(696.84)	(16,67,958)	(1,430.28)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**
NOTE 47 ANALYTICAL RATIOS:

Sl. No	Ratio	Numerator	Denominator	2022	2021	Variance	Remarks
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.13	1.07	5.96%	-
2	Debt-equity ratio (in times)	Total Debt	Shareholders Equity	1.32	1.71	(22.97%)	Increase was primarily on account of increase in profits
3	Debt service coverage ratio (in times)	Earnings before Debt service = Net profit after taxes + non Cash operating expenses + Interest + Other non cash adjustments (like loss on sale of fixed assets etc)	Debt service = Interest & lease payments + principle repayments	2.54	1.61	57.84%	Increase was primarily on account of increase in profits
4	Return on equity ratio (in %)	Profit for the year	Average total Equity	34.41%	19.37%	77.65%	Increase was primarily on account of increase in profits
5	Inventory Turnover ratio (in times)	Revenue from operations	Average total inventory	5.96	3.41	75.04%	Increase was primarily on account of increase in revenue
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	6.97	6.57	6.23%	-
7	Trade payables turnover	Raw material purchases + Fuel purchase + Other expenses	Average trade payables	5.35	3.97	34.77	Increase was primarily on account of increase in raw material and other related expenses with proportionate revenue than average trade payables
8	Net capital turnover ratio	Revenue from operations	Average working capital (ie., Total current assets less Total current liabilities)	31.01	34.67	(10.58%)	-
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	7.61%	5.08%	49.80%	Increase was primarily on account of increase in profits than increase in revenue
10	Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Debt + Deferred tax Liabilities	25.26%	13.00%	94.33%	Increase was primarily on account of increase in profits
11	Return on Investment	Income generated From invested Funds	Average invested funds in treasury investments	859.20%	624.45%	37.59%	Increase was primarily both on account of increase in revenue as well as profit of the subsidiary

NOTE 48 ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 2 OF DIVISION II OF SCHEDULE III TO THE COMPANIES ACT, 2013-'GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS':
31st March, 2022

₹ in Lakhs

S. No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	Holding Company Vishnu Chemicals Limited	78.07%	21,616.48	80.15%	6,523.90	72.51%	40.92	80.21%	6,482.98
2	Subsidiaries:								
	Indian Subsidiaries Vishnu Barium Private Limited	24.73%	6,847.57	19.85%	1,615.38	27.49%	15.51	19.79%	1,599.87
	Foreign Subsidiary Vishnu South Africa (Pty) Limited	0.00%	(0.04)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
	Less: Consolidation Adjustments	(2.80%)	(777.67)	0.00%	-	0.00%	-	0.00%	-
	TOTAL	100.00%	27,687.34	100.00%	8,139.27	100.00%	56.43	100.00%	8,082.84

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)**

31st March, 2021

₹ in Lakhs

S. No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	Holding Company								
	Vishnu Chemicals Limited	77.21%	15,143.13	65.96%	2,275.32	128.29%	20.30	66.25%	2,295.62
2	Subsidiaries:								
	Indian Subsidiaries								
	Vishnu Barium Private Limited	26.75%	5,247.70	34.03%	1,173.96	(28.29%)	(4.48)	33.75%	1,169.48
	Vishnu Renewable Energy Private Limited	-	-	(0.02%)	(0.77)	-	-	(0.02%)	(0.77)
	Foreign Subsidiary								
	Vishnu South Africa (Pty) Limited	0.00%	(0.04)	(0.00%)	(0.05)	-	-	(0.00%)	(0.05)
	Less: Consolidation Adjustments	(3.96%)	(776.67)	0.00%	1.00	-	-	0.03%	1.00
	TOTAL	100.00%	19,614.12	100.00%	3,449.46	100.00%	15.83	100.00%	3,465.29

NOTE 49 Previous year's figures are regrouped and reclassified wherever considered necessary to conform to the classification/presentation of the current year.

As per our report of even date

For **Jampani & Associates**

Chartered Accountants

Firm Registration No. 016581S

sd/-

Trinadha Rao Marisetty

Partner

Membership No. 207990

Place: Hyderabad

Date: 16th May, 2022

For and on behalf of the Board of Directors

sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

sd/-

P. Anjaneyulu

Chief Financial Officer

Place: Hyderabad

Date: 16th May, 2022

sd/-

Ch. Manjula

Director

DIN: 01546339

sd/-

Kishore Kathri

Company Secretary & AGM-Legal



CIN: L85200TG1993PLC046359

Regd. Off: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 096

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

Website: www.vishnuchemicals.com; Email id: vishnu@vishnuchemicals.com

NOTICE OF TWENTY NINTH (29TH) ANNUAL GENERAL MEETING OF VISHNU CHEMICALS LIMITED

NOTICE is hereby given that the Twenty Ninth (29th) Annual General Meeting (AGM) of the members of Vishnu Chemicals Limited ('VCL') will be held on Friday, 15th July, 2022 at 2.30 P.M. IST via two-way video conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following business:

ORDINARY BUSINESS:

- a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022, together with the Reports of the Board of Directors and Auditors thereon.**
- b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022, together with the Report of the Auditors thereon.**
- To declare dividend of ₹ 2/- per equity share of ₹ 10/- each (i.e. 20%) for the financial year ended 31st March, 2022.**
- To appoint a Director in place of Mrs. Ch. Manjula (DIN: 01546339), who retires by rotation and being eligible, offers herself for re-appointment.**

SPECIAL BUSINESS:

- To appoint Mr. Veeramachaneni Vimalanand (DIN: 02693721) as an Independent Director of the Company.**

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

"RESOLVED THAT Mr. Veeramachaneni Vimalanand (DIN: 02693721) who was appointed as an Additional Director (for Non-Executive & Independent category) of the Company with effect from 31st December, 2021 by the Board and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161(1) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Articles of Association of the Company, who is eligible for appointment, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 25(2A) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') [including any statutory modification(s) or re-enactment(s) thereof] and the Articles of Association of the Company, the appointment of Mr. Veeramachaneni Vimalanand (DIN: 02693721), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of two (2) years with effect from 31st December, 2021 till 30th December, 2023 (both days inclusive), be and is hereby approved.

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".

- To appoint Mrs. Sita Vanka (DIN: 07016012) as an Independent Director of the Company.**

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

"RESOLVED THAT Mrs. Sita Vanka (DIN: 07016012) who was appointed as an Additional Director (for Non-Executive & Independent category) of the Company with effect from 16th May, 2022 by the Board and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161(1) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), who is eligible for appointment, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies

NOTICE (CONTD.)

(Appointment and Qualification of Directors) Rules, 2014, and Regulation 25(2A) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') [including any statutory modification(s) or re-enactment(s) thereof] and the Articles of Association of the Company, the appointment of Mrs. Sita Vanka (DIN: 07016012), who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of three (3) years with effect from 16th May, 2022 till 15th May, 2025 (both days inclusive), be and is hereby approved.

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 approve re-appointment of Mr. Tirthankar Mitra (DIN: 02675454) as an Independent Director of the Company.

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

"RESOLVED THAT pursuant to 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 read with Schedule IV to the Act and Regulation 25(2A) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Tirthankar Mitra (DIN: 02675454), 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(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 three (3) consecutive years with effect from 14th August, 2022 till 13th August, 2025 (both days inclusive) 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'.

7. To approve re-appointment of Mr. Chetan Navinchandra Shah (DIN: 08038633) as an Independent Director of the Company.

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

"RESOLVED THAT pursuant to 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 read with Schedule IV to the Act and Regulation 25(2A) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Chetan Shah (DIN: 08038633), 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(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 (2) consecutive years with effect from 12th February, 2023 till 11th February, 2025 (both days inclusive) 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'.

8. To approve increase in remuneration of Mr. Ch. Krishna Murthy (DIN: 00030274), Managing Director of the Company.

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

"RESOLVED THAT supplement to the special resolution passed at 27th Annual General Meeting of the Company held on August 14, 2020 for re-appointment of Mr. Ch. Krishna Murthy as Managing Director of the Company and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the rules made thereunder and Regulations 17(6)(e) and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') [including any statutory modification(s) or re-enactment(s) thereof] and pursuant to the recommendation of the Board of Directors of the Company, the approval of the members of the Company, be and is hereby accorded for increase in remuneration of

NOTICE (CONTD.)

Mr. Ch. Krishna Murthy (DIN:00030274), Managing Director of the Company from ₹ 96.00 Lakhs (Rupees Ninety Six Lakhs only) per annum to ₹ 192.00 Lakhs (Rupees One Crore Ninety Two Lakhs only) per annum with effect from 1st June, 2022 and the said increased remuneration paid/ to be paid during any financial year may exceed the limits prescribed under the provisions of Section 197 of the Companies Act, 2013 and Regulations 17(6)(e) of the Listing Regulations, as amended from time to time however the same shall not exceed the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/ inadequacy of profits during the any financial year.

RESOLVED FURTHER THAT save and except as aforesaid, all other existing terms and conditions of re-appointment of Mr. Murthy as a Managing Director of the Company as approved by way of special resolution at 27th Annual General Meeting of the Company held on 14th August, 2020, shall continue to remain in full force and effect.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary and /or revise the remuneration of Mr. Murthy within limits as approved by the aforesaid resolution and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution."

9. To approve variation of terms of 7,66,37,500 7% Cumulative Redeemable Preference Shares of the Company.

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

"RESOLVED THAT in addition to the special resolutions dated 26th January, 2018 for further issue of 7% Cumulative Redeemable Preference Shares (CRPS) of ₹ 10/- (Rupees Ten only) each & 27th June, 2019 for extension of tenure of redemption from 10 (Ten) years to 15 (Fifteen) years and pursuant to Sections 48, 55 and all other applicable provisions, if any, of the Companies Act, 2013, corresponding rules thereof and the Articles of Association of the Company, considering the consent of the preference shareholders of the company vide their letters dated 31st December, 2021, 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) of ₹ 10/- (Rupees Ten only) each, which are unlisted, of the company for further extension of term of redemption from 15 (Fifteen) years to 20 (Twenty) years thereby due date for redemption of said shares is extended from 31st March, 2033 to 31st March, 2038 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 authorised, 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. To ratify payment of remuneration to the Cost Auditors for 2021-22.

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

"RESOLVED THAT in supersession to the resolution passed at previous Annual General Meeting held on 12th July, 2021 and pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof], the Company hereby ratifies the maximum remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus taxes, travel and out-of-pocket expenses incurred in connection with the cost audit payable to M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118), Hyderabad, who were appointed as Cost Auditors in casual vacancy caused due to the death of Mr. N.V.S. Kapardhi, Cost Auditor, by the Board of Directors of the Company to conduct audit of the cost records of the Company for the financial year ending 31st March, 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary and /or revise the remuneration of the Cost Auditors within limits as approved by the aforesaid resolution and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution."

11. To ratify payment of remuneration to the Cost Auditors for 2022-23.

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 other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof], the Company hereby ratifies the maximum remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus taxes, travel and out-of-pocket expenses incurred in connection with the cost audit payable to M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118),

NOTICE (CONTD.)

Hyderabad, who were appointed as Cost Auditors of the by the Board of Directors of the Company to conduct audit of the cost records of the Company for the financial year ending 31st March, 2023.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary and /or revise the remuneration of the Cost Auditors within limits as approved by the aforesaid resolution and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution."

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular nos. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", Circular no. 20/2020 dated 5th May, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular nos. 02/2021, 21/2021 and 02/2022 dated 13th January, 2021, 14th December, 2021 and 5th May, 2022 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue; in line with the MCA Circulars, Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (collectively referred to as "SEBI Circulars") relaxed the requirement of sending physical copies of annual report to shareholders under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of the AGM venue are not annexed to this notice.
3. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 4 to 11 of the Notice is annexed hereto. The relevant details pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of Directors seeking appointment/re-appointment at this AGM are also annexed. Mr. Ch. Krishna Murthy, Mrs. Ch. Manjula and Mr. Ch. Siddartha are relatives of each other as defined under Section 2(77) of the Companies Act, 2013.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before & after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The detailed instructions for joining the Meeting through VC/OAVM forms part of this notes.
5. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorisation etc., authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorisation shall be sent to the Scrutiniser by e-mail on its registered e-mail address to ldreddy2016@gmail.com with a copy marked to investors@vishnuchemicals.com
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with aforementioned MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2021-22 is being sent only through e-mail, to those Members whose e-mail addresses are registered with the Company/ Registrar & Share Transfer Agent (RTA)/ Depository Participant/ Depositories as at the end of the day on Friday, 17th June, 2022. The Notice convening the 29th AGM has been uploaded on the website of the Company at www.vishnuchemicals.com and may

NOTICE (CONTD.)

also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

8. Process for registering/ updating e-mail address and mobile number:

The following procedure shall be followed in case shares are held in physical form:

- a) Visit the link: <https://www.bigshareonline.com/InvestorRegistration.aspx>
- b) Select the company name from the drop down box
- c) Enter your name as per the share certificate, physical folio number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member to enter one of the share certificate numbers; and the above system also provides a facility to the Members holding shares in physical form to upload a self-attested copy of their PAN Card, if the PAN details are not updated in accordance with the requirements prescribed by SEBI.
- d) Also enter your valid e-mail address and mobile number and click on generate OTP, an OTP shall be sent to mobile number for verification. Once OTP is validated, the details can be submitted by verifying the declaration.
- e) The system will then confirm the successful registration of email id and mobile number.

The above submitted email id and mobile number shall be used for sending notices, annual report and all other correspondence from time to time to the shareholders including for participating in e-voting of this AGM.

In case of shares held in electronic/demat form, the shareholders are requested to update/ register their email id and mobile no. with their respective depository participants. However, for the limited purpose of receiving the company's 29th Annual Report and notice of 29th Annual General Meeting and to participate in e-voting, the Company enabled the process of updating/ modifying and changing their email id and mobile no. on temporary basis by following the above procedure as provided to physical shareholders.

After successful submission of the e-mail address, on request from the shareholder, RTA will e-mail a copy of this AGM Notice and Annual Report for 2021-22. In case of any queries, members may write to bsshyd1@bigshareonline.com or investors@vishnuchemicals.com.

Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses

validated/updated from time to time with their respective DPs/ RTA to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.

Alternatively, Members may also send an e-mail request to bsshyd1@bigshareonline.com or to investors@vishnuchemicals.com along with the following documents for registration of e-mail addresses for e-voting for the resolutions set out in this 29th AGM Notice:

- In case shares are held in physical form, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN Card, self-attested scanned copy of Aadhaar Card.
- In case shares are held in demat form, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), name, client master or copy of consolidated account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card. Please note that the registration of email id and mobile no. for shareholders holding shares in Demat will be used only for limited purpose of 29th AGM.

9. Record Date, Book Closure and Dividend:

- a) The Company has fixed **Friday, 8th July, 2022** as the '**Record Date**' for determining entitlement of members to dividend for the financial year ended 31st March, 2022, if approved at the AGM.
- b) The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 9th July, 2022 to Friday, 15th July, 2022 (both days inclusive).
- c) If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made within 30 days from the date of AGM as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Friday, 8th July, 2022;
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the closure of business hours on Friday, 8th July, 2022.

NOTICE (CONTD.)

10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies shall be transferred only in dematerialised form with effect from, 1st April, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2nd December, 2020 had fixed 31st March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrar and Share Transfer Agent, M/s. Bigshare Services Private Limited (BSPL), 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad – 500082, India, Email Id: bsshyd1@bigshareonline.com, www.bigshareonline.com ("RTA" or "Registrar") for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's Website <https://www.vishnuchemicals.com/investors/#1571313077497-a1a918a7-6e88>
11. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the Depository Participant (if shares held in electronic form) and Company / RTA (if shares held in physical form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to investors@vishnuchemicals.com/ bsshyd1@bigshareonline.com by 11:59 p.m. IST on 30th June, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to investors@vishnuchemicals.com/ bsshyd1@bigshareonline.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 30th June, 2022. For further details and formats of declaration, please refer to FAQs on Taxation of Dividend Distribution available on the Company's website at '**Communication on Tax Deduction on Dividend**'.
12. The Members holding shares in physical form are informed that as per SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 and SEBI/HO/MIRSD/MIRSD RTAMB/P/ CIR/2021/687 dated 13th November, 2021 and 14th December, 2021 respectively, SEBI has notified simplified norms for processing investor's service request by RTA and mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities.
- In this regard, it is mandatory for all the physical shareholders to furnish the following documents/ details with the Company/ RTA and the non updation of the same on or before 1st April, 2023 shall result into freezing of folios:
- Form ISR-1 (Request for registering PAN, KYC details)
 - Form ISR-2 (Confirmation of Signature of securities holder by the Banker)
 - Either,
 - SH-13 (Nomination Form); or
 - Form ISR-3 (Declaration to opt-out Nomination)
- The physical shareholders are requested to furnish the above documents on or before 31st March, 2023 so as to avoid freezing of folios. The shareholders can download the relevant forms from the website of the company at Investor Relations> Investor Information> Forms or from the website of RTA <https://www.bigshareonline.com/Resources.aspx>.
13. Members are also requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to Registrar/respective DPs as may be applicable.
14. Updation of bank mandate for receiving dividends directly in bank account through Electronic Clearing System or any other electronic means in a timely manner:
- Shares held in physical form:** Members are requested to send a scanned copy of the following details/ documents at bsshyd1@bigshareonline.com/ investors@vishnuchemicals.com latest by 30th June, 2022:
- signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

NOTICE (CONTD.)

- i) Bank Name and Branch of Bank, Bank Account type and 11 digit IFSC Code;
- ii) Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
- b) self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c) self-attested scanned copy of the PAN Card; and
- d) self-attested scanned copy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Shares held in electronic form: Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participants (DP).

S.No.	Dividend Accounts	Date of declaration	Date on which unclaimed dividend become due to be transferred to IEPF
1	Unpaid Dividend Account 2014-15	29.06.2015	03.08.2022
2	Unpaid (interim) Dividend Account 2015-16	16.03.2016	20.04.2023
3	Unpaid Dividend Account 2017-18	24.09.2018	29.10.2025
4	Unpaid Dividend Account 2018-19	27.06.2019	07.08.2026
5	Unpaid Dividend Account 2019-20	14.08.2020	22.09.2027
6	Unpaid Dividend Account 2020-21	12.07.2021	20.08.2028

17. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before 5th July, 2022 through e-mail on investors@vishnuchemicals.com The same will be replied by the Company suitably.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
19. Details of Unclaimed Shares: The Company doesn't have any shares remaining unclaimed in the unclaimed suspense account.

20. INTRUCTIONS FOR REMOTE E-VOTING & E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/ OAVM ARE AS UNDER:

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

15. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other electronic means, due to non-registration of the Electronic Bank Mandate or other technical reasons like change in IFSC, inactive account etc., the Company shall dispatch the dividend warrant/ bankers' cheque/demand draft to such members through postal or courier services to their registered address.
16. 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, shall, 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.** Hence, 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 mentioned hereunder:

A. VOTING THORUGH ELETRONIC MEANS:

- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 29th AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a Member using remote e-voting system as well as e-voting during the AGM will be provided by CDSL.
- ii. **The remote e-voting period commences on Monday, 11th July, 2022 at 9.00 a.m. (IST) and ends on Thursday, 14th July, 2022 at 5.00 p.m. (IST).** The remote e-voting module shall be disabled

NOTICE (CONTD.)

by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. as of the close of business hours on Friday, 8th July, 2022.

- iii. Members of the Company holding shares either in physical form or in electronic form **as of the closure of business hours on Friday, 8th July, 2022 i.e. cut-off date** may cast their vote by remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. 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 only shall be entitled to avail the facility of e-voting before the AGM as well as remote e-voting during the AGM.

Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holds shares as on the cut-off date i.e. as of the closure of business hours on Friday, 8th July, 2022, may obtain a copy of AGM Notice by sending a request to bsshyd1@bigshareonline.com or can also be downloaded from the Company's website www.vishnuchemicals.com and participate in remote e-voting or e-voting at AGM by following the instructions provided herein.

iv. Facility for Non – Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- 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 scrutiniser to verify the same.

- Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authorization letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; investors@vishnuchemicals.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.
- v. The Members who have cast their vote by remote e-voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- vi. M/s. L.D.Reddy & Co., Company Secretaries, Hyderabad has been appointed as the Scrutiniser(s) to scrutinise 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.

The details of the process and manner for remote e-voting are explained herein below:

1) Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in demat mode.

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/ CIR/P/2020/242 dated 9th December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

NOTICE (CONTD.)

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting service providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from the e-voting link available on www.cdslindia.com home page or by clicking on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

NOTICE (CONTD.)

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 or 1800 22 44 30

II) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode & shareholders holding securities in physical mode:

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the image verification as displayed and click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form

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

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN of Vishnu Chemicals Limited
- 11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

NOTICE (CONTD.)

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.

- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) 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.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutiniser for verification.

B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- 1) The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 2) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- 3) Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM except on the resolutions which couldn't be voted during the remote e-voting.
- 4) Members may join the Meeting through laptops, smartphones, tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed/ band to avoid buffering/ disconnections during the Meeting. Please note that participants

connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

- 5) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@vishnuchemicals.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@vishnuchemicals.com. These queries will be replied to by the company suitably by email.
- 6) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 7) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- 8) If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- 9) During the AGM remote e-voting module will be enabled for e-voting and the same will be open for 15 minutes after conclusion of the meeting.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

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

NOTICE (CONTD.)**Other instructions:**

1. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast during the AGM and votes cast through remote e-voting and make, not later than 2 working days of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutiniser's Report shall be placed on the Company's website www.vishnuchemicals.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
3. 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.

By Order of the Board

sd/-

Kishore Kathri**Company Secretary & AGM-Legal****FCS - 9895**Hyderabad
16th May, 2022**Registered Office:**Plot No. C-23, Road No. 8,
Film Nagar, Jubilee Hills, Hyderabad – 500 096
Tel: 040-23396817, 23327723/ 29;
Email ID: vishnu@vishnuchemicals.com
Website: www.vishnuchemicals.com

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. 4 - 11 of the accompanying Notice of AGM.

Item Nos. 4 & 5:

It is informed that based on the recommendations of Nomination and Remuneration Committee (NRC), Mr. Veeramachaneni Vimalanand (DIN: 02693721) & Mrs. Sita Vanka (DIN: 07016012) were appointed as Additional Directors (for Independent Director category) of the Company by the Board at its meetings held on 31st December, 2021 & 16th May, 2022 respectively, with immediate effect under the provisions of section 161 (1) and other applicable provisions, if any, of the Companies Act, 2013 and are entitled to hold office up to the date of 29th Annual General Meeting of the Company.

The Company has received consent from Mr. Vimalanand & Mrs. Sita, in writing to act as a director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time along with a declaration stating their eligibility to be appointed as Independent Directors and confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(i)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"). Mr. Vimalanand & Mrs. Sita are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. In opinion of the Board, both fulfill the conditions specified in the Companies Act, 2013 & Listing Regulations and are independent of the management. Further, NRC is of the opinion that the experience & expertise of Mr. Vimalanand in the field of law as an advocate meets the requirement of the Company to assess and have a check on regulatory/ legal concerns and also the experience of Mrs. Sita in academia as a professor of management studies will be relevant to improve the governance aspects through advising and monitoring functions. Summary of profiles of Mr. Vimalanand & Mrs. Sita are made part of disclosures under the Annexure to this notice.

In terms of the provisions of section 152 read with section 149 of the Companies Act, 2013 every director shall be appointed by the Company in general meeting and further as per Regulation 25(2A) of the Listing Regulations appointment of Independent Director shall be approved by the shareholders by way of special resolution.

The names of companies and the committees in which the director is a director/member, the letter of appointments and terms and conditions of the appointments 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,

up to 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 (ICSI) are set out in the Annexure to the Explanatory Statement.

Except the director (including relatives) being appointed in terms of the said resolutions, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, either financially or otherwise, in the Resolution at Item No. 4 & 5 of the accompanying Notice.

The Board recommends the Special Resolutions set out at Item No. 4 & 5 of the Notice for approval of the Members.

Item No. 6 & 7:

Mr. Tirthankar Mitra and Mr. Chetan Navinchandra Shah were appointed as an Independent Directors of the Company by the members at the 28th Annual General Meeting of the Company held on 12th July, 2021 for a term of two (2) consecutive years from 14th August, 2020 to 13th August, 2022 and 12th February, 2021 to 11th February, 2023 respectively.

Based on recommendation of Nomination and Remuneration Committee (NRC) and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Act and Regulation 25(2A) of the Listing Regulations, Mr. Tirthankar Mitra and Mr. Chetan Navinchandra Shah, being eligible for re-appointment as an Independent Directors and offering themselves for re-appointment, are proposed to be re-appointed as an Independent Directors for second term of three (3) consecutive years from 14th August, 2022 till 13th August, 2025 and two (2) consecutive years from 12th February, 2023 to 11th February, 2025 respectively.

The Company has received a declaration from Mr. Mitra and Mr. Shah on them being eligible for re-appointment as Independent Director. Further, they have provided consent in writing to continue to act as Independent Directors of the Company, if so appointed by the members. The Company has also received a declaration from both of them confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(i)(b) of the Listing Regulations, as amended from time to time. Mr. Mitra & Mr. Shah are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013. In opinion of the Board, both fulfill the conditions specified in the Companies Act, 2013 & Listing Regulations for their re-appointment as Independent Directors of the Company and are independent of the management.

The Board considered that their continued association would be of immense benefit to the Company and it is desirable to continue to the services of Mr. Mitra & Mr. Shah as Independent Directors of the Company and accordingly the Board at its meeting held 16th May, 2022 recommended for their re-appointment.

NOTICE (CONTD.)

The names of companies and the committees in which the director is a director/member, the letter of appointments and terms and conditions of the appointments 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, up to 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 (ICSI) are set out in the Annexure to the Explanatory Statement.

Except the directors (including relatives) being re-appointed in terms of the said resolutions, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, either financially or otherwise, in the Resolutions at Item Nos. 6 & 7 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item Nos. 6 & 7 of the Notice for approval of the Members.

Item No. 8:

Mr. Ch. Krishna Murthy (DIN: 00030274) was originally appointed as Managing Director on 2nd June, 2006 and subsequently he got re-appointed from time to time. His last re-appointment was approved by the shareholders of the company at their 27th Annual General Meeting held on 14th August, 2020 for a term of five years from 2nd January, 2021 upto 1st January, 2026 at such terms & conditions including payment of remuneration up to ₹ 96,00,000/- (Rupees Ninety Six Lakhs Only) per annum.

The members are informed that based on the recommendations of Nomination & Remuneration Committee (NRC), the Board at its meeting held on 16th May, 2022 approved revision in terms & conditions of Mr. Murthy's re-appointment to increase the remuneration from ₹ 96.00 Lakhs (Rupees Ninety Six Lakhs Only) per annum to ₹ 192.00 Lakhs (Rupees One Crore Ninety Two Lakhs Only) with effect from 1st June, 2022 in line with his contribution for achievement of significant growth in all key performance parameters of the Company and also the progress made by the Company under his guidance and leadership during the previous financial years especially year 2021-22. The Board also acknowledged successful commencement of backward integration project and debottlenecking & capacity expansion of existing plant which increases the capacity by nearly 10,000 TPA, while doubling his remuneration.

In view of the above, members approval is being sought through a special resolution in terms of the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, Regulation 17(6)(e) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Apart from 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%) none of the Directors and/or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, either financially or otherwise, in the Resolution at Item No. 8 of the accompanying notice.

Accordingly, the Board recommends the special resolution set forth at Item No. 8 of the Notice for approval of the Members.

Item No. 9:

The members are informed that as per the member's approval vide postal ballot resolution dated 26th January, 2018 and Hon'ble National Company Law Tribunal Order dated 13th 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 31st March, 2017, to the existing preference shareholders vide Board Resolution dated 29th March, 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 (Ten) years and shall be redeemed by 31st March, 2028.

Further, the original term of redemption was subsequently extended by Five (5) years i.e. from 31st March, 2028 to 31st March, 2033 amending the term of the issue to Fifteen (15) years by the Board vide its resolution dated 14th February, 2019 upon receipt of written consents from the Preference Shareholders holding 100% of the preference share capital of the Company vide letters dated 14th February, 2019 and the same was approved by the members of the Company under 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 at the 26th Annual General Meeting of the Company held on 27th June, 2019.

It is now further informed that the Company received an intimation from the Banks that as per the Bank's internal guidelines any preference shares with an outstanding tenure of less than twelve (12) years will not be considered for the purpose of calculation of net worth of the Company accordingly the net worth of Company would be reduced to the extent of the preference share capital i.e. ₹ 76.63 Crores in arriving overall borrowing limits of the Company. The Board considered the letter received from the Banks and thought it is imperative to extend the term of the CRPS so as to have sufficient borrowing limits with the Banks. In order to further extend the term of redemption from 15 (Fifteen) years to 20 (Twenty) years, the Board, at its meeting held on 31st December, 2021, considered the consent dated 31st December, 2021 of the

NOTICE (CONTD.)

preference shareholders holding 100% of CRPS and approved further extension of term of redemption from 15 (Fifteen) years to 20 (Twenty) years thereby due date for redemption of said shares from 31st March, 2033 to 31st March, 2038 and all other terms is extended conditions of the said CRPS shall remain the same.

The members are also 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.

In terms of the aforementioned provisions, the company received consent of the preference shareholders holding 100% paid-up preference share capital of the company vide letter dated 31st December, 2021 and accordingly now the approval of the equity shareholders is being sought by way of special resolution under the provisions of section 48 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder.

Mr. Ch. Krishna Murthy, Chairman & Managing Director holding 6219790 equity shares (52.07%) and Mr. Ch. Siddartha, 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 & 11:

The Members are informed that as there was a casual vacancy in office of Cost Auditors due to a sudden demise of Mr. N.V.S. Kapardhi, Cost Auditor of the Company on 24th January, 2022 the Board, at its meeting held on 14th February, 2022, appointed M/s.

Sagar and Associates, Cost Accountants (FRN: 000118), Hyderabad as Cost Auditors of the Company to conduct the audit of the cost records of the Company for 2021-22 on a remuneration not exceeding ₹ 1.00 Lakh (Rupees One Lakh Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) and the said remuneration to be paid to M/s. Sagar and Associates, Cost Accountants (FRN: 000118), Hyderabad shall be ratified by the shareholders in terms of the provisions of section 148 of the Companies Act, 2013 and rules made thereunder.

The members are further informed that on recommendations of the Audit Committee, the Board, at its meeting held on 16th May, 2022, re-appointed M/s. Sagar and Associates, Cost Accountants (FRN: 000118), Hyderabad as the Cost Auditors of the company to conduct the audit of cost records maintained by the company for 2022-23 at a remuneration not exceeding ₹ 1.00 Lakh (Rupees One Lakh Only) (excluding all applicable taxes and reimbursement of out of pocket expenses).

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration paid to the Cost Auditor of the Company shall be approved by the members of the Company by way of ratification. Accordingly, approval of the members is being sought by way of ratification for payment of remuneration of ₹ 1.00 Lakh (Rupees One Lakh Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) to M/s. Sagar and Associates, Cost Accountants (FRN: 000118), Hyderabad for 2021-22 and 2022-23.

None of the Directors and/or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, either financially or otherwise, in the Resolutions at Item Nos. 10 & 11 of the accompanying Notice.

The Board recommends the Ordinary Resolutions set out at Item Nos. 10 & 11 of the Notice for approval of the Members.

By Order of the Board

Sd/-

Kishore Kathri

Company Secretary & AGM-Legal

FCS - 9895

Hyderabad
16th May, 2022

NOTICE (CONTD.)

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

Name of the Director	Mrs. Ch. Manjula	Mr. V Vimalanand	Mr. Tirthankar Mitra	Mr. Chetan Shah	Mrs. Sita Vanka	Mr. Ch. Krishna Murthy
Director Identification Number (DIN)	01546339	02693721	02675454	08038633	07016012	00030274
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of birth	17th May, 1966	3rd April, 1965	18th October, 1955	30th January, 1963	15th December, 1957	1st July, 1957
Age	56 years	57 years	67 years	59 years	65 years	65 years
Qualification	Graduation	Graduate in Commerce and Law	Chemical Engineer from Indian Institute of Technology (IIT), Kharagpur in the year 1978.	MBA from University of Paisley, Scotland, UK. He is an alumnus of IIM - Ahmedabad, NM College of Commerce & Economics, Mumbai	PHD in educational management from Osmania University	Master of Business and Administration (MBA)
Experience (including expertise in specific functional area)/ Brief Resume	Mrs. Manjula Cherukuri has been a guide and support to the organisation as a Director for last three decades with her rich organisation skills in various fields. She plays a pivotal role in welfare policies of the company. She keenly believes in serving the community and made a significant contribution in spheres of education, health and rural development through a philanthropic trust "Krishna Foundation" where she is one of the founder trustees.	Mr. V. Vimalanand is one of the leading advocates in State of Telangana with over three decades of experience in the field of Civil and Criminal Law matters. With vast experience in dealing with corporate suits, arbitration and other legal cases under Civil & Criminal Law, he acts as an advisory to several corporate houses & individuals.	Mr. Tirthankar Mitra is a Chemical Engineer from prestigious institute Indian Institute of Technology, Kharagpur in the year 1978 and was honoured with Silver Medal for getting 1st rank in Chemical Engineering. He has around four decades of professional expertise in Design, Operation & Management, Process Engineering, Project Management, Innovation, Cost Saving and Business turnaround plans, of Chemical units. During his tenure, he worked in various capacities including Executive Director, Director in Charge of Various specialty chemicals manufacturing companies.	He has an experience of over three decades in Capital Markets and Financial Planning; He got expertise in the fields of finance. During his tenure, he worked in various capacities at BNP Paribas.	She is a Professor at the School of Management Studies, University of Hyderabad, and is a founder, promoter and one of the key architects in developing the School of Management Studies & transforming the organisation from single product to multi products manufacturing unit with overall annual turnover of around ₹ 1000 Crore through his excellence and insight in the specialty chemical industry. He is a subject expert in India – NAAC, AMDISA, NBA, UGC, AICTE, UPSC, DRDO, CSIR, etc., She won several awards in academia specialised in Marketing both in India and International. Her last position held was Independent Director at Pennar Industries.	Mr. Murthy is a first generation entrepreneur and is a founder, promoter and one of the key architects in developing the organisation from single product to multi products manufacturing unit with overall annual turnover of around ₹ 1000 Crore through his excellence and insight in the specialty chemical industry. He is a Master of Business and Administration (MBA) specialised in Marketing with three decades of rich experience in specialty chemicals and logistic industries.

NOTICE (CONTD.)

Name of the Director Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Mrs. Ch. Manjula	Mr. V Vimalanand	Mr. Tirthankar Mitra	Mr. Chetan Shah	Mrs. Sita Vanka	Mr. Ch. Krishna Murthy
Date of first Appointment on the Board of the Company	2nd January, 2006	31st December, 2021	14th August, 2020	12th February, 2021	16th May, 2022	2nd January, 2006
Shareholding in the Company	Not applicable	His experience & expertise in the field of law as an advocate meets the requirement of the Company to assess and have a check on regulatory/ legal concerns of the company.	His technical expertise in Design, Operation & Management, Process Engineering, Project Management, Innovation, Cost Saving and Business turnaround plans, of Chemical units would immensely add in improving technical areas and will contribute in technical discussions.	His experience in the field of finance and capital markets is relevant for the Company to evaluate risks involved in finance domain.	Experience of Ms. Sita in academia as a professor of management studies will be relevant to improve the governance aspects of the Company through advising and monitoring functions	Not applicable
List of Directorship held in other companies	1614048 equity shares of ₹ 10/- each (13.51%) & 5271250 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (6.88%)	Nil	Nil	Mr. Shah holds through his spouse 4,400 (0.03%) equity shares of the Company	Nil	6219790 equity shares of ₹ 10/- each (52.07%) & 71121750 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (92.80%)
Membership / Chairmanship in Committees of other companies as on date*	a. Vishnu Barium Private Limited b. Vishnu Life Sciences Limited c. K.M.S. Infrastructure Private Limited	Nil	a. Vishnu Barium Private Limited	a. Focus Lightings & Fixtures Limited	Nil	a. K.M.S. Infrastructure Private Limited
Listed entities from which he/she has resigned in the past three years	Nil	Nil	Nil	Member of Audit Committee and Stakeholders Relationship Committee	Nil	Nil
Relationships between Directors inter-se	Relative of Ch. Krishna Murthy, Managing Director and Mr. Ch. Siddartha, Joint Managing Director of the company.	Nil	Nil	Nil	Nil	Relative of Ch. Mr. Ch. Siddartha, Joint Managing Director and Mrs. Ch. Manjula, 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.



CIN: L85200TG1993PLC046359

Regd. Off: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 096

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