

June 19, 2021

BSE Limited
Email :
corp.relations@bseindia.com

National Stock Exchange of India Limited
Email : compliance@nse.co.in,
takeover@nse.co.in

Through: BSE Listing Center
Scrip Code: 516072

Through: NEAPS
Scrip Symbol: VISHNU

Annual Report for the FY 2020-21 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 19, 2021, May 28, 2021 and June 18, 2021, wherein the Company had informed that the 28th Annual General Meeting ('AGM') of the Company will be held on Monday, 12th July, 2021 at 11.00 a.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 January 13, 2021 read with General Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 and SEBI Circular dated January 15, 2021 read with May 12, 2020.

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 28th AGM and other Statutory Reports for the Financial Year 2020-21, 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://www.vishnuchemicals.com/wp-content/uploads/2021/06/28th-Annual-Report-1.pdf>

This is for your information and records.

Thanking You.

Yours faithfully,

For Vishnu Chemicals Limited



**Company Secretary &
AGM-Legal**

Encl: As above

Driving Efficiency into Chemistry

28th Annual Report
2020-21





To know more about us in digital mode, scan this QR code in your QR mobile application.



For additional information log in to www.vishnuchemicals.com

Forward looking statement

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.



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We are
Efficient.

We are
Prepared.

We are geared to
stay ahead of
Competition.



Carrying forward a legacy of excellence and commitment, our strength lies in producing and innovating high performance specialty chemicals that stand the test of time and allow us to successfully progress.

For us, efficiency is a tool to sustain progressive growth through world class manufacturing. Our coherent approach and

a relentless pursuit for maintaining high standards of quality have enabled us to become a preferred supplier for a diverse global clientele. With improved supply chain efficiencies, leaner processes and a dedicated team, we are consistently supporting our R&D endeavors and production standards to set new benchmarks in the marketplace.

Over the years, we have forged long-term relationships to build new frontiers of excellence. We now endeavour to deliver on our growth trajectory as a confident and dynamic organization built on the tenets of executing deep process knowledge and best ever reliability. With concerted efforts, we are shaping a future-ready organisation that is successfully driving efficiency into chemistry.





Know Us

Vishnu Chemicals Limited is a pure play manufacturer of niche and superior quality specialty chemical products for diverse customers.

Established in 1989, Vishnu Chemicals Limited produces speciality chemicals with a variety of applications in different industries. Our state-of-the-art manufacturing facilities empower us to develop and deliver products that meet and exceed customer expectations.

All our processes and procedures abide by standards mandated by the International Quality Management System. With thirty years of industry experience and four world class manufacturing facilities, we are among the largest players in our vertical, driving efficiency into complex chemistry. Our products find applications across 20 industries in 57 countries around the world. Over the years, we have become a dependable supplier for some of the most respectable names in the chemical, pigments & dyes, pharmaceutical, steel and other industries.

At Vishnu Chemicals we align our product portfolio and our unique capabilities to streamline processes for manufacturing niche products that meet the diverse needs of our customers in the domestic and international markets.

Industries we serve



Pharmaceuticals



Automotive



Wood



Leather



Paper



Ceramic



Construction



Metals



Plastics



Refractory



Glass



Pigment and Dyes



Our Vision

To be one among global leaders in Specialty Chemical Manufacturing by **BETTERING THE BEST** in technology, quality and through our unbending commitment to customers and environment.



Our Values

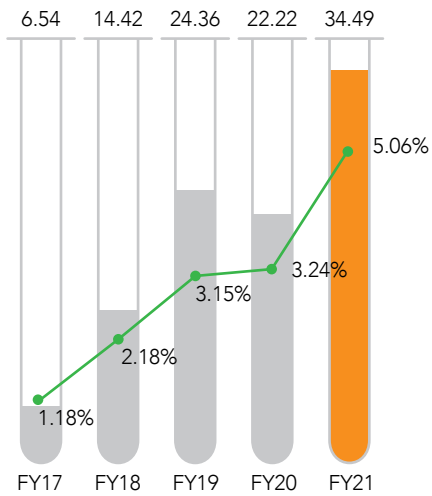
Upholding business relationships, ethics, transparency and commitment to society and environment.





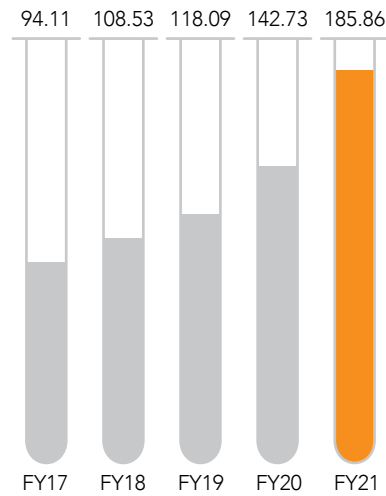
Key Financial Metrics - Consolidated

PAT (₹ in crores)
PAT Margin (in %)



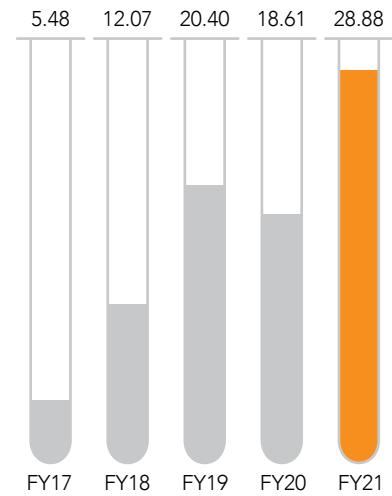
51%
4 years CAGR

Net worth
(₹ in crores)



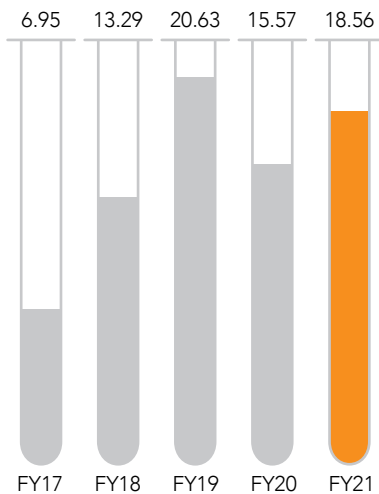
18%
4 year CAGR

EPS
(in ₹)



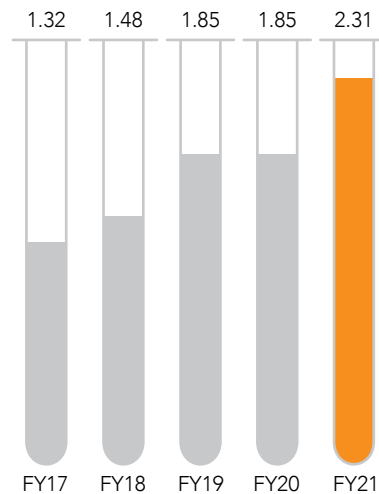
51%
4 year CAGR

ROE
(in %)



28%
4 year CAGR

Interest Coverage



15%
4 year CAGR

Our Presence



With a network of offices and warehouses in India and presence in USA, Latin America, Europe, Asia and Africa, Vishnu Chemicals has the local knowledge and global network to meet its customers requirements.

57

Countries

50%

Revenue from exports

4

Overseas office

1,000+

Workforce

6

offices in India
Marketing and sales offices



Operational Highlights

Manufacturing

- Improved personnel and process safety.
- Best ever reliability.
- Despite curtailments, improved capacity utilisation over the year.
- Strong reliability and improved product yields underpinned market turnaround.
- Essential maintenance activity completed successfully at Visakhapatnam plant in Q3 of FY21.

Sourcing

- The year under review taught us to follow a robust approach to ensure supplier and spend management as it can enhance the capability of procurement functions in a turbulent environment.
- The company enters into long term supply contracts with key raw material suppliers to create a competitive advantage, in terms of price and availability of materials.

Markets

- Our products have varied applications, across industries, for a large marquee clientele. These relationships are key to building a larger base for new launches in the future.

Ensuring best quality and practices

- At Vishnu Chemicals, quality in every aspect – process, raw material, manufacture, packaging and logistics – is paramount. More importantly, our product line and their applications across industries are used to enhance quality, strength and longevity of the finished product.
- Our manufacturing facilities are successfully and regularly appraised as per national and international standards and comply with all regulatory requirements. All our processes and procedures are in accordance with International Quality Management System standards.



USP

Greater
portfolio coherence.

4
state-of-the-art
Manufacturing
units in India.

Compliant with
**National and
International**
regulations.

**Diversified
Applications**
base across industries.

Local
knowledge and
Global
network to meet
Customer
requirements.

Customers across
57
countries.

Lean
Management
team.

Only
Manufacturer
in South Asia.





Message from Chairman & MD



We believe that there is no dearth of opportunities, both in terms of serving our existing customer base as well as growing our business with new and prospective customers.



Dear
Shareholders,

I am pleased to share that Vishnu Chemicals Limited has delivered a robust performance in a year that was marked by various challenges as a result of global pandemic.

A great deal has changed over the past year with the COVID-19 pandemic – perspective, practices and priorities. Today, the difference between a good and great company is the ability of its people to ask the tough questions, challenging the status quo and striving for excellence for sustainable growth.

Throughout FY21, even before the pandemic, Vishnu Chemicals diligently applied these principles to maintain business relationships and drive efficiency to all facets of our business. We succeeded in prioritising and protecting the health of our employees while ensuring business continuity to meet our customer requirements.

The demand for the chromium and barium chemicals continues to remain buoyant, demonstrating our strong operational capabilities built over the years. The usage of our specialty chemical products in several industries comprising pharmaceutical, leather, automotive, pigments & dyes and construction is boosting the market growth.

We have consistently promoted our Hon'ble PM's 'Aatma Nirbhar Bharat Abhiyan' by manufacturing quality products for our customers globally. Going forward, we expect robust demand for our products across multiple continents. We believe that there is no dearth of opportunities, both in terms of serving our existing customer base as well as growing our business with new and prospective customers.

I take this opportunity to thank our workforce for their outstanding

commitment and dedication. I thank our customers, suppliers, banks and the government agencies for their support. And I thank you, our shareholders, for your confidence in us.

The foundation of Vishnu Chemicals is built on the tenets of respect, communication, participation, world class manufacturing and deep process knowledge.

Together, let us ready ourselves to deliver and build a rewarding future for all our stakeholders.

Regards,

Ch. Krishna Murthy
Chairman & Managing Director

Message from JMD

Dear Shareholders,

I am delighted to share with you my perspective on few fronts of our preparedness, performance and progress.

We feel very motivated about our ability to deliver growth on our historical performance. Over the years, our product portfolio has expanded and so has our customer base. Strategically, we are executing ROI accretive initiatives while delivering the benefits of finest quality of specialty chemicals to our global customers.

It was really satisfying to gain new customers and increase our market penetration. Export business continues to remain resilient and contributed to 50% of overall revenues. Demand from both domestic and exports looks healthy and we are seeing a good level of enquiries from clients across industries.

Our manufacturing level at the plants is back to pre-Covid levels and we expect to continue on growth path going forward. During the year, we focused on building a mature procurement function; validate our vendors to optimise sourcing and pricing of raw materials, becoming a true value creation lever.

Supply chain and logistics has become a focal area of the business, although it is a headwind, we are pleased with our efforts to eventually witness an overall good year. These elements will be critical to deliver a successful recovery and achieve cost benefits in the long run.



During the year, we focused on building a mature procurement function; validate our vendors to optimise sourcing and pricing of raw materials, becoming a true value creation lever.

We achieved a 27% reduction in our overall finance costs on account of better rate negotiations and optimised utilisations. On a consolidated net profit level, the company saw margin expansion of 180 basis points. Overall, PAT grew by 72% on standalone basis and 55% on a consolidated basis.

All our plants are operating and we are continuing to meet our customer needs despite the increasingly challenging conditions caused by the roadblocks due to pandemic. We continue to make progress on our volumes and margins while being committed to prudent allocation of capital.

I express my appreciation to all the shareholders, customers, business

partners and other stakeholders for their continued support and trust. I would also like to mention that I am so proud of how each and every employee has performed.

Hopefully, the situation created due to second wave of COVID-19 will begin to plateau out soon, which will augur well for the overall business environment and the Vishnu family.

With trust and efficiency as specialisations, we will continue to build on a better future in chemistry.

Regards,

Ch. Siddhartha
Joint Managing Director



Our Approach to Environmental Sustainability

Over the years, we have changed the perception of Specialty Chemical manufacturing as a hazardous process, from being ecologically unsafe to adopting sustainable and safe practices that minimise our impact on the natural environment. At Vishnu Chemicals, we remain committed to the conservation of our environment and the health of our people.

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 programs and initiatives and created awareness among employees about Covid-19.

We organise frequent medical checkups for all employees and contract workers, at all locations of the company.

Ensured availability of 24/7 dispensary with requisite staff, equipment and necessary medicines.

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 hospitalization facilities for employees who are suffering from severe Covid infection.

Safety



Maintaining a hygienic working environment by promoting self-hygiene among personnel.

Ensured strict adherence to Covid protocols across the sites and offices. Coverage of all employees under Covid Insurance Policy.

Conducted equipment audits at regular intervals with the help of internal as well as external agencies.

Conducted on-site emergency programs, regular mock drills and evacuation programs.

Ensured use of Personal Protective Equipment (PPE) at sites and followed necessary safety protocols.

Installed fire extinguishers at appropriate places.

Fulfilling Our Social Responsibility

At Vishnu Chemicals we firmly believe the health and welfare of our people, the community and society, as a whole, is intrinsic to our long-term sustenance. With concerted efforts, we undertake initiatives that make meaningful changes to lives.

Our Priorities:

- Promoting education;
- Supporting healthcare, including preventive healthcare;
- Improving sanitation facilities including contribution to the Swachh Bharat Kosh;
- 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;
- Contribute for rural development and infrastructure; and
- Sponsorships to promote rural sports and nationally recognized sports, Paralympic and Olympic sports;

With an endeavour to benefit the community in the long run, in 2020-21 the company has spent its CSR obligation to construct old-age homes to provide housing to the elderly along with provision for meals, recreational activities and appropriate healthcare facilities.



Oldage home



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 organization from single product to multi products manufacturing unit through his commitment. He has three decades of rich experience in specialty chemical and logistic industry.

He holds Master's degree in Business and Administration specialized 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 she has been a guide and support to the organization for last three decades with her rich organization 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".

CA Pradip Saha Independent Director

Mr. Pradip Saha is a Fellow Member of the Institute of Chartered Accountants of India and The Institute of Company Secretaries of India and have done Executive Finance Management Course from Singapore University; He has more than 40 years of experience in various reputed FMCG organisations including Colgate Palmolive India Ltd; Hindustan Unilever; Union Carbide India Ltd; and worked at Shaw Wallace & Co Ltd. He was also held the position of Director at Genelec Ltd, Henkel India Ltd and Calcutta Chemicals Co. Ltd, Detergents India Ltd, Camelot Investment Company Ltd.

Mr. Tirthankar Mitra Independent Director

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 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 Capital Markets and Financial Planning; He got expertise in the fields of Asset Allocation, Wealth Management Services, Securities Business, Institutional Sales & Investment Solutions, Business Owners Advisory and Financial Planning etc., During his tenure, he worked in various capacities at BNP Paribas WM India and his last position held was Senior Director & Team Leader at BNP Paribas WM India.

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. Pradip Saha
Independent Director

Mr. Tirthankar Mitra
Independent Director
(w.e.f. August 14, 2020)

Mr. Chetan Navinchandra Shah
Independent Director
(w.e.f. February 12, 2021)

Mr. Seshadri Saranathan
Independent Director
(till February 2, 2021)

Mr. T. S. Appa Rao
Independent Director
(till June 28, 2020)

Chief Financial Officer

Mr. P Anjaneyulu

Company Secretary

Mr. Kishore Kathri

Registered Office

Plot No. C-23, Road No. 8, Film Nagar,
Jubilee Hills, Hyderabad – 500 033
Tel: +91-40-23396817, 23327723/ 29;
Fax: +91-40-23314158
Web Site: www.vishnuchemicals.com;
Email: investors@vishnuchemicals.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. Kapardhi & 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:

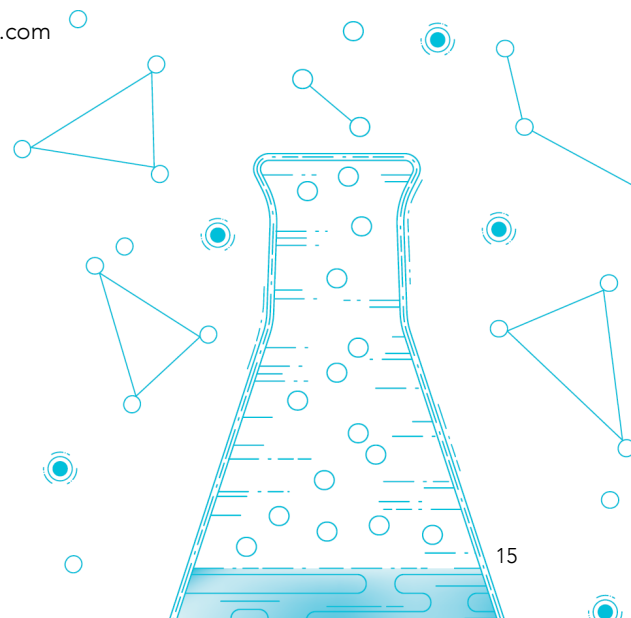
Survey No.15, Gaddapotharam
Medak District, Telangana - 502319

Vishnu Barium Plant:

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

Jeedimetla Plant:

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





CIN: L85200TG1993PLC046359

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

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

Website: www.vishnuchemicals.com; Email: investors@vishnuchemicals.com

NOTICE OF TWENTY EIGHTH (28th) ANNUAL GENERAL MEETING OF VISHNU CHEMICALS LIMITED

NOTICE is hereby given that the Twenty Eighth (28th) Annual General Meeting of the members of Vishnu Chemicals Limited ('VCL') will be held on Monday, July 12, 2021 at 11.00 a.m. IST via two-way video conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, 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 March 31, 2021, together with the Report of the Auditors thereon.
2. To declare dividend of ₹ 1/- per equity share of ₹ 10/- each (10%) for the financial year ended March 31, 2021.
3. To appoint a Director in place of Mr. Ch. Krishna Murthy (DIN: 00030274), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Jampani & Associates, Chartered Accountants (FRN - 016581S), Hyderabad as statutory auditors of the Company for second term.

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

"RESOLVED THAT pursuant to the provisions of Sections 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') including any statutory modification(s) or re-

enactment(s) thereof for the time being in force, M/s. Jampani & Associates, Chartered Accountants (FRN - 016581S), Hyderabad, retiring auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Twenty Eighth (28th) Annual General Meeting until the conclusion of Thirty Third (33rd) Annual General Meeting at such remuneration as may be agreed upon between the Auditors and the Board of Directors, in addition to actual out-of-pocket expenses incurred by them for the purpose of audit and the applicable taxes."

SPECIAL BUSINESS

5. To appoint 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 an **Ordinary Resolution**:

"RESOLVED THAT Mr. Tirthankar Mitra (DIN: 02675454) who was appointed as an Additional Director of the Company with effect from August 14, 2020 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'), but 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, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Act [including any statutory modification(s) or re-enactment(s) thereof], the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the appointment of Mr. Tirthankar

Mitra (DIN: 02675454), 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 commencing from August 14, 2020 to August 13, 2022 (both days inclusive), be and is hereby approved."

6. To appoint 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 an **Ordinary Resolution**:

"**RESOLVED THAT** Mr. Chetan Navinchandra Shah (DIN: 08038633) who was appointed as an Additional Director of the Company with effect from February 12, 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'), but 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, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Act [including any statutory modification(s) or re-enactment(s) thereof], the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the appointment of Mr. Chetan Navinchandra Shah (DIN: 08038633), 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 commencing from February 12, 2021 to February 11, 2023 (both days inclusive), be and is hereby approved."

7. To re-appoint Mr. Siddhartha Cherukuri (DIN: 01250728) as a Joint Managing Director of the Company for a further term of five years.

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 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded for re-appointment of Mr. Siddhartha Cherukuri (DIN: 01250728) as a Joint Managing Director of the Company for a further term of five (5) years with effect from May 2, 2021 till May 1, 2026 at a remuneration as detailed below:

I. Salary

Salary shall not be less than ₹ 48,00,000/- (Rupees Forty Eight Lakhs only) per annum and the said salary may progressively go up based on his performance and industry trends to ₹ 72,00,000/- (Rupees Seventy Two Lakh only) per annum notwithstanding the limits provided under section 196, 197 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. Perquisites

Perquisites as follows will be paid and/or provided in addition to salary. Perquisites shall be valued in terms of actual expenditure incurred by the company. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy the perquisites shall be valued as per Income Tax Rules:

- a. Medical Reimbursement: Reimbursement of medical expenses actually incurred for self and family as per the rules of the company.
- b. Leave Travel Concession / allowance: For self and family, once in a year in accordance with the rules of the company/ rules of Income Tax Act, 1961.
- c. Club Fees: Fees of Club payable as per the rules of the company.
- d. Car Use of fully maintained company's car with chauffeurs and fuel reimbursement.
- e. Telephone Reimbursement of residential telephone bills at actual (Use of telephone for official purpose shall not be considered as perquisite) and Use of one mobile phone for official purpose.



RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered to be necessary, expedient, usual or desirable in this regard to implement this resolution."

8. Ratification of Remuneration of Cost Auditors.

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 [including any statutory modification(s) or re-enactment(s) thereof], and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the maximum remuneration of ₹ 60,000/- plus taxes, travel and out-of-pocket expenses incurred in connection with the cost audit payable to M/s. Kapardhi & Associates, Cost Accountant, Hyderabad (Registration No. 100231), who were appointed as Cost Auditors by the Board of Directors of the Company to conduct audit of the cost records of the Company for the financial year ending March 31, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this 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 April 8, 2020 and April 13, 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 May 5, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 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") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid -19 pandemic" (collectively referred to as "SEBI 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 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 8 of the Notice is annexed hereto. The relevant details pursuant to Regulations 26(4) and 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. Siddhartha 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 and 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 / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer 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 2020-21 is being sent only through e-mail, to those Members whose e-mail addresses are registered with the Company/ Registrar & Share Transfer Agent (RTA)/ Depositories as at the end of the day on Friday, June 11, 2021. The Notice convening the 28th AGM has been uploaded on the website of the Company at www.vishnuchemicals.com and may 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://bigshareonline.com//InvestorRegistration.aspx#AdvdTrack#>
- 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 no. 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 voting of this AGM.

In case of shares held in electronic/demat form, the shareholders are requested to update/ register their mail id and mobile no. with their respective depository participants. However, for the limited purpose of receiving the company's 28th Annual Report and notice of 28th 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 FY 2020-21. 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 28th 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 28th AGM.

9. Record Date, Book Closure and Dividend:

- a) The Company has fixed **Friday, July 2, 2021** as the '**Record Date**' for determining entitlement of members to dividend for the financial year ended March 31, 2021, if approved at the AGM.
 - b) The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, July 3, 2021 to Monday, July 12, 2021 (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 paid within 30 days from the date of AGM as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized 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, July 2, 2021;
 - 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, July 2, 2021.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 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 dematerialized form. Members can contact the Company or Company's

Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd (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. April 1, 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 DP (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 June 30, 2021. 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 June 30, 2021. 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. 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 June 30, 2021:

- a) 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:
 - 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).

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.

- 13. 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.
- 14. 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. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
- 15. 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:

S.No.	Dividend Accounts	Date of declaration	Due date to transfer to IEPF
1	Unpaid (interim) Dividend Account 2014-15	14.11.2014	25.12.2021
2	Unpaid Dividend Account 2014-15	29.06.2015	31.07.2022
3	Unpaid (interim) Dividend Account 2015-16	16.03.2016	18.04.2023
4	Unpaid Dividend Account 2017-18	24.09.2018	05.11.2025
5	Unpaid Dividend Account 2018-19	27.06.2019	30.08.2026
6	Unpaid Dividend Account 2019-20	14.08.2020	14.10.2027

- 16. Nomination facility: 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.

17. Consolidation of Physical Share Certificates: Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. 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 July 9, 2021 through e-mail on investors@vishnuchemicals.com. The same will be replied by the Company suitably.
19. 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 a long time. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
20. Details of Unclaimed Shares: The Company doesn't have any shares remaining unclaimed in the unclaimed suspense account.
- 21. INSTRUCTIONS FOR REMOTE E-VOTING & E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

A. VOTING THROUGH ELECTRONIC 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 28th AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised 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 Friday, July 9, 2021 at 9.00 a.m. (IST) and ends on Sunday, July 11, 2021 at 5.00 p.m. (IST).** The remote e-Voting module shall be disabled 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, July 2, 2021.
- iii. Members of the Company holding shares either in physical form or in electronic form **as of the close of business hours on Friday, July 2, 2021 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, July 2, 2021, 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@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 scrutinizer 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 Scrutinizer(s) to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
- 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 December 9, 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	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 evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is 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.



Type of shareholders	Login Method
	<p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. 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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>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.nsd.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.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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 hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period 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.

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 022- 23058738 and 22-23058542-43.
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 and 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 as mentioned in instruction (v).



- 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. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 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. 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.

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 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Other instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (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 Scrutinizer'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 Scrutinizer'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
May 19, 2021

Registered Office:

Plot No. C-23, Road No. 8,
Film Nagar, Jubilee Hills, Hyderabad – 500 033
Tel: 040-23396817, 23327723/ 29;
Email ID: investors@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. 4-8 of the accompanying Notice of AGM.

Item No. 4:

M/s. Jampani & Associates, Chartered Accountants (FRN - 016581S), Hyderabad were appointed as statutory auditors of the company by the Board at its meeting held on August 6, 2016 for an initial term of five (5) years i.e. from 23rd Annual General Meeting (AGM) till conclusion of 28th Annual General Meeting of the Company 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 23rd AGM held on September 28, 2016 and the said initial term ends on conclusion of ensuing 28th AGM.

In view of the above, based on the recommendations of Audit Committee the Board at its meeting held on May 19, 2021 approved re-appointment M/s. Jampani & Associates, Chartered Accountants (FRN - 016581S), Hyderabad as statutory auditors of the company for second term of five (5) years i.e. from the date of 28th AGM till the conclusion of 33rd AGM to be held in year 2026 at such remuneration as agreed between the Board and Auditors in addition to actual out-of-pocket expenses incurred by them for the purpose of audit and the applicable taxes, and recommended for approval of the shareholders under section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

Item No. 5 & 6:

During the financial year, based on the recommendations of Nomination and Remuneration Committee, Mr. Tirthankar Mitra (DIN: 02675454) & Mr. Chetan Navinchandra Shah (DIN: 08038633) were appointed as Additional Directors (for Independent Director category) of the Company by the Board at its meeting held on August 14, 2020 & February 12, 2021, 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 28th Annual General Meeting of the Company.

The Company has received a declaration from Mr. Mitra and Mr. Shah on them being eligible for appointment as Independent Director. Further, they have provided consent 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. 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(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"). 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 and are independent of the management.

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 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 Nos. 5 & 6 of the accompanying Notice.

The Board recommends the Ordinary Resolutions set out at Item No. 5 & 6 of the Notice for approval of the Members.

Item No. 7:

Mr. Siddartha Cherukuri (DIN: 01250728) was originally appointed as a Director on June 2, 2006 subsequently in year 2016 based on the recommendations of the Nomination & Remuneration Committee, the Board at its meeting held on May 2, 2016 appointed him as a Joint Managing Director (JMD) of the Company for a term of five (5) years from May 2, 2016. His appointment as JMD was approved by the shareholders by passing special resolution under the provisions of section 196, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder at 23rd Annual General Meeting and the said approved term expired on May 1, 2021.

Mr. 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 specialty chemicals. His leadership abilities have been instrumental in leading the core team of the company. Considering his contribution in the growth of the business and overall marketing and business development activities, the Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC), has decided to re-appoint Mr. Siddartha Cherukuri as Joint Managing Director of the Company for a further period of 5 (five) years effective from May 2, 2021 on a remuneration as set out in the resolution proposed under this item of the Notice, at its meeting held on April 23, 2021. In this regard, Shareholders' approval is being sought through a special resolution pursuant to 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, as amended from time to time ("Listing Regulations") in respect of payment of remuneration to the executive directors. In accordance with Schedule V and other applicable provisions of the Companies Act, 2013, Listing Regulations including Regulation 17(6)(e) and other applicable provisions of Listing Regulations and on the recommendation made by the NRC at its meeting held on April 23, 2021, the Board of Directors of the Company at its meeting held on April 23, 2021, have approved the payment of minimum remuneration to Mr. Siddartha, comprising of salary and benefits as per Schedule V of the Companies Act, 2013, for a period of three (3) years, with effect from May 2, 2021, subject to other approvals if any required, in the absence of or inadequacy of profits in any financial year(s) during such period. This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. Siddartha as a Joint Managing Director of the Company. Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Mr. Siddartha is not disqualified from being reappointed as a Joint Managing Director in terms of Section 164 read with Schedule V of the of the Act and has given his consent to act as a Joint Managing Director of the Company. The Company has also received a declaration to the effect that he is not debarred from holding the office of Directorship by virtue of any SEBI order or any other authority. He also satisfies all the

conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible to be re-appointed.

Except himself, Mr. Ch. Krishna Murthy, Managing Director and Mrs. Ch. Manjula, Non-Executive Director of the company and their relatives, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested either financially or otherwise in the Resolution at Item No. 7 of the accompanying Notice.

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

Item No. 8:

On recommendations of the Audit Committee, the Board at its meeting held on May 19, 2021 approved re-appointment of M/s. Kapardhi & Associates, Cost Accountant, (Registration No. 100231), Hyderabad, to conduct the audit of the cost records of the Company on a remuneration not exceeding ₹ 60,000/- (Rupees Sixty Thousand Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) for the financial year ending March 31, 2022.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

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 Nos. 8 of the accompanying Notice.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval of the Members.

By Order of the Board

Hyderabad
May 19, 2021

Sd/-
Kishore Kathri
Company Secretary
& AGM-Legal
FCS - 9895



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

Name of the Director	Mr. Ch. Krishna Murthy	Mr. Ch. Siddhartha	Mr. Tirthankar Mitra	Mr. Chetan Navinchandra Shah
Director Identification Number (DIN)	00030274	01250728	02675454	08038633
Nationality	Indian	Indian	Indian	Indian
Date of birth	July 1, 1957	May 12, 1985	October 18, 1955	January 30, 1963
Age	64 years	36 years	66 years	58 years
Qualification	He holds Master's degree in Business and Administration specialized in Marketing.	He holds MS in Biotechnology from Northumbria University & MBA from Seginaw University.	He is a Chemical Engineer from Indian Institute of Technology (IIT), Kharagpur in the year 1978.	He is academically an MBA from University of Paisley, Scotland, UK. He is an alumnus of IIM – Ahmedabad, NM College of Commerce & Economics, Mumbai
Experience (including expertise in specific functional area)/ Brief Resume	Mr. Murthy is a first generation entrepreneur and is a founder, promoter and one of the key architects in developing the organization and transforming the single product into products through his commitment. He has three decades of rich experience in specialty chemical and logistic industry.	Mr. Siddhartha 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 unit expansion and focused on flexible product mix among various speciality chemicals. His leadership abilities have been instrumental in leading the core team of the company.	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 speciality chemicals manufacturing companies.	He has an experience of over three decades in Capital Markets and Financial Planning. He got expertise in the fields of Asset Allocation, Wealth Management Services, Securities Business, Institutional Sales & Investment Solutions, Business Owners Advisory and Financial Planning etc., During his tenure, he worked in various capacities at BNP Paribas WM India and his last position held was Senior Director & Team Leader at BNP Paribas WM India.
Date of first Appointment on the Board of the Company	January 2, 2006	January 2, 2006	August 14, 2020	February 12, 2021
Shareholding in the Company	6219790 equity shares of ₹ 10/- each (52.07%) & 71121750 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (92.80%)	1125668 equity shares of ₹ 10/- each (9.42%) & 244500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (0.32%)	Nil	Nil
List of Directorship held in other companies	a. K.M.S. Infrastructure Limited	a. Vishnu Barium Private Limited b. Vishnu Lifesciences Limited	a. Vishnu Barium Private Limited	a. Focus Lightings & Fixtures Ltd
Membership / Chairmanship in Committees of other companies as on date*	Nil	Nil	Nil	Member of Audit Committee and Stakeholders Relationship Committee
Relationships between Directors inter-se	Relative of Mrs. Ch. Manjula, Non-Executive Director and Mr. Ch. Siddhartha, Joint Managing Director of the company.	Relative of Mr. Ch. Krishna Murthy, Managing Director and Mrs. Ch. Manjula, Non-Executive Director of the company.	Nil	Nil

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

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

BOARD'S REPORT

To the Members,

The Board of Directors are pleased to present the Company's Twenty Eighth Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2021.

Financial Results

The Company's financial performance for the year ended March 31, 2021, is summarised below:

₹ in lakhs

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenue from operations	57310.24	57113.97	67868.09	67350.23
Other income	398.73	861.99	282.30	733.75
Total Revenue	57708.97	57975.96	68150.39	68083.98
Earnings before finance cost, depreciation & amortization and taxes (EBITDA)	6016.50	6380.19	7744.91	7892.94
Earnings before finance cost and taxes (EBIT)	4300.36	4677.63	5715.14	5873.93
Finance Cost	2472.94	3409.75	2597.15	3577.00
Profit Before Taxation	2226.15	2129.87	3400.29	3030.68
Less: Tax Expense	(49.17)	807.77	(49.17)	807.77
Profit After Taxation	2275.32	1322.10	3449.46	2222.91
Other comprehensive income/ (expenses) (net of taxes)	20.30	56.24	15.83	54.75
Total comprehensive income for the year	2295.62	1378.35	3465.29	2277.66
EPS (of ₹ 10/- each)				
Basic	19.05	11.07	28.88	18.61
Diluted	19.05	11.07	28.88	18.61

Performance Review & Company's State of Affairs

Standalone

The Standalone revenue from operations for the FY 2020-21 is ₹ 57310.24 lakhs as against ₹ 57113.97 lakhs of previous year. Earnings before interest, tax, depreciation and amortization ('EBITDA') for the FY 2020-21 is ₹ 6016.50 lakhs compared to ₹ 6380.19 lakhs of previous FY 2019-20. During FY 2020-21, Profit before tax stood at ₹ 2226.15 lakhs compared to ₹ 2129.87 lakhs of previous year. However, during the year over all finance cost has reduced by over 27% to ₹ 2472.94 lakhs as against 3409.75 lakhs of previous year.

Net profit for the FY 2020-21 has increased by 72% to ₹ 2275.32 lakhs as against ₹ 1322.10 lakhs of previous year. Total comprehensive income stood at ₹ 2295.62 lakhs for FY 2020-21 compared to ₹ 1378.35 lakhs during the previous FY 2019-20.

Consolidated

The consolidated revenue from operations for the financial year 2020-21 is ₹ 67868.09 lakhs compared to ₹ 67350.23 lakhs of previous year. Earnings before interest, tax, depreciation and amortization ('EBITDA') are at ₹ 7744.91 lakhs during the year compared to ₹ 7892.94 lakhs of previous FY 2019-20.

During FY 2020-21, Profit before tax stood at ₹ 3400.29 lakhs compared to ₹ 3030.68 lakhs of previous year. However, finance cost has reduced by over 27% to ₹ 2597.15 lakhs as compared to ₹ 3577.00 lakhs of previous year.

Net profit for the FY 2020-21 has increased by 55% to ₹ 3449.46 lakhs compared to ₹ 2222.91 lakhs during FY 2019-20. Total comprehensive income is ₹ 3465.29 lakhs for FY 2020-21 as against ₹ 2277.66 lakhs of previous year.



Geography-wise performance:

Particulars	Standalone				Consolidated			
	2020-21		2019-20		2020-21		2019-20	
Domestic	28760.22	50.67%	30813.85	54.68%	33118.75	49.30%	34326.70	51.94%
Overseas	27997.61	49.32%	25535.25	45.31%	34057.40	50.69%	32059.17	48.06%
	56757.82	100%	56349.10	100%	67176.15	100%	66385.87	100%

We were able to deliver growth on our historical performance despite increasingly challenging conditions caused by the pandemic with the help of greater product portfolio coherence and diversified application of our product across multiple industries at globe.

We also succeeded in prioritising and protecting the health of our employees while ensuring business continuity to meet our customer requirements. The company has undertaken timely and essential measures to ensure the safety and well-being of all its employees at all its plant locations, various branch offices and the head office. The Company observed all the government advisories and guidelines thoroughly and in good faith. Team Vishnu has exhibited very good teamwork to maintain and accelerate operations during these toughest days.

Outlook

The same 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 March 31, 2021.

Dividend

The Board at its meeting held on May 19, 2021 has recommended Dividend of ₹ 1.00 (i.e. 10%) per equity share (previous year ₹ 1/- per equity share i.e. 10%) on the equity share of ₹ 10/- each for the financial year 2020-21, amounting to ₹ 119.46 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 as on record date July 2, 2021.

As per 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 Preference Shares (CRPS) of ₹ 10/- (Rupees Ten only) each, consented vide their letter dated May 23, 2020 to forgo preference dividend for the FY 2020-21.

Transfer to reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2020-21 in the Retained Earnings.

Share capital

During the year under review there were no changes in authorized and paid-up share capital of the Company. The authorised share capital of the Company is ₹ 95,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹10/- each and 8,00,00,000 Preference Shares of ₹ 10/- each; and total paid-up share capital of the Company as on financial year ended March 31, 2021 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.

Promoters of the company

The promoters of the company continued to reinforce their confidence in the long term prospects of the Company by infusing funds as and when required. The following is the promoter's shareholding as on March 31, 2021:

S.No.	Particulars	Equity shares		Preference Share	
		No. of shares	%	No. of shares	%
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 March 31, 2021 to May 19, 2021.

Fixed deposits

The Company did not accept any fixed deposits within the meaning of section 73 of the Companies Act, 2013 during the year. No 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 the 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 2020-21 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. April 1, 2019, as per the amended definition given under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time read with the policy 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.

The Company is in compliance with Regulation 24A of the Listing Regulations. The Company's unlisted material subsidiary viz. VBPL undergoes Secretarial Audit. Copy of Secretarial Audit Report of VBPL is available on the website of the Company. The Secretarial Audit Report of VBPL does not contain any qualification, reservation, adverse remark or disclaimer.

During the year, the Board of step-down subsidiary i.e. Vishnu Renewable Energy Private Limited (VREPL) which is WOS Company of VBPL resolved to close down VREPL. Accordingly, an application under section 248 of the Companies Act, 2013 was submitted to Registrar of Companies, Andhra Pradesh on January 9, 2021 for voluntary strike-off of the name of the Company and the same is under process.

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'.

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 FY 2020-21 in compliance with the provisions of Section 129(3) of the Companies Act, 2013 and as stipulated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('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 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 & 41).

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

i. Appointment

During the financial year, based on the recommendations of Nomination and Remuneration Committee, Mr. Tirthankar Mitra (DIN: 02675454) & Mr. Chetan Navinchandra Shah (DIN: 08038633) were appointed as Additional Directors (for Independent Director category) of the Company by the Board at its meeting held on August 14, 2020 & February 12, 2021, 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 28th Annual General Meeting of the Company.

The Company has received a declaration from Mr. Mitra and Mr. Shah as they being eligible for appointment as Independent Director. Further, they have provided consent 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. 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(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"). 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 and are independent of the management.

The Board recommends the Ordinary Resolutions set out at Item No. 5 & 6 of the Notice for approval of the Members.

ii. Re-appointment

During the year under review, Mr. Ch. Krishna Murthy was re-appointed as a Managing Director of the Company for a further term of five (5) years w.e.f. January 2, 2021 up to January 1, 2026 on such terms and conditions and the said re-appointment was also 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at 27th Annual General Meeting of the Company held on August 14, 2020. Further, as per approved terms and conditions of his re-appointment and based on the recommendations of Nomination & Remuneration Committee, the Board at its meeting held on May 19, 2021 approved increase in remuneration of Mr. Murthy from ₹ 66.00 lakh per annum to ₹ 96.00 lakh per annum w.e.f. June 1, 2021 which is within the approved limits of the special resolution passed by the shareholders at 27th AGM of the Company.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Ch. Krishna Murthy, Managing Director of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Pursuant to the recommendations of Nomination and Remuneration Committee (NRC) the Board at its meeting held on April 23, 2021 approved re-appointment of Mr. Ch. Siddhartha as a Joint Managing Director of the Company for a further term of five (5) years w.e.f. May 2, 2021 till May 1, 2026 on such terms and conditions subject to approval of the shareholders under section 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 at ensuing annual general meeting of the Company. Further, the said re-appointment and terms & conditions thereof shall be approved by the members at ensuing AGM as per the provisions of the Act and Listing Regulations. Accordingly, a resolution is being proposed in the notice of 28th AGM and detailed terms & conditions of Mr. Siddartha's appointment are enumerated in the said notice along with explanatory statement thereof, for approval of the members of the company by passing a special resolution.

Pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by 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.

iii. Cessation

During the year, Mr. T S Appa Rao and Mr. S Saranathan, Independent Directors of the company retired on June 28, 2020 and February 2, 2021 respectively due to completion of their term of appointment and ceased to be Directors of the Company. The Board places on record its appreciation for their invaluable contribution and guidance during their tenure as Independent Directors.

Independent Directors

In terms of Section 149 of the Act, Mr. Pradip Saha (DIN: 07677683), Mr. Tirthankar Mitra (DIN: 02675454) and Mr. Chetan Navinchandra Shah (DIN: 08038633) are the Independent Directors of the Company. The Company has received a declaration 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.

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.

Familiarization Programme for Independent Directors

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

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

The familiarization programme along with terms and conditions of appointment of Independent Directors is disclosed on the Company's website <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

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

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 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, four 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 and Key Managerial Personnel.

During FY 2020-21, 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://www.vishnuchemicals.com/investors/#Policies>

Board Evaluation

The Board has carried out the annual evaluation of its own performance and that of its Committees and individual directors for the year pursuant to the provisions of the Act and the corporate governance requirements prescribed under the Listing Regulations.

The performance of the Board and individual directors was evaluated by the Board after seeking inputs from all the

directors. The criteria for performance evaluation of the Board was based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation of the Committees was based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as structure and composition of committees, effectiveness of committee meetings, etc.

In a separate meeting held on June 2, 2020, 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 Directors 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 was also discussed.

Code of Conduct for 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 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are enclosed as '**Annexure B**' 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 forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write 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 recognizes 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 FY 2020-21.

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 March 31, 2021:

- 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 judgements 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 appointed as statutory auditors of the company by the Board at its meeting held on August 6, 2016 for an initial term of five (5) years i.e. from 23rd Annual General Meeting (AGM) to till conclusion of 28th Annual General Meeting of the Company 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 23rd AGM held on September 28, 2016 and the said initial term ends on conclusion of ensuing 28th AGM.

In view of the above, based on the recommendations of Audit Committee the Board at its meeting held on May 19, 2021 approved re-appointment of M/s. Jampani & Associates, Chartered Accountants (FRN - 016581S), Hyderabad as statutory auditors of the company for second term of five (5) years i.e. from the date of 28th AGM till the conclusion of 33rd AGM to be held in year 2026 at such remuneration as agreed between the Board and Auditors in addition to actual out-of-pocket expenses incurred by them for the purpose of audit and the applicable taxes., and recommended for approval of the shareholders under section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder at ensuing 28th Annual General Meeting.

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



The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice of 28th AGM for approval of the Members.

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 ₹ 868.00 lakhs) to wholly-owned subsidiary (WOS) i.e. Vishnu Barium Pvt Ltd (VBPL). Further, they also mentioned in their report at point no. (a) & (b) of (vii) of Annexure – 'B' that the company has generally been irregular in depositing undisputed statutory dues and ₹ 918.30 lakhs payable towards income tax and interest thereon under the Income Tax Act, 1961 for the periods AY 2018-19 and 2019-20 which are yet to be paid, respectively.

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; Delay in deposit of undisputed statutory dues & income tax is due to paucity of funds. However, all possible steps are being taken to deposit the said dues in time.

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 have the audit of its cost records conducted by a Cost Accountant and accordingly it has made and maintained such cost accounts and records.

The Board on the recommendation of the Audit Committee has appointed M/s. Kapardhi & Associates, Cost Accountant, Hyderabad (Firm Reg. No. 100231) as the Cost Auditors of the Company for FY 2021-22 under Section 148 and all other applicable provisions of the Act.

M/s. Kapardhi & Associates, Cost Accountant, Hyderabad (Firm Reg. No. 100231) 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.

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 Member's ratification for the remuneration payable to M/s. Kapardhi & Associates, Cost Accountant, Hyderabad (Firm Reg. No. 100231) is included at Item No. 8 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 the financial year 2020-21. The Secretarial Audit Report of FY 2020-21 is annexed herewith as '**Annexure C**'.

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 paid majority of pending taxes during the FY 2020-21 and has assured that balance taxes will be deposited in coming financial years on priority basis.

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 D**'.

Related Party Transactions

There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or with entities where promoter/KMPs/Directors are interested and other related parties who may have potential conflict of interest with the Company. As a matter of policy, your Company carries out transactions with related parties on an arms' length basis. Statement of these transactions is given at Note No. 37 of the Notes to financial statements. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of this report.

A policy on related party transactions is available on website at https://www.vishnuchemicals.com/wp-content/uploads/2019/08/Policy_on_Materiality_of_RPT.pdf

All transactions with related parties were approved by the Audit Committee and Board 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 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 Audit Committee on quarterly basis.

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 E' 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 Listing Regulations, the Company has a vigil mechanism to deal with instance 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

Environment:

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

Health:

During the financial year the company has undertaken following activities:

- Organised frequent medical checkups for all employees and contract workers at all locations of the company.
- Ensured availability of dispensary 24/7 with requisite staff, equipment and necessary medicines.
- Availability of first aid boxes in every department/section and maintenance site.
- Availability of equipped ambulance at all the times to assist the patient to the nearest hospital.
- Imparted health education through programs and initiatives and created awareness among employees on the precautions to be taken against Covid.
- Arrangement of hospitalization for severe Covid infected employees.

Safety:

- Safety awareness has been enhanced by way of training on hazard identification, risk assessment and continuous training to the newly inducted employees and regular training to the employees on SOPs, mock drills on emergency preparedness and mitigation exercises.
- Installed fire extinguishers at appropriate places and provided training to members on its functioning.
- Ensured use of personnel protection equipment (PPE) at sites with safety protocols.
- Undertook examination and audit of equipment at regular intervals by internal as well as external agencies.



- Ensured strict adherence of Covid protocols across the sites and offices.
- Maintaining hygiene at work place and promoting self-hygiene among personnel.
- Coverage of all employees under Covid Insurance Policy.

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 March 31, 2021 is available on

the Company's website on https://www.vishnuchemicals.com/wp-content/uploads/2021/06/VCL_Form_MGT-7-dt-31032021N.pdf

Corporate Governance

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

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
May 19, 2021

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

S.No.	Particulars	Vishnu Barium Private Limited	Vishnu South Africa (Pty) Ltd	
1	Reporting period	March 31, 2021	March 31, 2021	
2	Reporting currency and Exchange rate of subsidiaries	INR in lakhs	In INR	Rand in actuals/ Exchange Rate is ₹ 4.88
3	Share capital	8727.50	4880	1000
4	Reserves & surplus	(3479.79)	(9028)	(1850)
5	Total assets	10150.65	732	150.00
6	Total Liabilities (Excl. share capital and R&S)	4902.95	4880	1000
7	Investments	72.29	-	-
8	Turnover	11347.22	-	-
9	Profit before taxation	1173.95	(4733.60)	(970)
10	Provision for taxation	Nil	-	-
11	Profit after taxation	1173.95	(4733.60)	(970)
12	Total Comprehensive income	1169.48	-	-
13	Proposed Dividend			
	- Equity	Nil	Nil	Nil
	- Preference	NA	NA	NA
13	% of shareholding	100%	100%	100%

Note: Vishnu South Africa (Pty) Ltd, 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 March 31, 2021

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
May 19, 2021



Annexure 'B'

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	20 times
		Mr. Ch. Siddartha	14.28 times
		Mrs. Ch. Manjula*	-
		Mr. Pradip Saha*	-
		Mr. T Mitra*	-
		Mr. Chetan Shah*	-
		Mr. T.S. Appa Rao*	-
		Mr. S Saranathan*	-
*Non-executive Directors are not paid any remuneration or commission except sitting fee. **The median remuneration of all the employees of the Company was ₹ 3.36 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	Nil
		Mr. Ch. Siddartha	Nil
		Mr. P. Anjaneyulu	Nil
		Mr. Kishore Kathri	16%
3	The percentage increase in the median remuneration of employees in the financial year;	During FY 2020-21, the percentage increase in the median remuneration of employees is 3%.	
4	The number of permanent employees on the rolls of company;	There were 424 employees as on March 31, 2021	
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;	There was no increase in remuneration paid to employees and managerial personnel during the FY 2020-21 except as mentioned above.	

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
May 19, 2021

Annexure 'C'

FORM NO. MR-3

Secretarial Audit Report

For the Period from 01.04.2020 to 31.03.2021

[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 IN.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from 01.04.2020 to 31.03.2021, 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 01.04.2020 to 31.03.2021 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. The Securities and Exchange Board of India (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
- 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 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
- 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.

2. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- Closure of the Register of Members.
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- 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 paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936.
- 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 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. Dhananjay Reddy
(Proprietor)

M. No. 13104; CP No.3752

UDIN: A013104C000255005

Date : 07.05.2021
Place : Hyderabad



'Annexure'

To
The Members
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. Further, physical verification of records at factory premises located outside the State of Telangana couldn't be carried due to spread of novel corona virus however the same were verified by obtaining electronic copy of records on email. 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: A013104C000255005

Date : 07.05.2021
Place : Hyderabad

Annexure 'D'

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.
- The Company has diligently taken steps to reduce the overall transportation carbon emissions by transforming several offline processes to digital mediums.

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

During the year more focus was on efficiency by using superior quality of coal for its processes.

(iii) The capital investment on energy conservation equipments:

There was no major capital investment on energy conservation equipments during the year

B. Technology absorption

(i) The efforts made towards technology absorption:

During the year, the company debottlenecked one of its plants by vigorously employing superior engineering techniques to upgrade processes and replace equipments. This is expected to boost the production capacity and improve the quality of our products.

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

Export sales are increased in view of the improvement in quality of our products.

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

- 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)	
	2020-21	2019-20
Total foreign exchange used and earned in terms of actual inflows and actual outflow:		
Used / Outflow	12603.58	4489.15
Earned / Inflow	24677.78	27821.62

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
 May 19, 2021



Annexure 'E'

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended March 31, 2021

1. Brief outline on CSR Policy of the Company

The Corporate Social Responsibility ('CSR') Policy of Vishnu Chemicals Limited (hereby referred to as 'The Company') has been adopted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.

At Vishnu Chemicals we firmly believe the health and welfare of our people, the community and society, as a whole, is intrinsic to our approach to business.

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 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. Pradip Saha	Chairman, Independent Director	2	2
2	Mr. Ch. Krishna Murthy	Member, Managing Director	2	2
3	Mrs. Ch. Manjula	Member, Non-Executive Director	2	2

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

Composition of the Committee shared above and is available on the Company's website on https://www.vishnuchemicals.com/wp-content/uploads/2021/03/Board_Composition_.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/investors/#Policies>

<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:

S.No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakh)	Amount required to be set-off for the financial year, if any (₹ in lakh)
NIL			
Total			

6. Average net profit of the company as per section 135(5): ₹ 1775.72 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 35.51 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: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 35.51 lakhs

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
113.87	Nil	-	-	Nil	-

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

(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.	Setting up & maintenance of old age homes for senior citizens	Setting up of old age homes	Yes	Andhra Pradesh	Krishna District, Parsipalli Village	113.00	No	Krishna Foundation	CSR00003021
2.	Distribution of Essentials to migrated labour during Covid-19 lockdown	Eradicating hunger	Yes	Andhra Pradesh/ Telangana	Visakhapatnam/ Hyderabad	0.87	Yes	-	-
TOTAL						113.87			



- (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):** ₹ 113.87 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)	35.51
(ii)	Total amount spent for the Financial Year	113.87
(iii)	Excess amount spent for the financial year [(ii)-(i)]	78.36
(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)]	78.36

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):** Nil

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

- (a) Date of creation or acquisition of the capital asset(s):
- (b) Amount of CSR spent for creation or acquisition of capital asset:
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.,:
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

} Nil

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

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

Sd/-
Pradip Saha
Chairman, CSR Committee
DIN: 07677683

Annexure 'F'

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 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	4	4	2	0	1	Yes
2	Mrs. Ch. Manjula DIN: 01546339	Promoter and NED	4	3	3	1	1	Yes
3	Mr. Ch. Siddhartha DIN: 01250728	Promoter and JMD	4	4	3	0	2	Yes
4	Mr. Pradip Saha DIN: 07677683	NED & ID	4	4	1	1	2	Yes
5	Mr. Tirthankar Mitra DIN: 02675454	NED & ID	4	3	2	0	1	NA
6	Mr. Chetan Navinchandra Shah DIN: 08038633	NED & ID	4	1	2	0	3	NA
7	Mr. Seshadari Saranathan DIN: 01498670	NED & ID	4	0	NA	NA	NA	No
8	Mr. T. S. Appa Rao DIN: 00412492	NED & ID	4	1	NA	NA	NA	NA

Notes:

- Chairman & Managing Director (CMD), Joint Managing Director (JMD), Non-executive Director (NED) and Independent Director (ID)
- Mr.T.S.Appa Rao retired as an independent director of the Company on June 28, 2020 due to completion of his term of appointment and thereby he ceased to be a Member of Audit Committee and Nomination & Remuneration Committee.
- Mr. S Saranathan retired as an independent director of the Company on February 2, 2021 on completion of his term of appointment and thereby he ceased to be a Member of the Audit Committee and Nomination & Remuneration Committee.
- Mr. Tirthankar Mitra was appointed as an independent director and member of the Audit Committee and Nomination & Remuneration Committee w.e.f. August 14, 2020.
- Mr. Chetan Shah, was appointed as an independent director and member of the Audit Committee and Nomination & Remuneration Committee w.e.f. February 12, 2021.

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

© During the FY 2020-21, 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.



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 has also 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 held

The Board met four (4) times during FY 2020-21 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.

Date of the Meeting	Board Strength	No. of Directors Present
June 2, 2020	6	5
August 14, 2020	6	4
November 12, 2020	6	5
February 12, 2021	6	6

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021 were held through Video Conferencing.

During FY 2021, information as mentioned in Part A of Schedule II of the SEBI 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. Siddhartha 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 March 31, 2021; 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 familiarization programmes imparted to independent Directors <https://www.vishnuchemicals.com/wp-content/uploads/2021/03/Familiarization-Program-for-IDs-dt-31032021.pdf>

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. Siddhartha	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Pradip Saha	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tirthankar Mitra	✓	✓	✓	✓	✓	✓	✓	-
Mr. Chetan Navinchandra Shah	-	✓	✓	✓	✓	✓	✓	✓

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 the 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://www.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 FY 2021, one meeting of the Independent Directors was held on June 2, 2020. 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 March 31, 2021. 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

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 utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore 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 June 2, 2020, August 14, 2020, November 12, 2020 and February 12, 2021. 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. Pradip Saha, C&ID	4	4
2	Mr. Tirthankar Mitra, ID	4	2
3	Mr. Chetan Shah, ID	4	NA
4	Mr. Ch. Siddartha, JMD	4	4
5	Mr. T. S. Appa Rao, ID	4	1
6	Mr. S Saranathan, ID	4	1

Notes:

- C&ID - Chairman & Independent Director, ID - Independent Director, JMD - Joint Managing Director
- Mr. T.S. Appa Rao retired as an independent director of the Company on June 28, 2020 due to completion of his term of appointment thereby he ceased to be a member of Audit Committee on June 28, 2020.
- Mr. S Saranathan retired as an independent director of the Company on February 2, 2021 due to completion of his term of appointment thereby he ceased to be a member of the Audit Committee on February 2, 2021.
- Mr. Tirthankar Mitra has been appointed as a member of the Audit Committee w.e.f. August 14, 2020.
- Mr. Chetan Shah has been appointed as a member of the Audit Committee w.e.f. February 12, 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. Pradip Saha, Chairman of the Committee, being a qualified Chartered Accountant and Company Secretary has expertise in accounting and financial management. The Company Secretary of the Company is secretary to the Committee. 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 June 2, 2020, August 14, 2020 and February 12, 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. Pradip Saha, C&ID	3	3
2	Mr. Ch. Manjula, NED	3	1
3	Mr. Tirthankar Mitra, ID	3	1
4	Mr. Chetan Shah, ID	3	NA
5	Mr. T. S. Appa Rao, ID	3	1
6	Mr. S Saranathan, ID	3	1

Notes:

- C – Chairman, ID - Independent Director, NED – Non-executive Director
- Mr. T.S.Appa Rao retired as an independent director of the Company on June 28, 2020 due to completion of his five years term of appointment thereby he ceased to be a member of NRC on June 28, 2020.
- Mr. S Saranathan retired as an independent director of the Company on February 2, 2021 due to completion of his term of appointment thereby he ceased to be a member of NRC on February 2, 2021.
- Mr. Tirthankar Mitra was appointed as member of NRC w.e.f August 14, 2020.
- Mr. Chetan Shah was appointed as a member of NRC w.e.f. February 12, 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.



Performance evaluation criteria for Independent Directors:

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

The criteria for performance evaluation are as follows:

Role & Accountability:

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

Objectivity:

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

Leadership & Initiative:

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

Personal Attributes:

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

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://www.vishnuchemicals.com/wp-content/uploads/2021/03/NRC-Policy-dt-09022018-updated-on-12022021.pdf>

Directors' Remuneration

The details of remuneration to the Directors for the financial year ended March 31, 2021.

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

₹ in lakhs		
Particulars	Mr. Ch. Krishna Murthy Managing Director	Mr. Ch. Siddartha Joint Managing Director
Salary (Including perquisites)	66.00	45.12
Commission	0	0
Contribution to Provident Fund and Superannuation Fund	0	2.88
Other Benefits	0	0
Total	66.00	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 2020-21 and the company does not have any stock option scheme.

₹ in lakhs	
Non-executive Directors	Sitting Fees
Mrs. Ch. Manjula	0.60
Mr. Pradip Saha	1.60
Mr. Tirthankar Mitra	1.00
Mr. Chetan Shah	0.20
Mr. T. S. Appa Rao	0.40
Mr. S Saranathan	0.20
Total	4.00

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, dematerialization 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 four (4) times i.e. on June 2, 2020, August 14, 2020, November 12, 2020 and February 12, 2021. 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	4	3
2	Mr. Pradip Saha, NED & ID	4	4
3	Mr. Ch. Krishna Murthy, CMD	4	4
4	Mr. Ch. Siddartha, JMD	4	4

Notes: C – Chairman, ID - Independent Director, NED – Non-Executive Director, CMD – Chairman and Managing Director, JMD – Joint Managing Director

Status of Investor Complaints

The status of investor complaints as on March 31, 2021 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 June 2, 2020 and February 12, 2021.

Finance Committee

Mr. Ch. Krishna Murthy, Chairman & Managing Director, Mrs. Ch. Manjula, Non-executive Directors and Mr. Ch. Siddartha, Joint Managing Director are the members of the Committee. During the year under review, the Committee met five (5) times i.e. on May 21, 2020, September 25, 2020, December 19, 2020, December 31, 2020 and January 2, 2021. 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, Listing Agreement with the Stock Exchanges and Listing Regulations, 2015. 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
2019-20	Friday, August 14, 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, June 27, 2019 at 10.00 AM (IST)	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad Telangana – 500033
2017-18	Monday, September 24, 2018 at 11.00 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:

- I) 27th AGM held on August 14, 2020 – Special Resolutions
 - a. 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 June 27, 2019 – Special Resolutions

- a. To approve re-appointment of Mr. Pradip Saha as Independent Director of the Company for second term.
- b. 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.
- c. 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.
- d. To approve variation of terms of the existing 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of the company.

- III) 25th AGM held on September 24, 2018 – Special Resolutions
 - a. Amendment of Articles of Association 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 August 14, 2021
- Unaudited results for 2nd quarter of next Financial Year – by November 14, 2021
- Unaudited results for 3rd quarter of next Financial Year – by February 14, 2022
- Audited results for next Financial Year – by May 29, 2022

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	- Monday, July 12, 2021 at 11.00 a.m. IST
Venue	- In accordance with the General Circular No. 18 & 20 dated April 18, 2020 & May 5, 2020 respectively, issued by the MCA on May 5, 2020, the AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') only
Financial Year	- 2020-21 (April 1, 2020 to March 31, 2021)
Record Date	- July 2, 2021
Date of Book Closure	- July 3, 2021 to July 12, 2021 (both days inclusive)
Date of Dividend Payment	- On or before August 8, 2021
Dividend for the last three years	- 2019-20 : 10% 2018-19 : 10% 2017-18 : 10%

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

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

BSE Limited - Scrip Code: 516072

National Stock Exchange of India Ltd - VISHNU

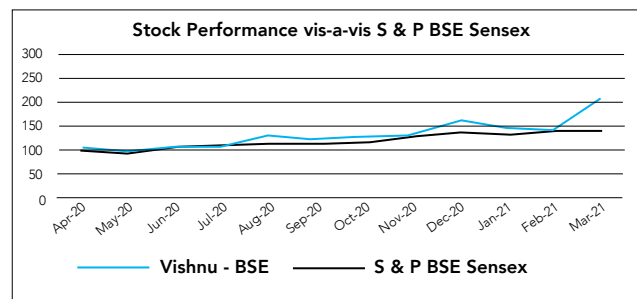
ISIN for the Equity Shares - INE270I01014

The Company has paid listing fee to both Stock Exchanges for the financial year 2020-21.

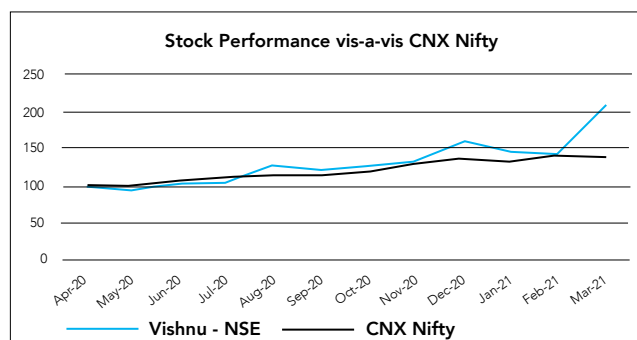
Monthly high and low of Company's shares on BSE Limited & National Stock Exchange of India Limited during the financial year 2020-21

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-20	130.00	68.00	132.00	64.00
May-20	127.80	114.00	129.70	108.25
Jun-20	144.75	117.10	145.00	115.50
Jul-20	149.90	123.10	149.40	122.80
Aug-20	201.65	125.00	200.10	128.05
Sep-20	172.65	137.75	170.00	138.55
Oct-20	159.80	137.50	164.50	138.00
Nov-20	175.00	151.25	176.00	148.50
Dec-20	230.00	151.00	230.10	150.00
Jan-21	220.50	167.10	219.05	167.00
Feb-21	193.90	166.50	189.95	157.10
Mar-21	285.05	174.45	284.70	173.25

Vishnu Vs Sensex chart



Vishnu Vs Nifty chart





Share Transfer System

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 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 December 2, 2020 had fixed March 31, 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 dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd (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>

Dematerialization of shares and liquidity

1,17,52,416 (NSDL: 79,77,261; CDSL: 37,75,155) equity shares were dematerialized amounting to 98.38% 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 dematerialize their shares with either of the Depositories. Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is uploaded on website of the company www.vishnuchemicals.com.

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.

Distribution of Shareholding (in shares) as on March 31, 2021

Shareholding of Nominal Amount in ₹	Number of Shareholders	Percentage of total shareholders	Share Amount in ₹	Percentage of total share capital
1 - 5000	5337	88.14	5878280	4.92
5001 - 10000	384	6.34	2904380	2.43
10001 - 20000	174	2.87	2659310	2.23
20001 - 30000	41	0.68	1047670	0.88
30001 - 40000	17	0.28	580080	0.48
40001 - 50000	24	0.39	1128450	0.94
50001 - 100000	33	0.55	2348690	1.97
100001 - 119460200	45	0.74	102913340	86.15
TOTAL	6055	100.00	119460200	100

Pattern of shareholding as on March 31, 2021

Category	No. of Shares	% of shareholding
Promoters	8959506	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	-	-
NRI's / OCB's / Foreign Nationals	180081	1.51
Corporate Bodies / Trust	212077	1.78
Indian Public and Others	2559001	21.42
Alternate Investment Fund	-	-
IEPF account	-	-
Clearing Members	35355	0.30
GRAND TOTAL	11946020	100

Address for correspondence from shareholders

Regd. & Corporate Office of the Company:

H.No. 8-2-293/82/F/23-C, Plot No. 23,
Road No. 8 Film Nagar, Jubilee Hills,
Hyderabad, Telangana 500033
Phone: 040 23396817/ 23327723/29
Mail id: investors@vishnuchemicals.com
Website: www.vishnuchemicals.com

Registrar and Share Transfer Agents:

Bigshare Services Pvt. Ltd
306, Right Wing, 3rd Floor, Amrutha Ville,
Opp. Yashoda Hospital, Somajiguda,
Rajbhavan Road, Hyderabad – 500082, India
Phone No: 040 4014 4582
Mail id: bsshyd1@bigshareonline.com
Web: www.bigshareonline.com

Plant Locations

Kazipally Plant:

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

Jeedimetla Plant:

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

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

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 37 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 mobilization of funds, disclosure of credit rating is not applicable.

d. Disclosure of non-compliance by company:

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

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. April 1, 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 the 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 FY 2020-21, a total fee of ₹ 15.00 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 as statutory Auditors	
a. Statutory Audits fee	13.50
b. Quarterly review fee	1.65
c. Tax Audit fee	3.65
d. GST Audit fee	1.65
Total	20.45

k. Risk Management:

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

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:

i. Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year - Nil

ii. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year – Nil

iii. Number of shareholders to whom shares were transferred from suspense account during the year – Nil

iv. Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year – Nil

v. 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
May 19, 2021

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 March 31, 2021 as envisaged in Listing Regulations.

For Vishnu Chemicals Limited

Hyderabad
May 19, 2021

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



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 M/s. 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 March 31, 2021.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2021:

List of Director of the Company as on March 31, 2021:

S. No.	DIN	Full Name	Designation
1	00030274	Sri. Cherukuri Krishna Murthy	Chairman & Managing Director
2	01546339	Smt. Cherukuri Manjula	Non-executive Director
3	01250728	Sri. Cherukuri Siddartha	Joint Managing Director
4	07677683	Sri. Pradip Saha	Independent Director
5	02675454	Sri. Tirthankar Mitra	Independent Director
6	08038633	Sri. Chetan Navinchandra Shah	Independent Director

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

Sd/-
L. Dhanamjay Reddy
(Proprietor)
M. No. 13104; CP No.3752
UDIN: A013104C000389645

Date : 29.05.2021
Place : Hyderabad

Certificate on Corporate Governance

To the Members of
Vishnu Chemicals Limited

1. This certificate is issued in accordance with the terms of our engagement letter
2. This report contains details of compliance of conditions of Corporate Governance by **Vishnu Chemicals Limited** ('the Company') for the year ended March 31, 2021, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

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

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

Our Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended March 31, 2021.

6. We conducted our examination in accordance with the, Guidance Note on Corporate Governance Certificate, issued by the Institute of Company Secretaries of India ('ICSI'), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

Restriction on use

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

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

Sd/-
L. Dhanamjay Reddy
(Proprietor)
M. No. 13104; CP No.3752
UDIN: A013104C000389656

Date : 29.05.2021
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 March 31, 2021 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.

Hyderabad
May 19, 2021

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

Sd/-
P. Anjaneyulu
Chief Financial Officer

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC AND INDUSTRY OVERVIEW

Highlights

India's foreign exchange reserves has touched an all-time high of US\$ 600+ billion. In figures, the proportion of short-term debt to forex reserves declined from 147% in 1991 to 17.7% as of December, 2020. The 30-year old journey since 1991 is indeed a matter of pride for the entire country.

The centre-of-gravity of the economic world will further re-balance by simultaneous shifts, from west to east, from rural to urban, ageing to young economies. Asia's role in global chemicals demand and trade will be even greater over the next decade.

India is the sixth largest producer of chemicals globally and the third largest producer in Asia in terms of output.

The Indian Chemical Industry has a structural and locational advantage to rapidly grow from its current size of US\$ 178 billion to US\$ 300 billion over next 5 to 7 years. Specialty chemicals accounts for 20-25 per cent of the overall chemicals industry in India.

In addition to its demographic dividends, India has one of the lowest per capita consumption of chemicals, offering adequate headroom for the sector to grow. Its vantage location provides opportunities in servicing export demand.

At Vishnu Chemicals, the extensive characteristics of our products have uses that make it indispensable to industrial usage. Cyclicity is mitigated to a larger extent due to diverse end use applications across metallurgy, pigments & dyes, pharmaceuticals, bricks, ceramics amidst others.

OPERATIONAL PERFORMANCE

Standalone

The Standalone revenue from operations for the FY 2020-21 is ₹ 57708.97 lakhs as against ₹ 57975.96 lakhs of previous year. Earnings before interest, tax, depreciation and amortization ('EBITDA') for the FY 2020-21 is ₹ 6016.50 lakhs compared to ₹ 6380.19 lakhs of previous FY 2019-20. During FY 2020-21, Profit before tax stood at ₹ 2226.15 lakhs compared to ₹ 2129.87 lakhs of previous year.

Net profit for the FY 2020-21 has increased by 72% to ₹ 2275.32 lakhs as against ₹ 1322.10 lakhs of previous year. Total comprehensive income stood at ₹ 2295.62 lakhs for FY 2020-21 compared to ₹ 1378.35 lakhs during the previous FY 2019-20.

Consolidated

The consolidated revenue from operations for the financial year 2020-21 is ₹ 68150.39 lakhs compared to ₹ 68083.98 lakhs of previous year. Earnings before interest, tax, depreciation and amortization ('EBITDA') are at ₹ 7744.91 lakhs during the year compared to ₹ 7892.94 lakhs of previous FY 2019-20.

During FY 2020-21, Profit before tax stood at ₹ 3400.29 lakhs compared to ₹ 3030.68 lakhs of previous year. Net profit for the FY 2020-21 has increased by 55% to ₹ 3449.46 lakhs compared to ₹ 2222.91 lakhs during FY 2019-20. Total comprehensive income is ₹ 3465.29 lakhs for FY 2020-21 as against ₹ 2277.66 lakhs of previous year.

Consolidated net profit for the FY 2020-21 has increased by **55%** to **₹ 3449.46** lakhs as against **₹ 2222.91** lakhs of previous year.



It is satisfying that this growth was primarily driven by higher volumes and broad-based with all products and markets witnessing growth. However, during the year the increase in gross margins was offsetted by the increase in other operating expenses, part of which were one time in nature due to maintenance activities. Relative to liquidity, we saw an increase in our working capital due to the strong export growth. Overall, PAT margin grew by 165 basis points on standalone level and 178 basis points on a consolidated level.

OUTLOOK

The Company's has an established market position, wide product range, diversified end-user industries, and strong distribution network with marquee client base. The Company's strong operating efficiency is driven by healthy operating profitability and increasing contribution of value added derivative products. The Company has entered a new area of progress and is positioned to achieve higher levels of operational excellence. Vishnu Chemicals aims to progress with effective management of resources and assets. Though currently not significant, the company is vigilant of the restrictions driven by global pandemic.



RISK MANAGEMENT




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

Pursuant to the Companies Act, 2013 and the SEBI Regulations, the Board has authorized the Audit Committee to review the risk management systems of the Company from time to time.

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

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

	Risk	Mitigation
Forex Risks: 	The Company has its operations spread across the world. Thus, making it expose to risk in fluctuation in exchange rate. This might have an adverse impact on the company's operations.	The Company is actively manages its foreign exchange risk within the framework laid down in the Policy on forex approved by the Board. The Company actively manages the interest rate risk by adopting suitable strategies to minimise the impact of interest rate fluctuations, including maintaining an optimal balance of different loan types and maturities.
Liquidity Risk/ Credit Risk: 	The Company operate in working capital intensive industries. Thus, inadequate funds might have adverse impact on the company's growth plan.	The Company realizes that its ability to meet its obligations to its suppliers and others is linked to timely and regular collection of receivables. Review of working capital constituents like inventory of raw materials, finished goods and receivables are done regularly by the respective Divisions and closely monitored by Corporate Finance.

	Risk	Mitigation
<p>Competitive Risks:</p> 	<p>The company faces stiff competition from domestic as well as international players. Thus, company's inability to stay ahead of its competitors might have adverse impact on its operations.</p>	<p>The company constantly monitors the changes in the industry landscape and changing consumer preferences / product mix. This enables the company to develop and distribute new and innovative products and solutions. Thus, making it stand out from its competitors and increase its brand recalls.</p>
<p>Regulatory Risk:</p> 	<p>The Company is exposed to risks attached to changes in various statutes, laws and regulations.</p>	<p>The Company's legal and secretarial team monitors the changes in the regulatory frameworks and ensure timely and transparent filing and conduct of operations as per the law of the land.</p>
<p>Cyber Risk:</p> 	<p>The failure of Information Technology (IT) systems due to Malicious attacks and / or non-compliance with data privacy laws can potentially lead to financial loss, business disruption and / or damage to the Company's reputation.</p>	<p>The Company has in place a robust data protection policy. It maintains a strong cyber-security infrastructure and adopts standardised backup tools, services and procedures to ensure that information and data are stored secured location.</p>

INTERNAL CONTROLS

Internal financial control systems of the Company are commensurate with its size and the 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 recognizes 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 RESOURCES

The Company considers its human capital as the greatest component at work in the organisation. This includes a robust mix of experience and young talent which provides an all-round point of view to various challenges and development of informed solutions. Continuous enrichment of knowledge of employees is a core value of the company and emphasis has been laid on the training and development of the human capital of the company. The skill levels of the workforce have been honed continuously by conducting in-house training programmes such as effective operating & maintenance of machinery, which has ensured in high productivity of manpower and low maintenance costs. To enhance the Positive Team Dynamics at the work place, Development



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

Further, the basic principle of Vishnu is to place priority on quality in order to achieve ultimate customer satisfaction. Continuous improvement is carried out in the work processes with the objective of delivery of high quality products from the ISO 9001:2015 certified Plants to the customers and always put efforts to reach expectations of the customers.

Looking forward, the Company has partnered with Quality Circle Forum of India for setting up of Quality Circles in the organization with the objective of bringing improvements at the work place with internal resources by tapping the creativity and experience of the employees. The enrichment of skillset of the human resources has resulted in better products and services to the Customers. And ensuring employees safety and well-being is and will continue to be a top priority during this pandemic.

Details of significant changes in key financial ratios along with detailed explanations therefor:

- (i) Debtors Turnover: Reduced by around 5% compared to previous financial year.
- (ii) Interest Coverage Ratio: Improved by 27% on account of better negotiation and optimum utilization of finances.
- (iii) Current Ratio: There is no change in current ratio compared to previous financial year.
- (iv) Debt Equity Ratio: improved by 35 basis points YOY.
- (v) Operating Profit: Reduced by 148 basis points YOY due to planned overhaul at Visakhapatnam unit.
- (vi) Net Profit: increased by 72% compared to previous year due to prudent business plan and tax planning.
- (vii) Return on Net Worth: There is an increase of 506 basis points in return on net worth from 11% in F20 to 16% in F21 due to prudent business planning and efficient execution.

Standalone Financial Statements



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, 2021, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Aspects determined as KAM

1. Revenue recognition being the significant component of the operations of the standalone financial statements, it was identified as the key audit matter. Revenue is required to be recognised in consonance with the relevant accounting methodology and as per Ind As 115 pertaining to Revenue Recognition.

In this context, attention is drawn to Note-1.B.ix) (Significant Accounting Policies) and Note-24 (Revenue from operations) of the standalone financial statements.

The Company recognizes revenue in accordance with Ind AS115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize 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.

In accordance with the above, 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 considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Audit Measures adopted to validate KAM included the following:

- Appropriateness of the revenue recognition accounting policies adopted by the company were assessed to ascertain their compliance with Ind AS 115 "Revenue from Contracts with Customers";
- Operational effectiveness of relevant controls with respect to revenue recognition were tested pursuant to the evaluation of their design.
- Substantive testing of the revenue transactions through the entire cycle was done including journal entries posted to revenue to elicit unusual transactions, if any, and also to determine efficacy of revenue recognition in the appropriate financial period;

Basis the above stated measures, no significant exceptions were noted in revenue recognition.

2. The appropriateness of Contingent Liabilities as disclosed in Note 35 to the Standalone Financial Statements - Claims against the company not acknowledged as debts - is considered as another KAM. The liability and eventual probability of payments against these claims requires management's judgment which would be the basis for disclosure of the appropriate values of contingent liabilities.

We obtained and reviewed the pertinent documents/material to assess the basis and appropriateness of the management's judgment in arriving at the said disclosures.

Emphasis of Matter

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing the 7% dividend amounting to ₹ 536.46 Lakhs, receivable by them for the financial year 2020-21 as mentioned in Note 38 of Notes to Accounts.

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, 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.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 - h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Jampani & Associates**
Chartered Accountants
(F.R.No. 016581S)

Sd/-

J. Ram Sesh Choudary

Partner

(Membership No. 202150)

UDIN: 21202150AAAABY6049

Place: Hyderabad

Date: 19 May 2021



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 CHEMICALS LIMITED** ("the Company") as of March 31, 2021 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 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Jampani & Associates**
Chartered Accountants
(F.R.No. 016581S)

Sd/-
J. Ram Sesh Choudary
Partner
(Membership No. 202150)
UDIN: 21202150AAAABY6049

Place: Hyderabad
Date: 19 May 2021



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)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- iii. According to the information and explanations given to us, the Company has granted interest free unsecured loan to its wholly owned subsidiary, covered in the register maintained under section 189 of the Companies Act, 2013. The total loan amount granted in the earlier years and the actual balance outstanding at the end of the year is ₹ 989 Lakhs (with an amortised value of ₹ 868.00 Lakhs). According to the information and explanations the terms and conditions of the grant of the loan are not prima facie prejudicial to the interests of the company. However as no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations provided to us, the Company has not accepted deposits in terms of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to sub-section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been irregular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable *except ₹ 918.30 Lakhs payable towards Income tax and Interest thereon under the Income Tax Act, 1961 for the periods AY 2018-19 and AY 2019-20 which are yet to be paid.*

- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 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 defaulted in repayment of loans or borrowings to any financial institution or banks.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us and based on the audit procedures performed by us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Jampani & Associates**
Chartered Accountants
(F.R.No. 016581S)

Sd/-
J. Ram Sesh Choudary
Partner

Place: Hyderabad
Date: 19 May 2021

(Membership No. 202150)
UDIN: 21202150AAAABY6049



Standalone Balance Sheet as at March 31, 2021

₹ in lakhs

	Note No.	March 31, 2021	March 31, 2020
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	36,393.81	31,518.91
(b) Capital work-in-progress	2	290.15	2,650.55
(c) Intangible Assets	2	0.18	0.18
(d) Financial Assets			
(i) Investments	3	604.82	657.07
(ii) Loans	4	868.00	791.76
(e) Other non-current assets	5	798.11	1,075.23
		38,955.08	36,693.70
(2) Current assets			
(a) Inventories	6	17,753.36	19,156.18
(b) Financial Assets			
(i) Trade receivables	7	10,412.91	7,903.63
(ii) Cash and cash equivalents	8	11.42	366.27
(iii) Bank balances other than (ii) above	9	936.50	1,115.98
(iv) Other financial assets	10	58.77	658.06
(c) Other current assets	11	2,230.29	1,951.35
		31,403.25	31,151.49
Total Assets		70,358.34	67,845.19
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	1,194.60	1,194.60
(b) Other Equity	13	13,948.53	11,503.53
		15,143.13	12,698.13
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	18,432.20	18,406.11
(b) Provisions	15	245.89	352.77
(c) Deferred tax liabilities (Net)	16	3,670.62	3,962.86
(d) Other Non-Current Liabilities	17	3,338.22	2,892.05
		25,686.93	25,613.79
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	11,963.81	12,934.89
(ii) Trade payables	19	12,072.22	12,684.00
(iii) Other financial liabilities	20	4,171.80	2,206.25
(b) Other current liabilities	21	995.13	972.24
(c) Provisions	22	44.42	39.32
(d) Current Tax Liabilities (Net)	23	280.90	696.55
		29,528.27	29,533.26
Total Equity and Liabilities		70,358.34	67,845.19

Accompanying Notes form an integral part of the Financial Statements
per our report of even date

For Jampani & Associates

Chartered Accountants

Firm Registration No. 016581S

Sd/-
J. Ram Sesh Choudary
Partner
Membership No. 202150

For and on behalf of the Board of Directors

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

Sd/-
Ch. Manjula
Director
DIN:01546339

Place: Hyderabad
Date: May 19, 2021

Sd/-
P. Anjaneyulu
Chief Financial Officer
Hyderabad, May 19, 2021

Sd/-
Kishore Kathri
Company Secretary & AGM - Legal

Standalone Statement of Profit and Loss for the year ended March 31, 2021

₹ in lakhs

	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1 REVENUE			
a. Revenue from Operations	24	57,310.24	57,113.97
b. Other Income	25	398.73	861.99
Total Revenue		57,708.97	57,975.96
2 EXPENSES			
a. Cost of Materials Consumed	26	23,426.26	26,738.33
b. Cost of Consumables	27	7,375.91	7,185.85
c. Changes in Inventories of Finished Goods and Work-in-Progress	28	1,104.49	(349.93)
d. Employee Benefit Expenses	29	2,627.19	2,602.58
e. Finance Costs	30	2,472.94	3,409.75
f. Depreciation and Amortisation Expense	2	1,716.14	1,702.56
g. Power Cost		2,479.23	2,476.29
h. Manufacturing Expenses	31	6,655.66	5,512.27
i. Selling & Administrative Expenses	32	7,511.14	6,421.81
j. Corporate Social Responsibility Expenses	33	113.87	146.58
Total Expenses		55,482.82	55,846.09
3 Profit Before Tax (1+2)		2,226.15	2,129.87
4 Tax Expense	34		
a. Current Tax		386.74	554.51
b. Tax pertaining to earlier years		(136.84)	59.39
c. MAT Credit entitlement relating to earlier Years		-	(141.94)
d. MAT Reversal		785.86	-
e. Deferred Tax-Prior Period		(1,328.51)	-
f. Deferred Tax		243.58	335.82
		(49.17)	807.77
5 Profit For the Year from Continuing Operations (3-4)		2,275.32	1,322.10
6 Other Comprehensive Income/ Expense		27.13	86.45
Less: Tax on above		6.83	30.21
7 Other Comprehensive Income/ Expense (Net of Taxes) (6-7)		20.30	56.24
8 Total Comprehensive Income for the Period (5+7)		2,295.62	1,378.35
9 Earnings Per Share			
Basic & Diluted (Annualised) (In ₹ per share)		19.05	11.07

Accompanying Notes form an integral part of the Financial Statements

per our report of even date

For Jampani & Associates

Chartered Accountants

Firm Registration No. 016581S

Sd/-

J. Ram Sesh Choudary

Partner

Membership No. 202150

Place: Hyderabad

Date: May 19, 2021

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, May 19, 2021

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary & AGM - Legal



Standalone Statement of Cash Flow for the year ended March 31, 2021

₹ in lakhs

	2020-21	2019-20
Profit before tax	2,226.15	2,129.87
Cash flows used in / from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	1,716.14	1,702.56
Profit on sale of Property Plant and Equipment	(13.98)	-
Profit on sale of Investments	(0.77)	2.30
Interest income	(74.39)	(118.80)
Unwinding of Interest Income on Interest free loan given to Subsidiary	(76.24)	(69.55)
Unwinding of Interest Income on Interest free Security deposits received from Suppliers	(89.78)	(295.41)
Interest expenses	2,194.17	2,960.76
Unwinding of interest expenses on Loan from Promoter Directors.	185.46	185.41
Unwinding of interest expenses on Interest free Security deposits received from suppliers.	85.60	255.15
Amortisation of Processing Fees of Long Term Loans.	7.70	8.43
Fair value (Gain)/ Loss on investments (net)	(7.19)	(1.92)
Obsolete Stock provision	12.63	9.76
Re-measurement of defined employee benefit plans	27.13	86.45
Provision for Bad/doubtful debts	15.90	(41.25)
Advances and bad debts written back (Net)	36.74	(11.47)
Operating profit before working capital changes	6,245.28	6,802.29
Movement in working capital:		
(Increase)/Decrease in inventories	1,390.19	(1,664.22)
Increase/(Decrease) in trade receivables	(2,525.18)	1,434.79
(Increase) / Decrease in Financial Assets (Current)	599.30	(601.38)
(Increase) / Decrease in Other Assets (Current)	(278.95)	908.10
(Increase) / Decrease in Other Assets (Non-Current)	(65.19)	39.79
(Decrease)/ Increase in trade payables	(648.52)	230.10
(Decrease)/ Increase in Financial Liabilities (Current)	187.17	178.47
(Decrease)/ Increase in Provisions (Current)	5.10	8.07
(Decrease)/ Increase in Provisions (Non-Current)	(106.88)	(92.99)
(Decrease)/ Increase in Other Liabilities (Current)	22.89	(1,714.90)
(Decrease)/ Increase in Other Liabilities (Non-Current)	719.20	(861.92)
Cash generated from operations	5,544.41	4,666.20
Income tax paid	(665.56)	(1,200.91)
Net cash flows used in / from operating activities (A)	4,878.86	3,465.28
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress less Capital Advances	(4,011.71)	(1,768.23)

Standalone Statement of Cash Flow for the year ended March 31, 2021

₹ in lakhs

	2020-21	2019-20
Proceeds from Sale of Property Plant & Equipment	137.35	-
Net Investments in mutual funds	0.58	(4.75)
Proceeds from Sale of Investments	59.62	36.23
Movement in Other Bank Balances	179.48	233.23
Interest received	74.39	118.80
Net cash flows used in / from investing activities (B)	(3,560.29)	(1,384.72)
Net cash flows used in / from financing activities		
(Decrease)/Increase in Long Term Borrowings	1,611.30	(235.61)
(Decrease)/Increase in Short Term Borrowings	(971.09)	1,602.91
Interest Paid	(2,194.17)	(2,960.76)
Dividend Paid	(119.46)	(119.46)
Tax on dividend	-	(24.56)
Net cash flows used in/from financing activities (C)	(1,673.42)	(1,737.47)
Net decrease in cash and cash equivalents (A+B+C)	(354.86)	343.09
Cash and cash equivalents at the beginning of the year	366.27	23.19
Cash and cash equivalents at the year end	11.42	366.28
Components of cash and cash equivalents:		
Cash on hand	3.39	6.37
Balances with banks	8.03	359.91
Total cash and cash equivalents	11.42	366.27

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

Sd/-
J. Ram Sesh Choudary
Partner
 Membership No. 202150

Place: Hyderabad
 Date: May 19, 2021

For and on behalf of the Board of Directors

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

Sd/-
P. Anjaneyulu
Chief Financial Officer
 Hyderabad, May 19, 2021

Sd/-
Ch. Manjula
Director
 DIN:01546339

Sd/-
Kishore Kathri
Company Secretary & AGM - Legal



Statements of changes in Equity as at March 31, 2021

a. Equity Share Capital

₹ in lakhs

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	Number of shares		Amount ₹ in Lakhs	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020
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:13

b. Other Equity

For the year ended March 31, 2021

₹ in lakhs

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 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
Balance as at March 31, 2021	0.86	659.07	12,276.37	1,036.87	(24.65)	13,948.53

For the year ended March 31, 2020

₹ in lakhs

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2019	0.86	659.07	8,942.43	1,142.46	(101.20)	10,643.62
Add/(less) Profit for the year	-	-	1,322.10	-	-	1,322.10
Add/(less) Changes during the year (net)	-	-	-	(374.42)	-	(374.42)
Add/(less) Other Comprehensive Income for the year (net of taxes)	-	-	-	-	56.24	56.24
Less: Dividend	-	-	119.46	-	-	119.46
Less: Corporate dividend tax	-	-	24.56	-	-	24.56
Balance as at March 31, 2020	0.86	659.07	10,120.52	768.04	(44.96)	11,503.53

per our report of even date

For Jampani & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Firm Registration No. 016581S

Sd/-
J. Ram Sesh Choudary
Partner
Membership No. 202150

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

Sd/-
Ch. Manjula
Director
DIN:01546339

Place: Hyderabad
Date: May 19, 2021

Sd/-
P. Anjaneyulu
Chief Financial Officer
Hyderabad, May 19, 2021

Sd/-
Kishore Kathri
Company Secretary & AGM - Legal

Basis of Preparation of Financial Statements and Significant Accounting Policies:

1. Basis of Preparation of Financial Statements

a) Statement of Compliance

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

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 (INR), 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 realization 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 recognized in the financial statements are as follows:

i) Property, Plant and Equipment

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

ii) Employee Benefit Plans

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



2. Significant Accounting Policies:

i. Property, Plant and Equipment

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

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

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

ii. Intangible Assets

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

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

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

iii. 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.

iv. 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.

v. Financial Instruments

Financial instruments are classified as:

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

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

Subsequently, financial assets are measured as follows:

a) Amortized Cost

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

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

b) Fair Value Through Profit and Loss Account

Financial instruments classified in this category are subsequently carried at fair value with changes

recorded in the statement of profit or loss. Directly attributable transaction costs are recognized in Profit and Loss account as incurred.

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

vi. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognized 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 recognized 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 recognized asset or liability or an unrecognized 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 recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized 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 amortization 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 unrecognized 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.

vii. Impairment of Assets

a) Non-Financial Assets

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

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

b) Financial Assets

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

viii. Inventories

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

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

ix. 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 recognizes revenue in accordance with Ind AS115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize 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 recognized using the effective interest method. Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted when the right to receive payment is established.

x. Provisions

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

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

xi. Borrowing Costs

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

xii. Employee Benefits

The Company's contribution to Provident and Pension fund for the employees is covered under defined

contribution plan and is recognized as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

The Company's Gratuity scheme for its employees is a defined benefit retirement benefit plan. The liability recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Defined benefit costs are categorized as follows:

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

The Company presents the first two components of defined benefit costs in profit and loss in the line item 'Employee benefit expenses'.

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

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

xiii. Foreign Currency Transactions and balances

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

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

xiv. 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.

xv. 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.

xvi. Taxes on Income

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

i. Current income tax

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

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred income tax

Deferred 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 utilized.

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.

xvii. New standards and interpretations not yet adopted

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Definition of business - amendments to Ind AS 103
- Covid-19 related concessions - amendments to Ind AS 116
- Interest rate benchmark reform - amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly impact the current or future periods.

Note 2**PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS**

₹ in lakhs

	Tangible assets										Intangible Assets	
	Freehold Land	Buildings	Improvements to Leasehold Buildings	Plant and Machinery	Office Equipment	Data Process Equipment	Furniture and Fixtures	Vehicles	R&D Equipment	Lab Equipment	Total	Computer software
Cost												
At April 1, 2019	897.25	8,964.36	356.72	35,350.51	203.37	59.35	178.45	398.85	354.69	176.95	46,940.50	17.07
Additions	190.00	109.90	0.51	548.53	8.66	4.80	0.56	19.85	-	-	882.81	-
Disposals/discard	-	-	-	6.91	-	-	-	-	-	-	6.91	-
March 31, 2020	1,087.25	9,074.26	357.23	35,892.13	212.03	64.15	179.01	418.70	354.69	176.95	47,816.40	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	-
March 31, 2021	1,079.55	9,866.13	357.23	41,308.34	242.64	85.95	199.49	609.30	354.69	176.95	54,280.28	17.07
Depreciation												
At April 1, 2019	-	2,944.40	36.28	10,653.93	95.88	54.77	84.43	256.45	347.36	121.41	14,594.91	16.89
Charge for the year	-	314.31	37.67	1,259.11	31.59	2.89	11.61	30.86	-	14.51	1,702.55	-
Disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2020	-	3,258.71	73.95	11,913.04	127.47	57.66	96.04	287.31	347.36	135.92	16,297.46	16.89
Charge for the year	-	315.40	37.72	1,269.41	34.66	4.88	11.57	31.95	-	10.59	1,716.19	-
Disposals/discard	-	-	-	127.18	-	-	-	-	-	-	127.18	-
At March 31, 2021	-	3,574.11	111.67	13,055.26	162.13	62.54	107.61	319.26	347.36	146.51	17,886.47	16.89
Net Block												
At March 31, 2021	1,079.55	6,292.02	245.56	28,253.07	80.51	23.41	91.88	290.04	7.33	30.43	36,393.81	0.18
At March 31, 2020	1,087.25	5,815.56	283.28	23,979.09	84.56	6.49	82.97	131.39	7.33	41.03	31,518.94	0.18

Capital work in progress

₹ in lakhs

	Civil works under construction			Plant & machinery under erection		Pre-Operative Exp., Pending Capitalisation		Total
At April 1, 2019		264.34		1,239.13		94.92	1,598.39	
Additions		4.21		1,692.28		-	1,696.48	
Capitalisations		109.90		534.43		-	644.33	
March 31, 2020		158.65		2,396.98		94.92	2,650.54	
Additions		522.50		2,653.34		-	3,175.84	
Capitalisations		665.88		4,775.44		94.92	5,536.24	
March 31, 2021		15.27		274.88		0.00	290.14	



Note 3

NON CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ in lakhs

	March 31, 2021	March 31, 2020
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. Amortization Cost of Interest Free Advance given to Subsidiary *	388.08	388.08
c. 100 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)-Net of impairment recognised. (₹ 100)	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) - Net of impairment recognised. (₹ 100)	0.00	0.00
3. Investments in Mutual Funds		
a. LMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,990 (49,990) Units; Cost ₹ 4,99,900 (4,99,900)	6.53	3.78
b. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹ 6,35,373 (₹ 6,35,373)	8.41	5.76
c. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units, Cost ₹ 1,99,900 (₹ 1,99,900)	2.48	2.00
d. UBI-Union Corporate Bond Fund Regular plan - Nil (5,00,000) Units, Cost ₹ Nil (₹ 50,00,000)	-	55.71
e. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹ 2,00,000 (₹ 2,00,000)	2.57	1.85
f. SBI Life Smart Wealth Builder - 45,085 (64,364) Units, Cost ₹ 7,00,000 (₹ 10,00,000)	8.70	11.84
	604.82	657.06

Disclosures:

(₹ in lakhs)

	March 31, 2021	March 31, 2020
Aggregate amount of quoted investments at Cost	22.35	75.35
Aggregate amount of market value of quoted investments	28.69	80.93
Aggregate amount of unquoted investments *	576.13	576.13

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

Note 4**NON CURRENT FINANCIAL ASSETS - LOANS**

₹ in lakhs

	March 31, 2021	March 31, 2020
Unsecured, Considered Good:		
Loan to Subsidiary (at amortized cost)	868.00	791.76
	868.00	791.76

Disclosures:

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

Note 5**OTHER NON-CURRENT ASSETS**

₹ in lakhs

	March 31, 2021	March 31, 2020
a. Capital Advances	218.28	560.59
b. Deposits	579.83	514.64
	798.11	1,075.23

Note 6**INVENTORIES**

₹ in lakhs

	March 31, 2021	March 31, 2020
Valued at Cost or Net Realisable Value, whichever is lower		
a. Raw Materials (including stock at yard ₹ 830.85 Lakhs (March 31, 2020 - ₹ 1,207.21 Lakhs))	4,195.87	4,790.75
b. Work-in-progress	3,409.87	3,292.50
c. Finished Goods	8,217.61	9,439.46
d. Stores, Spares & Packing	1,961.28	1,652.10
e. Provision for obsolescence of non-moving stores	(31.26)	(18.63)
	1,930.02	1,633.47
	17,753.36	19,156.18



Note 7

CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

	₹ in lakhs	
	March 31, 2021	March 31, 2020
a. Unsecured, Considered Good	10,412.91	7,903.63
	10,412.91	7,903.63

Note 8

CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

	₹ in lakhs	
	March 31, 2021	March 31, 2020
a. Balances with Banks	8.03	359.90
b. Cash on Hand	3.39	6.37
	11.42	366.27

Note 9

CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE

	₹ in lakhs	
	March 31, 2021	March 31, 2020
a. Margin Money Deposit in Banks against LCs & BGs	923.97	1,105.58
b. Unclaimed Dividend Accounts	12.53	10.40
	936.50	1,115.98

Note 10

CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

	₹ in lakhs	
	March 31, 2021	March 31, 2020
a. Salary and other Advances recoverable in cash or kind	27.35	27.11
b. Interest Receivable	31.30	37.55
c. Derivative Financial Instruments - Asset	0.12	593.40
	58.77	658.06

Note 11**OTHER CURRENT ASSETS**

₹ in lakhs

	March 31, 2021	March 31, 2020
a. Advances to Suppliers	1,134.46	930.07
b. Balances with Government Authorities	1,021.15	989.14
c. Prepaid Expenses	74.68	32.14
	2,230.29	1,951.35

Note 12**EQUITY SHARE CAPITAL**

₹ in lakhs

	March 31, 2021	March 31, 2020
Authorised Share Capital		
1,50,00,000 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 and end of the year		
1,19,46,020 Equity Shares of ₹ 10/- par value each	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

₹ in lakhs

S.No	Name of shareholder	March 31, 2021	March 31, 2020
1	Mr. Ch. Krishna Murthy	62,19,790	62,19,790
	- No of Shares		
	- % held	52.07	52.07
2	Mrs. Ch. Manjula	16,14,048	16,14,048
	- No of Shares		
	- % held	13.51	13.51
3	Mr. Ch. Siddartha	11,25,668	11,25,668
	- No of Shares		
	- % held	9.42	9.42



Note 14

NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in lakhs

	March 31, 2021	March 31, 2020
A. Secured:		
1. Term Loans:		
From Banks	7,281.80	6,333.34
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	164.46	2.12
From NBFCs	-	3.20
B. UnSecured:		
1. Loans and Advances from Related Parties:		
a. Loans from promoter directors (at amortised cost)	2,231.33	2,314.71
b. Loan from Subsidiary	989.00	1,389.00
2. Cumulative Redeemable Preference Shares	7,663.75	7,663.75
7,66,37,500, 7% Cumulative Redeemable Preference Shares of ₹ 10/- par value each		
3. Inter Corporate Deposits	101.85	700.00
	18,432.20	18,406.11

Disclosures:

A. Secured

- 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.
- For Emergency Credit Line Gaurantee System-2 (ECLGS-2) term loan availed from consortium of bankers - State Bank of India, Indian Overseas Bank and Union Bank of India, the term loans are secured by 2nd charge on the current assets and fixed assets of the Company. The above loans are further secured by personal guarantee of promoter directors and their personal assets i.e., land, plots, buildings, shares etc.,. All the above securities rank in all respects pari passu amongst the consortium of bankers.
- The term loans are repayable in predetermined periodic instalments extending up to 5 years period from the date of respective loan. These are repayable by 2025-26. Interest rate on convertible Foreign Currency Term Loans (FCTL) range from Libor+2.50% to 5.40% per annum and INR Term loans carry interest rate of 11.95% to 13.75% p.a. Apart from this, the Company has availed Covid Emergency Line of Credit (CELC) carrying interest rate ranging from 7.75% to 8% and Emergency Credit Line Gaurantee System-2 (ECLGS-2) carrying interest rate ranging from 7.80% to 8.45%. The aggregate amount of instalments outstanding as on March 31, 2021 is ₹ 9,754.31 Lakhs (March 31, 2020 ₹ 7,070.50 Lakhs).
- 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 March 31, 2021 is ₹ 210.62 Lakhs (March 31, 2020: ₹ 178.03 Lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Minimum Lease Payments outstanding		
Within one Year	105.74	56.54
Later than one year and not later than five years	176.23	5.39
Future Interest on outstanding Lease payments		
Within one Year	17.06	3.19
Later than one year and not later than five years	11.77	0.07
Present Value of Minimum Lease Payments		
Within one Year	88.67	53.35
Later than one year and not later than five years	164.46	5.32

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 9% per annum from 1st April 2020 to 31st December 2020. The Interest rate for the period January 2021 to March 2021 is 7%.

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 March 31, 2017 amounting to ₹ 29,13,75,000. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31-03-2033. During the year, preference shareholders have given their consent to forego 7% preference dividend amounting ₹ 5,36,46,250/- for the financial year 2020-21.

₹ in lakhs

S.No.	Name of shareholder	March 31, 2021	March 31, 2020
1	Mr. Ch. Krishna Murthy - No of Shares	7,11,21,750	7,11,21,750
	- % held	92.80	92.80
2	Mrs. Ch. Manjula - No of Shares	52,71,250	52,71,250
	- % held	6.88	6.88
3	Mr. Ch. Siddartha - No of Shares	2,44,500	2,44,500
	- % held	0.32	0.32



Note 15

NON-CURRENT PROVISIONS

	₹ in lakhs	
	March 31, 2021	March 31, 2020
Provision for Employee Benefits (Net of Fund Assets)	245.89	352.77
	245.89	352.77

Note 16

DEFERRED TAX LIABILITIES (NET)

	₹ in lakhs	
	March 31, 2021	March 31, 2020
1. Deferred Tax Liability		
Property, Plant and Equipment	3,750.08	4,894.76
2. Deferred Tax Assets		
Provisions allowable on payment basis	79.46	146.04
Unused Tax Credits (MAT Credit Entitlement)	-	785.86
Net Deferred Tax Liability	3,670.62	3,962.86

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:

The gross movement in the deferred income tax account for the financial years ended March 31, 2021 and March 31, 2020, is as follows -

	₹ in lakhs	
	March 31, 2021	March 31, 2020
a. Net deferred tax liability at the beginning	3,962.86	3,738.77
b. Accelerated depreciation for tax purposes	228.67	342.28
c. Provisions allowable on payment basis	14.91	(6.46)
d. Temporary differences on Other Comprehensive Income	6.83	30.21
e. Deffered tax liability (net) reversal due to new tax rate adoption	(1,328.51)	-
f. MAT Credit Entitlement	785.86	(141.94)
g. Net deferred tax liability at the end	3,670.62	3,962.86

Note 17**OTHER NON-CURRENT LIABILITIES**

₹ in lakhs

	March 31, 2021	March 31, 2020
Security Deposits	3,338.22	2,892.05
	3,338.22	2,892.05

Note 18**CURRENT FINANCIAL LIABILITIES - BORROWINGS**

₹ in lakhs

	March 31, 2021	March 31, 2020
A. Secured:		
a. Working capital - Cash Credit	11,080.60	12,150.25
B. Unsecured:		
a. Loans from Promoter Directors	160.15	129.65
b. Loan from Subsidiary	200.00	200.00
c. Inter Corporate Loans	327.55	262.48
d. Other Short Term obligations	195.51	192.51
	11,963.81	12,934.89

Disclosures:**A. Secured Loans:**

- The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+2.75% to +5.50%. The rate of Interest on convertible FCNRB demand loan ranges from Libor+3.25% to 5.75% per annum.
- Interest rate for the Bill Discounting facility ranges from 6.65% to 10.30%.

3. Security:

Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India and Indian Overseas Bank and 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, shares etc.

4. Guarantees:

All the above loans are guaranteed by the Promoter Directors.

- The loan from subsidiary carries interest 7% per annum (9% from April 2020 to December 2020) and is unsecured in nature.

B. Unsecured Loans:

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



Note 19

CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in lakhs

	March 31, 2021	March 31, 2020
Trade payables - Due to Micro Small and Medium Enterprises	20.56	16.48
Trade payables - Other parties	12,011.94	12,581.91
Trade payables - Related parties	39.72	85.61
	12,072.22	12,684.00

Disclosures:

The principal amount remaining unpaid as at March 31, 2021 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 16.24 Lakhs (March 31, 2020 - ₹ 16.48 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 4.32 Lakhs (March 31, 2020 - ₹ 8.73 Lakhs)

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

Note 20

OTHER CURRENT FINANCIAL LIABILITIES

₹ in lakhs

	March 31, 2021	March 31, 2020
Current maturities of long term debt	2,462.68	719.63
Current maturities of finance lease obligations	88.67	53.35
Interest Accrued on Term Loans and Working Capital Borrowings	-	41.86
Cumulative Unpaid Preference Dividend	332.50	332.50
Dividend Distribution Tax on Preference Dividend	676.61	676.61
Interest on Dividend Distribution Tax Payable	238.99	166.88
Interest Payable to Subsidiary	314.67	196.28
Unclaimed dividends	12.53	10.40
Derivative Financial Instruments - Liability	45.15	8.74
	4,171.81	2,206.25

Note 21

OTHER CURRENT LIABILITIES

₹ in lakhs

	March 31, 2021	March 31, 2020
Advance from Customers	228.32	309.83
Advance from Subsidiary against Sales	73.83	272.87
Creditors for Capital Expenditure	213.35	199.79
Capital Advances Received (Against Sale of Land)	210.00	-
Advance from others	3.76	4.28
Statutory dues Payable	265.87	185.47
	995.13	972.24

Note 22**CURRENT PROVISIONS**

₹ in lakhs

	March 31, 2021	March 31, 2020
Provision for Employee Benefits (Net of Fund Assets)	44.42	39.32
	44.42	39.32

Note 23**CURRENT TAX LIABILITIES**

₹ in lakhs

	March 31, 2021	March 31, 2020
Provision for Income Tax (Net of TDS)	280.90	696.55
	280.90	696.55

Note 24**REVENUE FROM OPERATIONS**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Sale of Products	56,757.82	56,349.10
2. Other Operating Revenues		
a. Sale of Scrap	138.44	118.13
b. Testing Charges	53.49	134.15
c. Export Incentives	360.48	512.59
	552.41	764.87
	57,310.24	57,113.97

Note 25**OTHER INCOME**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Interest Income		
a. Interest Income on bank and other deposits	74.39	118.80
b. Amortised Interest on Deposits/Loans	166.03	364.96
2. Other Non-Operating Income		
a. Insurance Claim Received	12.72	37.68
b. Profit on Sale of Investments	0.77	-
c. Balances Written Back (net)	-	52.73
d. Net Gain on Foreign Currency Translation and Transactions	-	165.90



₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
e. Income from Management Consultancy Services	120.00	120.00
f. Other Income	3.66	-
g. Fair value gain on Investments	7.19	1.92
h. Profit on Sale of Fixed Assets	13.98	-
	398.73	861.99

Note 26

COST OF MATERIAL CONSUMED

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock	4,790.75	3,681.48
Add: Purchase	22,831.38	27,847.60
Total	27,622.13	31,529.08
Less: Closing Stock	4,195.87	4,790.75
	23,426.26	26,738.33

Note 27

COST OF CONSUMABLES

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of Petcoke	1,313.65	1,223.90
Consumption of Furnace Oil	2,384.68	1,623.91
Consumption of Husk	451.40	623.63
Consumption of Coal	2,681.44	3,115.90
Consumption of LDO/Kerosene/Diesel	544.74	598.51
	7,375.91	7,185.85

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

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Finished Goods		
a. Opening Stock	9,439.46	9,180.00
b. Closing Stock	8,217.61	9,439.46
	1,221.85	(259.46)
Work-in-progress		
a. Opening Stock	3,292.50	3,202.02
b. Closing Stock	3,409.87	3,292.50
	(117.37)	(90.47)
Total Decrease / (Increase)	1,104.49	(349.93)

Note 29**EMPLOYEE BENEFITS EXPENSE**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries & Wages	2,282.68	2,314.98
Contribution to Provident and Other Funds	155.75	153.99
Staff Welfare Expenses	188.76	133.61
	2,627.19	2,602.58

Note 30**FINANCE COSTS**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense	1,427.28	1,780.35
Interest on Others	538.05	791.72
Unwinding of Interest/Discount on Financial Instruments	271.06	440.56
Other Borrowing Costs	236.55	397.13
	2,472.94	3,409.75



Note 31

MANUFACTURING EXPENSES

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Equipment Hire Charges	640.66	500.13
Consumption of Stores & Spares	1,629.18	1,058.67
Repairs & Maintenance - Buildings	113.01	79.21
Repairs & Maintenance - Plant & Machinery	664.80	628.78
Labour costs	717.51	741.16
Factory/Godown Maintenance	424.51	317.93
Effluent Disposal Expenses	1,810.51	1,581.17
Goods Movement Charges	655.48	605.23
	6,655.66	5,512.27

Note 32

SELLING & ADMINISTRATIVE EXPENSES

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Labour costs	29.22	28.70
Insurance	253.10	135.37
Packing Charges	1,705.09	1,626.47
Shipping & forwarding Charges	3,389.98	2,378.11
Other Selling Cost	313.00	380.04
Rent	735.78	589.91
Rates & Taxes	97.75	91.84
Bank charges	113.93	320.61
Net Loss on Foreign Currency Transaction & Translation	119.39	-
Travelling, Vehicle Maintenance & Conveyance	194.19	346.72
Professional & Consultancy Charges	207.91	171.92
Security Charges	79.03	72.59
Miscellaneous Expenses	272.78	277.21
Loss on Sale of Investments	-	2.30
	7,511.14	6,421.81

Disclosures:**Payments to Statutory Auditors :**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
The details of payments to statutory auditors included in Professional & Consultancy charges above, are given below		
(i) Statutory Audit Fee	11.50	9.50
(ii) Quarterly Review Fee	1.20	1.20
(iii) Tax Audit Fee	2.50	2.50
(iv) GST Audit Fee	1.40	1.40
(v) Certification Fee	-	-
Total Payments to Statutory Auditors	16.60	14.60

Note 33**CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Water Treatment Plant & Swachh Bharat	-	1.04
Donation for Old Age Home infrastructure development	113.00	144.67
COVID-19 Relief Measures	0.87	-
Environmental sustainability	-	0.87
	113.87	146.58
CSR Expenses		
Gross amount required to be spent by the company during the year	35.51	33.51
Amount Spent during the year on the above	113.87	146.58

Note 34**TAX EXPENSE**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax	386.74	554.51
Tax pertaining to earlier years	(136.84)	59.39
MAT Credit entitlement relating to earlier Years	-	(141.94)
MAT Reversal	785.86	-
Deferred Tax Prior Period	(1,328.51)	-
Deferred Tax	243.58	335.82
	(49.17)	807.77



Note 35

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

₹ in lakhs

	As on March 31, 2021	As on March 31, 2020
1 Contingent Liabilities:		
a. Claims against company not acknowledged as debt		
I. Claims arising from disputes not acknowledged as debts - Income Tax (against which Pre-deposit of ₹ Nil Lakhs made (P.Y. Pre-deposit ₹ Nil Lakhs)	-	27.77
II. 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)	187.51	187.51
III. 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
2 Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	289.30	389.15

Note 36

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	2020-21	2019-20
Domestic	28,760.22	30,813.85
Overseas	27,997.61	25,535.25

Details of Non-Current Assets

₹ in lakhs

Geographic Location	March 31, 2021	March 31, 2020
Domestic	37,482.26	35,244.88
Overseas	-	-

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

Note 37**RELATED PARTY DISCLOSURES:****a) Details of Related Parties:**

S.No.	Name of the Related Party	Nature of Relationship
1	Mr. Ch. Krishna Murthy	Chairman and Managing Director, Key Management Personnel
2	Mrs.Ch. Manjula	Non-Executive Director
3	Mr. Ch. Siddartha	Joint Managing Director, Key Management Personnel
4	Mr. P. Anjaneyulu	Chief Financial Officer, Key Management Personnel
5	Mr. Kishore Kathri	Company Secretary, Key Management Personnel
6	Mr. Pradip Saha	Independent Director
7	Mr. Tirthankar Mitra	Independent Director (appointed on August 14, 2020)
8	Mr. Chetan Shah	Independent Director (appointed on February 12, 2021)
9	Mr. T.S.Appa Rao	Independent Director (retired on June 28, 2020)
10	Mr. S.Saranathan	Independent Director (retired on February 2, 2021)
11	M/s. Vasantha Transport Corporation	Concern in which Key Management Personnel is interested
12	M/s. K.M.S. Infrastructure Private Limited	Concern in which Key Management Personnel are interested
13	M/s. Vishnu Life Sciences Limited	Concern in which Key Management Personnel is interested
14	M/s. Vishnu Barium Private Limited	Wholly Owned Subsidiary
15	M/s. Vishnu South Africa (Pty) Ltd.	Wholly Owned Subsidiary
16	M/s. Vishnu Renewable Energy Private Limited	Step-down Subsidiary (wholly owned subsidiary of Vishnu Barium Private Limited – Application for Voluntary Strike off filed on January 9, 2021)
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 Management Personnel		Subsidiary		Concerns in which Key Management Personnel are Interested	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Particulars						
Expenses						
Remuneration	157.18	154.54	-	-	-	-
Rent	49.47	44.47	-	-	19.50	12.00
Maintenance Charges	-	-	-	-	8.76	8.25
Transportation Charges	-	-	-	-	2,152.44	1,120.46
Purchases	-	-	372.79	388.92	-	0.50
Sales	-	-	241.79	349.04	-	-
Hire Charges	4.80	4.80	-	-	112.40	56.70



₹ in lakhs

Nature of Transaction	Key Management Personnel		Subsidiary		Concerns in which Key Management Personnel are Interested	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Interest Expense	-	-	128.31	129.08	-	-
Contract Service Charges	-	-	-	-	37.58	70.60
Income						
Interest Income recognised by way of amortisation on Loan given to Subsidiary	-	-	76.24	69.55	-	-
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)	35.00	254.65	-	-	-	-
Unsecured Loans from Promoter Directors outstanding at year end	2,810.80	2,780.31	-	-	-	-
Loan to Subsidiary (at amortised cost)	-	-	868.00	791.76	-	-
Advances from Subsidiary against sales	-	-	73.83	272.87	-	-
Loan from subsidiary	-	-	1,189.00	1,589.00	-	-
Interest payable on Loan	-	-	314.67	196.28	-	-
Payables to KMP and Concerns in which KMP are interested.	13.38	8.64	-	-	28.38	85.61
Investment in Subsidiary	-	-	-	0.05	-	-

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:

₹ in lakhs

S.No.	Director Name	2020-21	2019-20
1	Mrs. Ch. Manjula	0.60	0.60
2	Mr. Pradip Saha	1.60	1.60
3	Mr. Tirthankar Mitra	1.00	-
4	Mr. Chetan Shah	0.20	-
5	Mr. T.S.Appa Rao	0.40	1.20
6	Mr. S. Saranathan	0.20	0.20
	Total	4.00	3.60

An amount of ₹ 113.00 Lakhs (Previous Year: ₹ 140.00 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.

38. The paid-up share capital of the Company as on financial year ended March 31, 2021 and financial year ended March 31, 2020 is ₹ 88,58,35,200/- divided into 1,19,46,020 Equity Shares of ₹ 10/- each and 7,66,37,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each. The Public Shareholding in equity capital as on March 31, 2021 is 25%.

The preference shareholders have given their consent to forego 7% preference dividend amounting ₹ 536.46 lakhs for the financial year 2020-21.

Note 39

EMPLOYEE BENEFITS :

1. Defined Contribution Plan:

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

Particulars	₹ in lakhs	
	2020-21	2019-20
Contribution to Provident Fund	85.38	93.74
Contribution to Employee State Insurance	7.51	9.60

2. Defined benefit plans as per actuarial valuation as on March 31, 2021

	₹ in lakhs	
	Gratuity (Funded)	Gratuity (Funded)
	2020-21	2019-20
1 Assumptions		
Discount Rate	6.57%	6.62%
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	379.09	412.77
Interest Cost	24.10	30.55
Current Service Cost	34.34	43.74
Benefits Paid	(36.29)	(17.16)
Actuarial (gain)/ loss on obligation	(25.37)	(90.81)
Present Value of obligation at end of year	375.87	379.09



₹ in lakhs

	Gratuity	
	(Funded)	
	2020-21	2019-20
3 Reconciliation of opening and closing balances of fair value of plan assets		
Opening fair value of plan asset	56.81	54.97
Adjustment to opening Fair Value of Plan Asset	(2.37)	1.75
Return on Plan Assets excl. interest income	1.76	(4.36)
Interest Income	3.74	4.62
Contributions by Employer	94.47	16.98
Benefits paid	(36.29)	(17.16)
Fair Value of plan Assets at end	118.12	56.81
4 Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	375.87	379.09
Fair Value of plan Assets at end of period	118.12	56.81
Net Asset/(liability) recognized in the balance sheet.	(257.75)	(322.28)
5 Net defined benefit expense (recognized in the Statement of profit and loss for the year) and Loss		
Current service cost	34.35	43.74
Net interest	20.35	25.93
Expense recognized in the statement of Profit and Loss	54.70	69.67
6 Remeasurement (gain)/ loss recognized in other comprehensive income (OCI)		
Actuarial gain/(loss) recognized for the period	(25.37)	(90.81)
Return on plan assets excluding net interest	(1.76)	4.36
Total actuarial (gain)/ loss recognized in OCI	(27.13)	(86.45)

Sensitivity Analysis:

₹ in lakhs

	March 31, 2021		March 31, 2020	
	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligations	350.24	404.86	404.14	350.53

Categories of Plan Assets:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Gratuity Fund managed by Life Insurance Corporation of India	118.12	56.81

Note 40**EARNINGS PER SHARE (EPS)**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
	Net Profit after Tax (₹ in Lakhs) (a)	2,275.32
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)	19.05	11.07

Note 41**DISCLOSURES PURSUANT TO SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186(4) OF THE COMPANIES ACT, 2013:**

Loans and advances in the nature of loans to Subsidiaries

(₹ in lakhs)

Name of the Subsidiary Company	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Vishnu Barium Private Limited (at amortised cost)	868.00	791.76	868.00

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

Note 42**ADDITIONAL INFORMATION PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013:**

Salient features of the financial statements of the subsidiaries:

Name of the Subsidiary	Vishnu Barium Private Limited	Vishnu South Africa (Pty) Ltd.
Percentage of Shareholding	100%	100%
Reporting Currency of the Subsidiary	INR in Lakhs	Rand
Share Capital	8,727.50	1,000.00
Reserves & Surplus	(3,479.79)	(1,850.00)
Total Assets	10,150.65	150.00
Total Liabilities	4,902.95	1,000.00
Total Revenue for the Year	11,347.22	-
Net Profit / (Loss) for the Year (including OCI)	1,169.48	(970.00)

Vishnu Renewable Energy Private Limited is a step down subsidiary of Vishnu Chemicals Limited, and a wholly owned subsidiary of Vishnu Barium Private Limited. There are no operations in Vishnu Renewable Energy Private Limited since inception. Vishnu Renewable Energy Private Limited filed an application with the Ministry of Corporate Affairs (MCA) on January 9, 2021 for voluntary strike-off and is pending with MCA. Pending strike-off by MCA, Vishnu Barium Private Limited has written-off the investment of ₹ 1.00 Lakh during the year.



Note 43

UNHEDGED FOREIGN CURRENCY EXPOSURE:

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

(₹ in lakhs)

Particulars	Currency	March 31, 2021		March 31, 2020	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade receivables	USD	88,66,783	6,482.51	58,83,034	4,434.98
Trade receivables	EURO	14,63,677	1,255.10	14,60,749	1,213.15
Trade payables	USD	(62,49,843)	(4,569.26)	(38,31,506)	(2,888.41)
Secured loans	USD	(23,83,234)	(1,742.38)	(23,74,570)	(1,790.09)
Secured loans	EURO	(10,59,005)	(908.10)	(10,68,165)	(887.11)

Note 44

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

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

Sd/-
J. Ram Sesh Choudary
Partner
Membership No. 202150

Place: Hyderabad
Date: May 19, 2021

For and on behalf of the Board of Directors

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

Sd/-
P. Anjaneyulu
Chief Financial Officer
Hyderabad, May 19, 2021

Sd/-
Ch. Manjula
Director
DIN:01546339

Sd/-
Kishore Kathri
Company Secretary & AGM - Legal

Consolidated Financial Statements



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, 2021, 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 view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

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.

Aspects determined as KAM

1. Revenue recognition being the significant component of the operations of the consolidated financial statements, it was identified as the key audit matter. Revenue is required to be recognised in consonance with the relevant accounting methodology and as per Ind As 115 pertaining to Revenue Recognition.

In this context, attention is drawn to Note-1.B.h) (Significant Accounting Policies) and Note-23 (Revenue from operations) of the consolidated financial statements.

The Holding Company recognizes revenue in accordance with Ind AS115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize 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.

In accordance with the above, Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Holding 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 considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Audit Measures adopted to validate KAM included the following:

- Appropriateness of the revenue recognition accounting policies adopted by the Holding Company were assessed to ascertain their compliance with Ind AS 115 "Revenue from Contracts with Customers";

- Operational effectiveness of relevant controls with respect to revenue recognition were tested pursuant to the evaluation of their design.
- Substantive testing of the revenue transactions through the entire cycle was done including journal entries posted to revenue to elicit unusual transactions, if any, and also to determine efficacy of revenue recognition in the appropriate financial period;

Basis the above stated measures, no significant exceptions were noted in revenue recognition.

2. The appropriateness of Contingent Liabilities as disclosed in Note 35 to the Consolidated Financial Statements - Claims against the company not acknowledged as debts - is considered as another KAM. The liability and eventual probability of payments against these claims requires management's judgment which would form the basis for disclosure of the apposite values of contingent liabilities.

We obtained and reviewed the pertinent documents/material to assess the basis and appropriateness of the management's judgment in arriving at the said disclosures.

Emphasis of Matter

The preference shareholders of the Holding Company, who are also the promoters, have given an undertaking foregoing the 7% dividend amounting to ₹ 536.46 Lakhs, receivable by them for the financial year 2020-21 as mentioned in Note 38 of Notes to Accounts.

Our Opinion is not modified in respect of this matter.

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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

We did not audit the financial statements/financial information of Vishnu South Africa (Pty) Limited, overseas subsidiary of the Holding Company, whose financial statements / financial information reflect total assets of ₹ 0.01 Lakhs as at 31st March, 2021, total revenues of ₹ Nil and net cash outflows amounting to ₹ 0.05 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:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 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, 2021 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.

For **Jampani & Associates**
Chartered Accountants
(F.R.No. 016581S)

Sd/-

J. Ram Sesh Choudary

Partner

(Membership No. 202150)

UDIN: 21202150AAAABZ2433

Place: Hyderabad

Date: 19 May 2021



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, 2021 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 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
(F.R.No. 016581S)

Sd/-

J. Ram Sesh Choudary
Partner

(Membership No. 202150)
UDIN: 21202150AAAABZ2433

Place: Hyderabad
Date: 19 May 2021



Consolidated Balance Sheet as at March 31, 2021

₹ in lakhs

Particulars	Note No.	March 31, 2021	March 31, 2020
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	38,746.20	33,840.28
(b) Capital work-in-progress	2	2,396.44	3,636.82
(c) Intangible Assets	2	0.18	0.18
(d) Financial assets			
(i) Investments	3	100.98	121.21
(e) Other non-current assets	4	1,206.93	1,398.09
		42,450.74	38,996.58
(2) Current assets			
(a) Inventories	5	19,074.94	20,766.34
(b) Financial Assets			
(i) Trade Receivables	6	11,569.15	9,103.64
(ii) Cash and cash equivalents	7	32.42	389.77
(iii) Bank balances other than (ii) above	8	1,036.50	1,149.52
(iv) Other financial assets	9	74.46	673.48
(c) Other current assets	10	3,048.62	2,453.55
		34,836.09	34,536.31
Total Assets		77,286.83	73,532.89
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	11	1,194.60	1,194.60
(b) Other Equity	12	18,419.52	14,804.86
		19,614.13	15,999.46
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	17,490.85	17,419.22
(b) Provisions	14	400.33	501.85
(c) Deferred tax liabilities (Net)	15	3,670.62	3,962.86
(d) Other Non-Current Liabilities	16	3,338.22	2,892.05
		24,900.02	24,775.98
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	13,132.45	14,121.33
(ii) Trade payables	18	13,700.99	13,782.94
(iii) Other financial liabilities	19	4,260.57	2,529.57
(b) Other current liabilities	20	1,348.40	1,586.91
(c) Provisions	21	49.38	40.14
(d) Current Tax Liabilities (Net)	22	280.90	696.55
		32,772.69	32,757.44
Total Equity and Liabilities		77,286.83	73,532.89

Accompanying Notes form an integral part of the Financial Statements per our report of even date

For Jampani & Associates

Chartered Accountants

Firm Registration No. 016581S

Sd/-

J. Ram Sesh Choudary

Partner

Membership No. 202150

Place: Hyderabad

Date: May 19, 2021

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, May 19, 2021

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary & AGM - Legal

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

₹ in lakhs

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1 REVENUE			
a. Revenue from Operations	23	67,868.09	67,350.23
b. Other Income	24	282.30	733.75
Total Revenue		68,150.39	68,083.98
2 EXPENSES			
a. Cost of Materials Consumed	25	27,559.51	30,661.28
b. Cost of Consumables	26	8,467.18	8,349.31
c. Changes in Inventories of Finished Goods and Work-in-Progress	27	1,217.49	(545.17)
d. Employee Benefit Expenses	28	3,428.81	3,343.05
e. Finance Costs	29	2,597.15	3,577.00
f. Depreciation and Amortisation Expense	2	2,029.77	2,019.01
g. Power Cost		3,136.24	3,158.18
h. Manufacturing Expenses	30	7,424.20	6,595.23
i. Selling & Administrative Expenses	31	8,750.88	7,718.83
j. Corporate Social Responsibility Expenses	32	138.87	176.58
Total Expenses		64,750.10	65,053.30
3 Profit Before Tax (1+2)		3,400.29	3,030.68
4 Tax Expense	33		
a. Current Tax		386.74	554.51
b. Tax Pertaining to earlier years		(136.84)	59.39
c. MAT Reversal		785.86	-
d. MAT Credit Entitlement		-	(141.93)
e. Deferred Tax reversal due to change in tax rate		(1,328.51)	-
f. Deferred Tax current year		243.58	335.82
		(49.17)	807.77
5 Profit For the Year from Continuing Operations (3-4)		3,449.46	2,222.91
6 Other Comprehensive Income/ Expense		22.65	84.96
Less: Tax on above		6.83	30.21
7 Other Comprehensive Income/ Expense (Net of Taxes) (6-7)		15.83	54.75
8 Total Comprehensive Income for the Period (5+7)		3,465.29	2,277.66
9 Earnings Per Share			
Basic & Diluted (Annualised) (In ₹ per share)		28.88	18.61

Accompanying Notes form an integral part of the Financial Statements

per our report of even date

For Jampani & Associates

Chartered Accountants

Firm Registration No. 016581S

Sd/-

J. Ram Sesh Choudary

Partner

Membership No. 202150

Place: Hyderabad

Date: May 19, 2021

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, May 19, 2021

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary & AGM - Legal



Consolidated Statement of Cash Flow for the year ended March 31, 2021

₹ in lakhs

Particulars	2020-21	2019-20
Profit before tax	3,400.29	
Cash flows used in / from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	2,029.77	2,019.01
Profit on sale of Property Plant and Equipment	(12.40)	(0.69)
Profit on sale of Investments	(0.77)	2.30
Interest income	(81.67)	(135.24)
Unwinding of Interest Income on Interest free Security deposits received from Suppliers	(89.78)	(295.41)
Interest expenses	2,317.19	3,126.27
Unwinding of interest expenses on Loan from Promoter Directors.	185.46	185.41
Unwinding of interest expenses on Interest free Security deposits received from suppliers.	85.60	255.15
Amortisation of Processing Fees of Long Term Loans.	8.90	10.18
Fair value (Gain)/ Loss on investments (net)	(28.20)	(1.92)
Obsolete Stock provision	16.54	14.38
Re-measurement of defined employee benefit plans	22.65	84.96
Provision for Bad/doubtful debts	15.90	(41.25)
Advances and bad debts written back (Net)	36.74	(11.47)
Operating profit before working capital changes	7,906.22	8,242.34
Movement in working capital:		
(Increase)/Decrease in inventories	1,674.87	(1,834.86)
(Increase)/Decrease in trade receivables	(2,481.41)	1,238.51
(Increase) / Decrease in Financial Assets (Current)	599.02	(611.84)
(Increase) / Decrease in Other Assets (Current)	(595.07)	933.57
(Increase) / Decrease in Other Assets (Non-Current)	(65.92)	38.59
(Decrease)/ Increase in trade payables	(118.68)	(98.19)
(Decrease)/ Increase in Financial Liabilities (Current)	94.79	62.30
(Decrease)/ Increase in Provisions (Current)	9.25	7.89
(Decrease)/ Increase in Provisions (Non-Current)	(101.53)	(63.98)
(Decrease)/ Increase in Other Liabilities (Current)	(238.51)	(928.92)
(Decrease)/ Increase in Other Liabilities (Non-Current)	719.20	(861.92)
Cash generated from operations	7,402.21	6,123.49
Income tax paid	(665.56)	(1,200.91)
Net cash flows used in / from operating activities (A)	6,736.65	4,922.58

Consolidated Statement of Cash Flow for the year ended March 31, 2021

₹ in lakhs

Particulars	2020-21	2019-20
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress less Capital Advances	(5,445.93)	(2,608.41)
Proceeds from Sale of Property Plant & Equipment	20.10	1.85
Net Investments in mutual funds	(10.42)	(33.55)
Proceeds from Sale of Investments	59.62	36.23
Movement in Other Bank Balances	113.02	265.33
Interest received	81.67	135.24
Net cash flows used in / from investing activities (B)	(5,181.94)	(2,203.31)
Net cash flows used in / from financing activities		
(Decrease)/Increase in Long Term Borrowings	1,513.47	(473.33)
(Decrease)/Increase in Short Term Borrowings	(988.88)	1,382.56
Interest Paid	(2,317.19)	(3,126.27)
Dividend Paid	(119.46)	(119.46)
Tax on dividend	-	(24.56)
Net cash flows used in/from financing activities (C)	(1,912.06)	(2,361.06)
Net decrease in cash and cash equivalents (A+B+C)	(357.35)	358.21
Cash and cash equivalents at the beginning of the year	389.77	31.56
Cash and cash equivalents at the year end	32.42	389.77
Components of cash and cash equivalents:		
Cash on hand	3.68	7.43
Balances with banks	28.74	382.33
Total cash and cash equivalents	32.42	389.77

per our report of even date

For Jampani & Associates

Chartered Accountants

Firm Registration No. 016581S

Sd/-

J. Ram Sesh Choudary**Partner**

Membership No. 202150

Place: Hyderabad

Date: May 19, 2021

For and on behalf of the Board of Directors

Sd/-

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

DIN:00030274

Sd/-

P. Anjaneyulu**Chief Financial Officer**

Hyderabad, May 19, 2021

Sd/-

Ch. Manjula**Director**

DIN:01546339

Sd/-

Kishore Kathri**Company Secretary & AGM - Legal**



Consolidated Statement of changes in Equity as at March 31, 2021

a. Equity Share Capital

₹ in lakhs

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	Number of shares		₹ in Lakhs	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
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:12

b. Other Equity

For the year ended March 31, 2021

₹ in lakhs

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2020	982.88	659.07	12,419.88	768.04	(25.01)	14,804.86
Add/(less) Profit for the year (Net of Taxes)	-	-	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
Less: Dividend	-	-	119.46	-	-	119.46
Balance as at March 31, 2021	982.88	659.07	15,749.88	1,036.87	(9.19)	18,419.52

For the year ended March 31, 2020

₹ in lakhs

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2019	982.88	659.07	10,340.99	1,142.46	(79.76)	13,045.64
Add/(less) Profit for the year	-	-	2,222.91	-	-	2,222.91
Add/(less) Changes during the year (net)	-	-	-	(374.42)	-	(374.42)
Add/(less) Other Comprehensive Income for the year (net of taxes)	-	-	-	-	54.75	54.75
Less: Dividend	-	-	119.46	-	-	119.46
Less: Corporate dividend tax	-	-	24.56	-	-	24.56
Balance as at March 31, 2020	982.88	659.07	12,419.88	768.04	(25.01)	14,804.86

per our report of even date

For Jampani & Associates
Chartered Accountants
Firm Registration No. 016581S

Sd/-
J. Ram Sesh Choudary
Partner
Membership No. 202150

Place: Hyderabad
Date: May 19, 2021

For and on behalf of the Board of Directors

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

Sd/-
P. Anjaneyulu
Chief Financial Officer
Hyderabad, May 19, 2021

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"), Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

b) Description of the Group

The consolidated financial statements comprise financial statements of Vishnu Chemicals Limited (the 'Company'),

its subsidiaries and step-down subsidiary (collectively, the 'Group') for the year ended March 31, 2021. 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 – 500 033

The consolidated financial statements were authorized for publication in accordance with a resolution of the directors on May 19, 2021.

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	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Vishnu Barium Private Limited	India	Subsidiary	Subsidiary	100%	100%
Vishnu South Africa Pty. Ltd.	South Africa	Subsidiary	Subsidiary	100%	100%
Vishnu Renewable Energy Private Limited*	India	Step-down Subsidiary	Step-down Subsidiary	-	100%

* Vishnu Renewable Energy Private Limited is a step down subsidiary of Vishnu Chemicals Limited, and a wholly owned subsidiary of Vishnu Barium Private Limited. There are no operations in Vishnu Renewable Energy Private Limited since inception. Vishnu Renewable Energy Private Limited filed an application with the Ministry of Corporate Affairs (MCA) on January 09, 2021 for voluntary strike-off and is pending with MCA. Pending strike-off by MCA, Vishnu Barium Private Limited has written-off the investment of ₹ 1.00 Lakhs during the year.

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 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 March 31, 2021 and March 31, 2020.

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 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 realization 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 recognized in the financial statements are as follows:

i) Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of 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 capitalization in the case of assets involving material investment and substantial lead time.

Depreciation is provided on Straight Line Method in respect of assets situated at Bhilai, Jeedimetla (API), Corporate Office and Vizag Units and on Written down value Method in respect of assets situated at Kazipally

Unit, by considering the useful life of the assets as specified in Schedule II of the Companies Act, 2013. Depreciation is provided on Straight line method for Vishnu Barium Private Limited. No assets exist for Vishnu South Africa (Pty) Limited and Vishnu Renewable Energy Private 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 amortization and accumulated impairment losses.

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

Expenditure on research activities is recognized in the statement of profit and loss as incurred. Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible future economic benefits are probable and the 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.

d) Financial Instruments

Financial instruments are classified as:

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



- Financial liabilities are carried at amortized cost.

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

Subsequently, financial assets are measured as follows:

a) Amortized Cost

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

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

b) Fair Value Through Profit and Loss Account

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

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

e) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognized 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 recognized 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 recognized 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 recognized 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 amortization 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

a. Non-Financial Assets

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

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

b. Financial Assets

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

g) Inventories

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

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

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 recognizes revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize 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 recognized using the effective interest method. Claims for export incentives/ duty drawbacks,



duty refunds and insurance are accounted when the right to receive payment is established.

i) Provisions

Provisions are recognized 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 capitalized as a part of the cost of such assets and other borrowing costs are recognized 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 recognized 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 recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Defined benefit costs are categorized as follows:

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

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

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

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 recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

i. Current income tax

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

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred income tax

Deferred 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 utilized.

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.

p) New standards and interpretations not yet adopted

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Definition of business - amendments to Ind AS 103
- Covid-19 related concessions - amendments to Ind AS 116
- Interest rate benchmark reform - amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly impact the current or future periods.



Note 2

PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

	Tangible assets											Intangible Assets	
	Freehold Land	Buildings-Residential	Buildings-Factory	Improvements to Leasehold Buildings	Plant and Machinery	Office Equipment	Data Process Equipment	Furniture and Fixtures	Vehicles	R&D Equipment	Lab Equipment	Total	Computer software
Cost													
At April 1, 2019	945.10	44.25	9,719.70	356.72	41,238.82	220.95	77.44	191.37	575.79	354.69	176.95	53,901.77	17.07
Additions	190.00	-	109.90	0.51	548.53	10.61	6.68	3.10	45.53	-	-	914.86	-
Disposals/discard	-	-	-	-	13.06	-	-	-	8.26	-	-	21.32	-
March 31, 2020	1,135.10	44.25	9,829.60	357.23	41,774.28	231.56	84.12	194.47	613.05	354.69	176.95	54,795.31	17.07
Additions	-	5.71	834.87	-	5,992.42	38.07	24.03	22.28	190.61	-	-	7,107.99	-
Disposals/discard	7.70	-	-	-	320.15	-	-	-	-	-	-	327.85	-
March 31, 2021	1,127.39	49.96	10,664.47	357.23	47,446.55	269.64	108.16	216.75	803.66	354.69	176.95	61,575.45	17.07
Depreciation													
At April 1, 2019	-	0.59	3,387.96	36.27	14,493.32	112.14	71.86	94.59	283.10	347.36	121.42	18,948.61	16.89
Charge for the year	-	0.70	339.35	37.67	1,525.31	32.41	4.06	12.28	52.72	-	14.51	2,019.01	-
Disposals/discard	-	-	-	-	5.49	-	-	-	7.10	-	-	12.59	-
At March 31, 2020	-	1.29	3,727.31	73.95	16,013.14	144.54	75.92	106.87	328.73	347.36	135.93	20,955.03	16.89
Charge for the year	-	0.72	341.12	37.72	1,530.84	35.46	6.06	12.29	55.02	-	10.59	2,029.81	-
Disposals/discard	-	-	-	-	155.59	-	-	-	-	-	-	155.59	-
At March 31, 2021	-	2.01	4,068.42	111.67	17,388.38	180.00	81.97	119.16	383.74	347.36	146.52	22,829.25	16.89
Net Block													
At March 31, 2021	1,127.39	47.95	6,596.05	245.56	30,058.17	89.64	26.18	97.59	419.92	7.33	30.42	38,746.20	0.18
At March 31, 2020	1,135.10	42.96	6,102.30	283.28	25,761.14	87.02	8.21	87.60	284.33	7.33	41.02	33,840.28	0.18

Capital work in progress

	Civil works under construction	Plant & machinery under erection	Pre-Operative Exp., Pending Capitalisation	Total
At April 1, 2019	264.34	1,579.98	94.92	1,939.25
Additions	4.21	2,337.68	-	2,341.89
Capitalisations	109.90	534.43	-	644.33
March 31, 2020	158.66	3,383.24	94.92	3,636.82
Additions	759.22	3,856.03	-	4,615.25
Capitalisations	708.88	5,051.83	94.92	5,855.63
March 31, 2021	209.00	2,187.44	-	2,396.44

Note 3

NON CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ in lakhs

	March 31, 2021	March 31, 2020
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)-Net of impairment recognised. (₹ 100 (₹ 100))	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) - Net of impairment recognised. (₹ 100 (₹ 100))	0.00	0.00
ii Investments in Mutual Funds		
a. LMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,990 (49,990) Units, Cost ₹ 4,99,900 (₹ 4,99,900)	6.53	3.78
b. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹6,35,373 (₹ 6,35,373)	8.41	5.76
c. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units, Cost ₹ 1,99,900 (₹ 1,99,900)	2.48	2.00
d. UBI-Union Corporate Bond Fund Regular plan - Nil (5,00,000) Units, Cost ₹Nil (₹ 50,00,000)	-	55.71
e. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹2,00,000 (₹ 2,00,000)	2.57	1.85
f. SBI Life Smart Wealth Builder - 45,085 (64,364) Units, Cost ₹7,00,000 (₹ 10,00,000)	8.70	11.84
g. UBI Union Dynamic Bond Fund- Growth at fair value 1,35,521 (1,35,521) units, Cost ₹22,00,000 (₹22,00,000)	25.38	23.97
h. UBI Union Small Cap Fund Regular plan- Growth at fair value 1,76,120 (1,50,966) units, Cost ₹23,33,907 (₹20,33,907)	37.27	16.15
i. UBI Union Large Cap Fund Regular plan- Growth at fair value 1,876 (1,876) units, Cost ₹20,000 (₹20,000)	0.26	0.16
j. UBI Union Flexi Cap Fund Growth plan- Growth at fair value 35,030 units (Nil), Cost ₹ 7,99,900 (₹ Nil)	9.39	-
	100.98	121.21

Disclosures:

₹ in lakhs

	March 31, 2021	March 31, 2020
Aggregate amount of Cost of Quoted Investments	75.89	117.89
Aggregate amount of market value of quoted investments	100.98	121.21
Aggregate amount of Cost of Unquoted Investments (₹ 100 (₹ 100))	0.00	0.00
Investment in UBI Union Dynamic Bond Fund - Growth (1,35,521 units) is under lien with Union Bank of India against BG/LC issued.		



Note 4

OTHER NON-CURRENT ASSETS

₹ in lakhs

	March 31, 2021	March 31, 2020
Unsecured, Considered Good:		
a. Capital Advances	493.00	750.08
b. Deposits	713.93	648.00
	1,206.93	1,398.09

Note 5

INVENTORIES

₹ in lakhs

	March 31, 2021	March 31, 2020
Valued at Cost or Net Realisable Value, whichever is lower		
a. Raw Materials (including stock at yard ₹ 830.85 Lakhs (March 31, 2020 - ₹ 1,207.21 Lakhs))	4,351.03	5,049.76
b. Work-in-progress	3,615.19	3,484.87
c. Finished Goods	8,288.18	9,635.99
d. Stock-in-trade	288.57	288.57
e. Stores, Spares & Packing	2,586.38	2,345.03
less: Provision for obsolescence of non-moving stores	(54.42)	(37.88)
	19,074.94	20,766.34

Note 6

CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in lakhs

	March 31, 2021	March 31, 2020
a. Unsecured, Considered Good	11,569.15	9,103.64
	11,569.15	9,103.64

Note 7

CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in lakhs

	March 31, 2021	March 31, 2020
a. Balances with Banks	28.74	382.33
b. Cash on Hand	3.68	7.43
	32.42	389.77

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

₹ in lakhs

	March 31, 2021	March 31, 2020
a. Margin Money Deposit in Banks against LCs & BGs	1,023.97	1,139.12
b. Unclaimed Dividend Accounts	12.53	10.40
	1,036.50	1,149.52

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

₹ in lakhs

	March 31, 2021	March 31, 2020
a. Staff and other Advances recoverable in cash or kind	29.26	35.21
b. Interest Receivable	36.21	44.87
c. Derivative Financial Instruments - Asset	0.12	593.40
d. TDS Receivable from NBFCs	8.88	-
	74.46	673.48

Note 10**OTHER CURRENT ASSETS**

₹ in lakhs

	March 31, 2021	March 31, 2020
a. Advances to Suppliers	1,712.36	1,148.92
b. Balances with Government Authorities	1,233.97	1,265.18
c. Prepaid Expenses	102.28	39.45
	3,048.62	2,453.55

Note 11**EQUITY SHARE CAPITAL**

₹ in lakhs

	March 31, 2021	March 31, 2020
Authorised Share Capital		
1,50,00,000 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 and ends of the year		
1,19,46,020 Equity Shares of ₹ 10/- par value each	1,194.60	1,194.60
	1,194.60	1,194.60



Disclosures:

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

EQUITY SHARES

₹ in lakhs

S.No.	Name of shareholder	March 31, 2021	March 31, 2020
1	Mr. Ch. Krishna Murthy - No of Shares	62,19,790	62,19,790
	- % held	52.07	52.07
2	Mrs. Ch. Manjula - No of Shares	16,14,048	16,14,048
	- % held	13.51	13.51
3	Mr. Ch. Siddartha - No of Shares	11,25,668	11,25,668
	- % held	9.42	9.42

Note 13

NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in lakhs

	March 31, 2021	March 31, 2020
A. Secured:		
1. Term Loans:		
From Banks	7,324.18	6,562.73
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	164.46	2.12
From NBFCs	-	15.66
B. Unsecured:		
1. Business Loans		
From Banks	5.27	38.48
From NBFCs	-	121.78
Loans and Advances from Related Parties:		
2. Loans from promoter directors (at amortised cost)	2,231.33	2,314.71
3. Cumulative Redeemable Preference Shares	7,663.75	7,663.75
7,66,37,500, 7% Cumulative Redeemable Preference Shares of ₹ 10/- par value each		
4. Inter Corporate Deposits	101.85	700.00
	17,490.85	17,419.22

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

1. 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. For Emergency Credit Line Guarantee System-2 (ECLGS-2) term loan availed from consortium of bankers - State Bank of India, Indian Overseas Bank and Union Bank of India, the term loans are secured by 2nd charge on the current assets and fixed assets of the Company. The above loans are further secured by personal guarantee of promoter directors and their personal assets i.e., land, plots, buildings, shares etc.,. All the above securities rank in all respects pari passu amongst the consortium of bankers.
3. The term loans are repayable in predetermined periodic instalments extending up to 5 years period from the date of respective loan. These are repayable by 2025-26. Interest rate on convertible Foreign Currency Term Loans (FCTL) range from Libor+2.50% to 5.40% per annum and INR Term loans carry interest rate of 11.95% to 13.75% p.a. Apart from this, the Company has availed Covid Emergency Line of Credit (CELC) carrying interest rate ranging from 7.75% to 8% and Emergency Credit Line Guarantee System-2 (ECLGS-2) carrying interest rate ranging from 7.80% to 8.45%. The aggregate amount of instalments outstanding as on March 31, 2021 is ₹ 9,754.31 Lakhs (March 31, 2020 ₹ 7,070.50 Lakhs).

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 2021 is ₹ 312.58 Lakhs (March 31, 2020: ₹ 297.72 Lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

	₹ in lakhs	
	March 31, 2021	March 31, 2020
Minimum Lease Payments outstanding		
Within one Year	122.03	105.43
Later than one year and not later than five years	176.23	21.69
Future Interest on outstanding Lease payments		
Within one Year	17.36	6.81
Later than one year and not later than five years	11.77	0.37
Present Value of Minimum Lease Payments		
Within one Year	104.67	98.62
Later than one year and not later than five years	164.46	17.77



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.

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 March 31, 2017 amounting to ₹ 29,13,75,000. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31-03-2033. During the year, preference shareholders have given their consent to forego entire 7% preference dividend amounting ₹ 5,36,46,250/- for the financial year 2020-21.

			₹ in lakhs	
S. No.	Name of shareholder		March 31, 2021	March 31, 2020
1	Mr. Ch. Krishna Murthy	- No of Shares	7,11,21,750	7,11,21,750
		- % held	92.80%	92.80%
2	Mrs. Ch. Manjula	- No of Shares	52,71,250	52,71,250
		- % held	6.88%	6.88%
3	Mr. 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:

- The above secured term loan from Union Bank of India, Mid Corporate Branch, Jubilee Hills, carries interest rate of one year MCLR+4.20%, currently @ 12.30%. The loan is repayable in 24 quarterly equal installments and matures in the year 2022-23. The aggregate amount of installments outstanding (including current maturities presented in Note 19 below) as on March 31, 2021 is ₹ 229.65 Lakhs (March 31, 2020 ₹ 417.85 Lakhs). There are no over due installments or interest payable.
- This loan is secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture & fittings of the company and the loan has been guaranteed by personal guarantees of 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. Krishna Murthy.

B. Unsecured loans:

i) Business loans:

- The above unsecured business loans from various NBFCs, carry interest rate ranging from 17.50% to 21.57% p.a. The loans are repayable in 18/24 monthly equal installments and the last installment of loan is in the month of February 2022. The aggregate amount of installments outstanding (including current maturities presented in Note 19 below) as on March 31, 2021 is ₹ 139.09 Lakhs (March 31, 2020 ₹ 370.28 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 respectively. The loans are repayable in 36 monthly equal installments and the last installment of respective loans fall due in the month of January 2022 and June 2022 respectively. The aggregate amount of installments outstanding (including current maturities presented in Note 18 below) as on March 31, 2021 is ₹ 40.93 Lakhs (March 31, 2020 ₹ 74.09 lakhs). There are no overdue installments or interest payable.

Note 14

NON-CURRENT PROVISIONS

₹ in lakhs

	March 31, 2021	March 31, 2020
Provision for Employee Benefits (Net of Fund Assets)	400.33	501.85
	400.33	501.85

Note 15

DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

	March 31, 2021	March 31, 2020
1. Deferred Tax Liability		
Property, Plant and Equipment	3,750.08	4,894.76
2. Deferred Tax Assets		
Provisions allowable on payment basis	79.46	146.04
Unused Tax Credits (MAT Credit Entitlement)	-	785.86
Net Deferred Tax Liability	3,670.62	3,962.86

Disclosures:

Deferred Tax has been provided 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:

The gross movement in the deferred income tax account for the financial years ended March 31, 2021 and March 31, 2020, is as follows -

₹ in lakhs

	March 31, 2021	March 31, 2020
a. Net deferred tax liability at the beginning	3,962.86	3,738.77
b. Accelerated depreciation for tax purposes	228.67	342.28
c. Provisions allowable on payment basis	14.91	(6.46)
d. Temporary differences on Other Comprehensive Income	6.83	30.21
e. Deferred tax liability (net) reversal due to new tax rate adoption	(1,328.51)	-
f. MAT Credit Entitlement	785.86	(141.94)
g. Net deferred tax liability at the end	3,670.62	3,962.86



Note 16

OTHER NON-CURRENT LIABILITIES

	₹ in lakhs	
	March 31, 2021	March 31, 2020
Security Deposits	3,338.22	2,892.05
	3,338.22	2,892.05

Note 17

CURRENT FINANCIAL LIABILITIES - BORROWINGS

	₹ in lakhs	
	March 31, 2021	March 31, 2020
A. Secured:		
Loans repayable on demand		
From Banks		
a. Working capital - Cash Credit	12,449.25	13,536.69
B. Unsecured:		
a. Loans from Promoter Directors	160.15	129.65
b. Inter Corporate Deposits	327.55	262.48
c. Other Short Term obligations	195.51	192.51
	13,132.45	14,121.33

Disclosures:

I. Loans of Holding Company:

A. Secured Loans:

1. The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+2.75% to +5.50%. The rate of Interest on convertible FCNRB demand loan ranges from Libor+3.25% to 5.75% per annum.
2. Interest rate for the Bill Discounting facility ranges from 6.65% to 10.30%.
3. Security:

Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India and Indian Overseas 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, 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.

II. Loans of Subsidiary Company

A. Secured loans:

Cash Credit:

- a) The above cash credit from Union Bank of India is repayable on demand and carries interest rate of 1 year MCLR+3.70%, currently @ 11.80%.
- b) The cash credit is secured by hypothecation of all stocks and book debts of the company and the loan has been guaranteed by personal guarantee of 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. Krishna Murthy.

Note 18

CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in lakhs

	March 31, 2021	March 31, 2020
Trade payables - Due to Micro Small and Medium Enterprises	60.47	29.78
Trade payables - Other parties	13,600.80	13,667.55
Trade payables - Related parties	39.72	85.61
	13,700.99	13,782.94

Disclosures:

The principal amount remaining unpaid as at 31.03.2021 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 55.98 Lakhs (March 31, 2020 - ₹ 29.78 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 4.49 Lakhs (March 31, 2020 - ₹ 8.90 Lakhs)

The list of undertakings covered under MSMED was determined by the company on the basis of information available with it based on the confirmations provided by the suppliers.

Note 19

OTHER CURRENT FINANCIAL LIABILITIES

₹ in lakhs

	March 31, 2021	March 31, 2020
a. Current maturities of long term debt	2,685.02	941.90
b. Current maturities of finance lease obligations	104.67	98.62
c. Unsecured Loans from NBFCs	139.09	252.05
d. Interest Accrued on Term Loans and Working Capital Borrowings	-	41.86
e. Cumulative Unpaid Preference Dividend	332.50	332.50
f. Dividend Distribution Tax on Preference Dividend	676.61	676.61
g. Interest on Dividend Distribution Tax Payable	238.99	166.88
h. Unclaimed dividends	12.53	10.40
i. Derivative Financial Instruments - Liability	71.15	8.74
	4,260.57	2,529.57



Note 20

OTHER CURRENT LIABILITIES

₹ in lakhs

	March 31, 2021	March 31, 2020
Advance from Customers	621.29	1,173.60
Creditors for Capital Expenditure	213.35	199.79
Advance received against sale of land	210.00	-
Advance from others	7.23	7.75
Statutory dues Payable	296.52	205.78
	1,348.40	1,586.91

Note 21

CURRENT PROVISIONS

₹ in lakhs

	March 31, 2021	March 31, 2020
Provision for Employee Benefits (Net of Fund Assets)	49.38	40.14
	49.38	40.14

Note 22

CURRENT TAX LIABILITIES

₹ in lakhs

	March 31, 2021	March 31, 2020
Provision for Income Tax (Net)	280.90	696.55
	280.90	696.55

Note 23

REVENUE FROM OPERATIONS

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Sale of Products	67,176.15	66,385.87
2. Other Operating Revenues		
a. Sale of Scrap	140.31	124.88
b. Testing Charges	53.49	134.15
c. Export Incentives	498.15	705.32
	691.94	964.36
	67,868.09	67,350.23

Note 24**OTHER INCOME**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Interest Income		
a. Interest Income on bank and other deposits	81.67	135.24
b. Amortised Interest on Deposits/Loans	89.78	295.41
2. Other Non-Operating Income		
a. Insurance Claim Received	12.72	37.68
b. Profit on Sale of Investments (net)	0.77	-
c. Profit on Sale of Fixed Assets (net)	26.48	2.03
d. Net Gain on Foreign Currency Translation and Transactions	39.02	208.74
e. Balances Written Back (net)	-	52.73
f. Other Income	3.66	-
g. Fair value gain on Investments (net)	28.20	1.92
	282.30	733.75

Note 25**COST OF MATERIAL CONSUMED**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock	5,049.76	3,977.86
Add: Purchases	26,860.78	31,733.18
Total	31,910.54	35,711.04
Less: Closing Stock	4,351.03	5,049.76
	27,559.51	30,661.28

Note 26**COST OF CONSUMABLES**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of Petcoke	1,598.14	1,525.46
Consumption of Furnace Oil	2,459.53	1,729.73
Consumption of Husk	539.40	814.61
Consumption of Coal	3,269.46	3,631.75
Consumption of LDO/Kerosene/Diesel	600.65	647.76
	8,467.18	8,349.31



Note 27

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

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Finished Goods		
Opening Stock	9,635.99	9,208.82
Closing Stock	8,288.18	9,635.99
	1,347.81	(427.17)
Work-in-progress		
Opening Stock	3,484.87	3,366.87
Closing Stock	3,615.19	3,484.87
	(130.32)	(118.00)
Stock-in-Trade		
Opening Stock	288.57	288.57
Closing Stock	288.57	288.57
	-	-
Total Decrease / (Increase)	1,217.49	(545.17)

Note 28

EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries & Wages	2,968.95	2,953.80
Contribution to Provident and Other Funds	224.81	216.62
Staff Welfare Expenses	235.05	172.62
	3,428.81	3,343.05

Note 29

FINANCE COSTS

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense	1,577.38	2,008.14
Interest on Others	510.97	729.44
Unwinding of Interest/Discount on Financial Instruments	272.26	442.30
Other Borrowing Costs	236.55	397.13
	2,597.15	3,577.00

Note 30**MANUFACTURING EXPENSES**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Equipment Hire Charges	694.94	528.51
Consumption of Stores & Spares	2,099.11	1,806.14
Repairs & Maintenance - Buildings	119.73	95.15
Repairs & Maintenance - Plant & Machinery	688.76	650.46
Labour costs	906.16	966.90
Factory/Godown Maintenance	429.59	324.61
Effluent Disposal Expenses	1,810.51	1,581.17
Goods Movement Charges	675.38	642.30
	7,424.20	6,595.23

Note 31**SELLING & ADMINISTRATIVE EXPENSES**

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Labour costs - Others	29.22	28.70
Insurance	288.79	159.31
Packing Charges	1,877.03	1,823.22
Shipping & forwarding Charges	4,110.66	2,957.83
Other Selling Cost	374.07	544.13
Rent	805.77	661.33
Rates & Taxes	124.89	123.42
Bank charges	131.16	344.13
Net Loss on Foreign Currency Transaction & Translation	119.39	-
Travelling, Vehicle Maintenance & Conveyance	211.90	418.50
Professional & Consultancy Charges	253.24	216.47
Security Charges	100.66	94.55
Miscellaneous Expenses	324.11	344.95
Loss on Sale of Investments	-	2.30
	8,750.88	7,718.83



Disclosures:

Payments to Statutory Auditors -

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
The details of payments to statutory auditors included in Professional & Consultancy charges above, are given below -		
(i) Statutory Audit Fee	13.50	11.50
(ii) Quarterly Review Fee	1.65	1.65
(iii) Tax Audit Fee	3.65	3.80
(iv) GST Audit Fee	1.65	1.65
Total Payments to Statutory Auditors	20.45	18.60

Note 32

CORPORATE SOCIAL RESPONSIBILITY EXPENSES

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Water Treatment Plant & Swachh Bharat		1.04
Donation for Old Age Home infrastructure development	138.00	174.67
COVID-19 Relief Measures	0.87	
Environmental sustainability		0.87
	138.87	176.58
CSR Expenses		
Gross amount required to be spent by the company during the year	35.51	33.51
Amount Spent during the year on the above	138.87	176.58

Note 33

TAX EXPENSE

₹ in lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax for the year	386.74	554.51
Prior period Income tax expense recognised during the year	(136.84)	59.39
MAT Credit entitlement relating to earlier years	-	(141.93)
MAT Reversal due to Change in Tax Rate	785.86	-
Deferred Tax reversal due to change in tax rate /Prior period Deferred Tax	(1,328.51)	-
Deferred Tax for the year	243.58	335.82
	(49.17)	807.77

Note 34**Group:**

Vishnu Chemicals Limited has two 100% wholly owned subsidiaries – Vishnu Barium Private Limited in India and Vishnu South Africa (Pty) Ltd. in South Africa. Vishnu South Africa (Pty) Ltd., 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. Vishnu Renewable Energy Private Limited is a step-down subsidiary of Vishnu Chemicals Limited, and a wholly owned subsidiary of Vishnu Barium Private Limited. There are no operations in Vishnu Renewable Energy Private Limited since inception. Vishnu Renewable Energy Private Limited filed an application with the Ministry of Corporate Affairs (MCA) on January 09, 2021 for voluntary strike-off and is pending with MCA. Pending strike-off by MCA, Vishnu Barium Private Limited has written-off the investment of ₹ 1.00 Lakh during the year.

Note 35**Contingent Liabilities and Commitments (To the extent Not Provided for):**

₹ in lakhs

	As on March 31, 2021	As on March 31, 2020
1 Contingent Liabilities:		
a. Claims against company not acknowledged as debt		
I. Claims arising from disputes not acknowledged as debts - Income Tax (against which Pre-deposit of ₹ Nil Lakhs made (P.Y. Pre-deposit ₹ Nil Lakhs)	-	27.77
II. 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
III. 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
IV. The Company has not recognized the fuel surcharge adjustment expense pertaining to the period from April, 2008 to March, 2010 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
V. The Recovery Officer, Employee State Insurance Corporation, has raised a demand on the Company to pay arrears along with interest. The company has filed a writ petition 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
VI. 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	-
VII. Guarantees excluding financial guarantees	21.79	21.79
2 Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	1,609.58	604.46



Note 36

Segment Reporting:

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

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

₹ in lakhs		
Geographic Location	2020-21 Revenue	2019-20 Revenue
Domestic	33,118.75	34,326.70
Overseas	34,057.40	32,059.17

Details of Non-Current Assets*

₹ in lakhs		
Geographic Location	As on March 31, 2021	As on March 31, 2020
Domestic	42,349.75	38,875.37
Overseas	-	-

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

Note 37

RELATED PARTY DISCLOSURES:

a) Details of Related Parties:

S.No.	Name of the Related Party	Nature of Relationship
1	Mr. Ch. Krishna Murthy	Chairman and Managing Director, Key Management Personnel
2	Mrs.Ch. Manjula	Non-Executive Director (Executive Director in Subsidiary Vishnu Barium Private Limited)
3	Mr. Ch. Siddartha	Joint Managing Director, Key Management Personnel
4	Mr. P. Anjaneyulu	Chief Financial Officer, Key Management Personnel
5	Mr. Kishore Kathri	Company Secretary, Key Management Personnel
6	Mr. Pradip Saha	Independent Director
7	Mr. Tirthankar Mitra	Independent Director (appointed on 14th August 2020) (Non-Executive Director in Subsidiary Vishnu Barium Private Limited)
8	Mr. Chetan Shah	Independent Director (appointed on 12th February 2021)
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. Santanu Mukherjee	Independent Director in Subsidiary Vishnu Barium Private Limited
12	M/s. Vasantha Transport Corporation	Concern in which Key Management Personnel is interested
13	M/s. K.M.S. Infrastructure Private Limited	Concern in which Key Management Personnel are interested
14	M/s. Vishnu Life Sciences Limited	Concern in which Key Management Personnel is interested
15	M/s. Vishnu Barium Private Limited	Wholly Owned Subsidiary

S.No.	Name of the Related Party	Nature of Relationship
16	M/s. Vishnu South Africa (Pty) Ltd.	Wholly Owned Subsidiary
17	M/s. Vishnu Renewable Energy Private Limited	Step-down Subsidiary (wholly owned subsidiary of Vishnu Barium Private Limited – Application for Voluntary Strike off filed on January 9, 2021)
18	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 Management Personnel		Concerns in which Key Management Personnel are Interested	
	2020-21	2019-20	2020-21	2019-20
Expenses				
Remuneration	229.18	226.54	-	-
Rent Expenses	49.47	44.47	19.50	12.00
Maintenance Charges	-	-	8.76	8.25
Transportation Charges	-	-	2,359.68	1,328.98
Purchases	-	-	-	0.50
Hire Charges	4.80	4.80	145.40	76.50
Contract Service Charges	-	-	37.58	70.60
Receipts & Payments, Payables & Receivables Outstanding at year end				
Unsecured Loan from Promoter Directors during the year	35.00	254.65	-	-
Unsecured Loans from Promoter Directors outstanding at year end	2,810.80	2,780.31	-	-
Payables to KMP and Concerns in which KMP are interested	17.38	12.64	61.01	94.22

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:

		₹ in lakhs	
S.No.	Director Name	2020-21	2019-20
1	Mrs. Ch. Manjula	0.60	0.60
2	Mr. Pradip Saha	1.60	1.60
3	Mr. Tirthankar Mitra	1.80	0.20
4	Mr. Chetan Shah	0.20	-
5	Mr. T.S. Appa Rao	0.40	1.20
6	Mr. S. Saranathan	0.20	0.20
7	Mr. Santanu Mukherjee	0.80	1.20
Total		5.60	5.00

An amount of ₹ 138.00 Lakhs (Previous Year: ₹ 170.00 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.

38. The paid-up share capital of the Company as on financial year ended March 31, 2021 and financial year ended March 31, 2020 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 March 31, 2021 is 25%.

The preference shareholders have given their consent to forego 7% preference dividend amounting ₹ 536.46 Lakhs for the financial year 2020-21.

Note 39

EMPLOYEE BENEFITS:

1. Defined Contribution Plan:

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

		₹ in lakhs	
Particulars	2020-21	2019-20	
Contribution to Provident Fund	118.96	126.09	
Contribution to Employee State Insurance	10.64	12.76	

2. Defined Benefit Plan – Gratuity:

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

	₹ in lakhs	
	Gratuity (Funded) 2020-21	Gratuity (Funded) 2019-20
1 Assumptions:		
Discount Rate	6.57%-6.74%	6.62% -6.77%
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	514.91	521.76
Interest Cost	33.27	38.87
Current Service Cost	46.21	53.36
Benefits Paid	(44.95)	(18.79)
Actuarial (gain)/ loss on obligation	(23.33)	(80.29)
Present Value of obligation at end of year	526.10	514.91
3 Reconciliation of opening and closing balances of fair value of plan assets		
Opening fair value of plan asset	71.96	67.23
Adjustment to opening Fair Value of Plan Asset	(2.37)	2.87
Return on Plan Assets excl. interest income	1.29	(4.18)
Interest Income	5.14	5.84
Contributions by Employer	118.73	18.98
Benefits paid	(44.95)	(18.79)
Fair Value of plan Assets at end	149.80	71.96
4 Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	526.10	514.91
Fair Value of plan Assets at end of period	149.80	71.96
Net Asset/(liability) recognized in the balance sheet.	(376.31)	(442.95)
5 Expenses recognized in the statement of Profit and Loss:		
Current service cost	46.22	53.36
Net interest	28.12	33.03
Expense recognized in the statement of Profit and Loss	74.34	86.39
6 Other Comprehensive Income (OCI):		
Actuarial gain/(loss) recognized for the period	(23.33)	(80.29)
Return on plan assets excluding net interest	(1.29)	4.18
Total actuarial (gain)/ loss recognized in OCI	(24.62)	(76.11)



Sensitivity Analysis:

₹ in lakhs

	March 31, 2021		March 31, 2020	
	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligation	485.60	572.50	571.77	485.64

Categories of Plan Assets:

₹ in lakhs

	March 31, 2021	March 31, 2020
Gratuity Fund managed by Life Insurance Corporation of India	149.80	71.96

Note 40

EARNINGS PER SHARE (EPS)

₹ in lakhs

Particulars	2020-21	2019-20
Net Profit after Tax (₹ in Lakhs) (a)	3,449.46	2,222.91
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)	28.88	18.61

Note 41

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	March 31, 2021		March 31, 2020	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade receivables	USD	95,96,375	7,015.91	59,11,559	4,456.48
Trade receivables	EURO	17,83,376	1,529.24	17,54,988	1,457.51
Trade payables	USD	(62,49,843)	(4,569.26)	(38,31,506)	(2,888.41)
Secured loans	USD	(23,83,234)	(1,742.38)	(23,74,570)	(1,790.09)
Secured loans	EURO	(16,67,958)	(1,430.28)	(15,04,925)	(1,249.84)

Note 42

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 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) Ltd.	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



31st March 2020

₹ 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	79.37%	12,698.13	59.48%	1,322.10	102.73%	56.24	60.52%	1,378.35
2 Subsidiaries									
	Indian Subsidiaries								
	Vishnu Barium Private Limited	25.49%	4,078.22	40.54%	901.08	(2.73%)	(1.50)	39.50%	899.58
	Vishnu Renewable Energy Private Limited	0.00%	0.77	(0.01%)	(0.23)	0.00%	-	(0.01%)	(0.23)
	Foreign Subsidiary								
	Vishnu South Africa (Pty) Ltd.	0.00%	0.01	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
	Less: Consolidation Adjustments	(4.86%)	(777.67)	0.00%	-	0.00%	-	0.00%	-
	TOTAL	100.00%	15,999.46	100.00%	2,222.91	100.00%	54.75	100.00%	2,277.66

Note 43

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

Per our report of even date

For Jampani & Associates
Chartered Accountants
Firm Registration No. 016581S

For and on behalf of the Board of Directors

Sd/-
J. Ram Sesh Choudary
Partner
Membership No. 202150

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

Sd/-
Ch. Manjula
Director
DIN:01546339

Place: Hyderabad
Date: May 19, 2021

Sd/-
P. Anjaneyulu
Chief Financial Officer
Hyderabad, May 19, 2021

Sd/-
Kishore Kathri
Company Secretary & AGM - Legal



CIN: L85200TG1993PLC046359

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

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