

July 19, 2023

VCL/SE/58/2023-24

To  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
**Scrip Code: 516072**  
**Through: BSE Listing Centre**

To  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex, Bandra (East),  
Mumbai -400 051  
**NSE Symbol : VISHNU**  
**Through : NEAPS**

**Sub: Annual Report for the FY 2022-23 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

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 30<sup>th</sup> Annual General Meeting and other Statutory Reports for the Financial Year 2022-23, which is also being circulated through electronic mode to those Members whose e-mail addresses are registered with the Company/ Registrar and Transfer Agent/ Depositories.

The same is also available on the website of the Company at <https://vishnuchemicals.com/wp-content/uploads/2023/07/Annual-Report-FY-2022-23.pdf>

This is for your information and records.

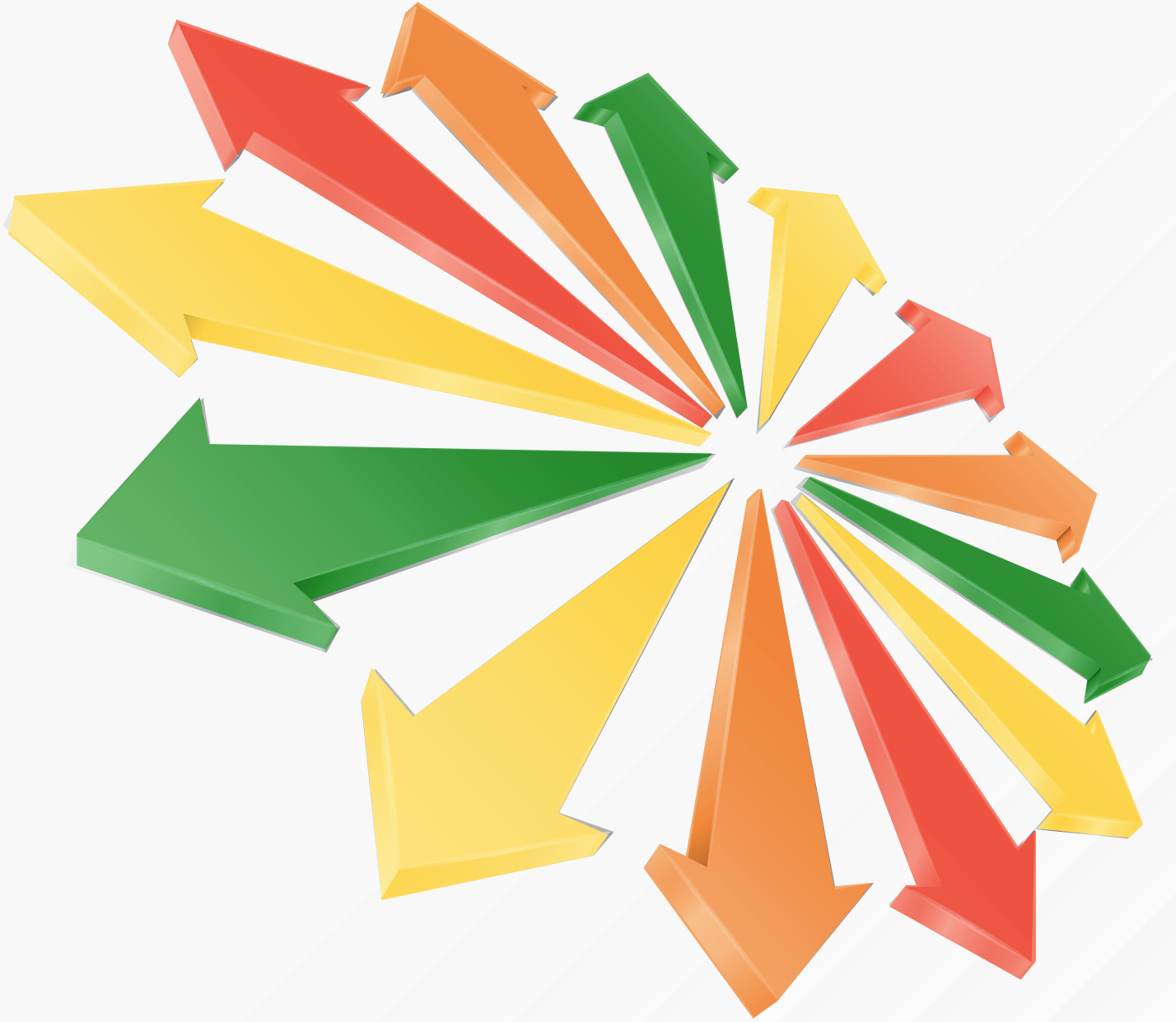
Thanking You.

Yours faithfully,

**For Vishnu Chemicals Limited**

**Vibha Shinde**  
**Company Secretary & Compliance Officer**

Encl: As above



Optimism Fuelling Growth.  
Consistency Driving Success.

सर्वं सम्भाव्यते त्वयि।

## Across The Pages //

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#### Investor Information

Market Cap as on March 31, 2023	₹ 1616.59 cr
BSE Code	516072
NSE Symbol	VISHNU
Dividend Declared	₹ 0.40 per share i.e. 20%
AGM Date	August 11, 2023
AGM Mode	Video Conferencing

For more investor-related information, please visit:

<https://vishnuchemicals.com/investors/>



Or, Simply scan

#### Disclaimer

This document contains statements about expected future events and financials of Vishnu Chemicals Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

## Highlights //

### 30+

Years of Expertise

### 100+

Customers Across India and Abroad

### 10+

User Application Industry

#### Our People

### 1000+

Group Workforce (as on March 31, 2023)

#### Community

### ₹ 116.42 Lakhs

Investment in CSR Projects

### 51:49

India:Overseas Sales Mix

## Demonstrating Consistency through Robust Growth Indicators

3 year CAGR **27%**  
Total Income

3 year CAGR **83%**  
PAT

Free Cash Flow Since **FY18**  
Positive

### 500

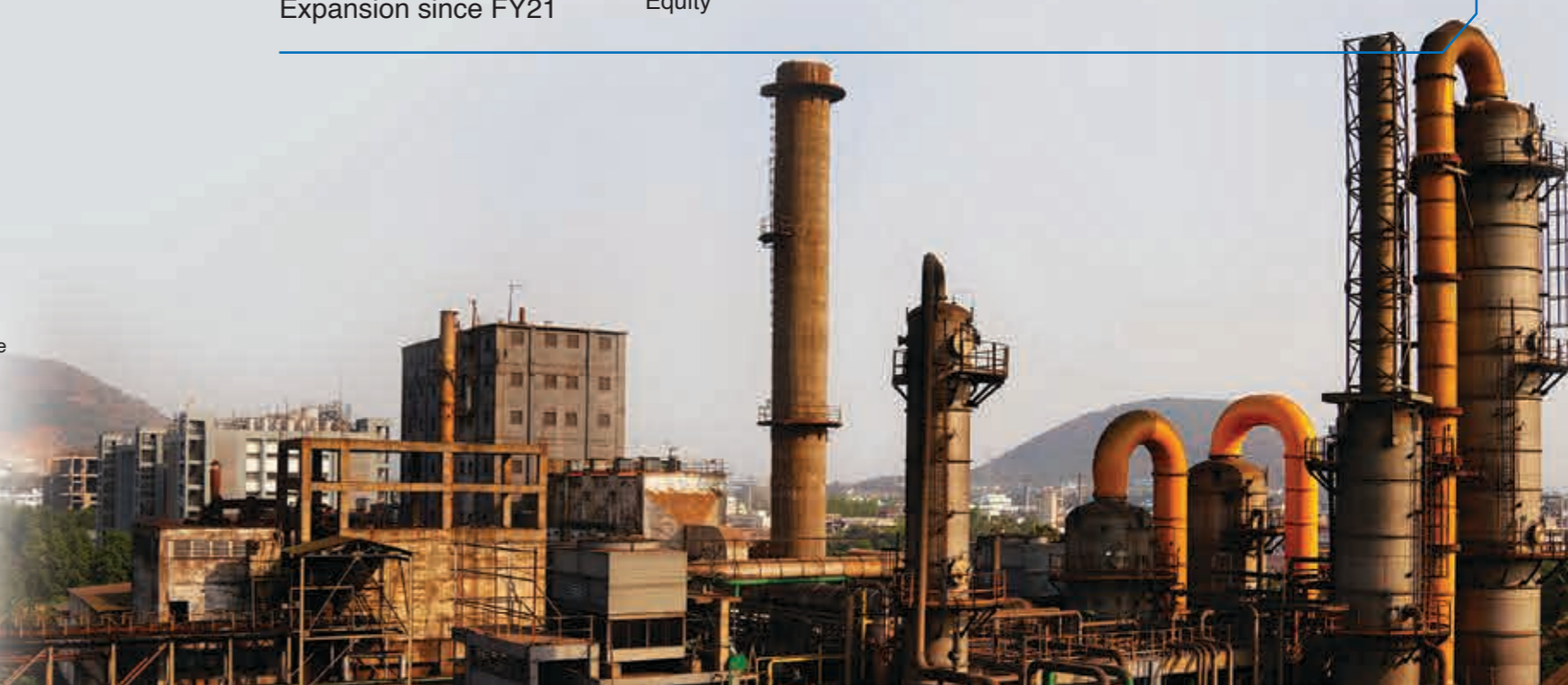
+ bps  
EBITDA Margin Expansion since FY21

### 1

Less than  
Consolidated Debt to Equity

### ₹ 134.25 Cr

Cash Flow from Operations





Optimism Fuelling Growth.  
Consistency Driving Success.

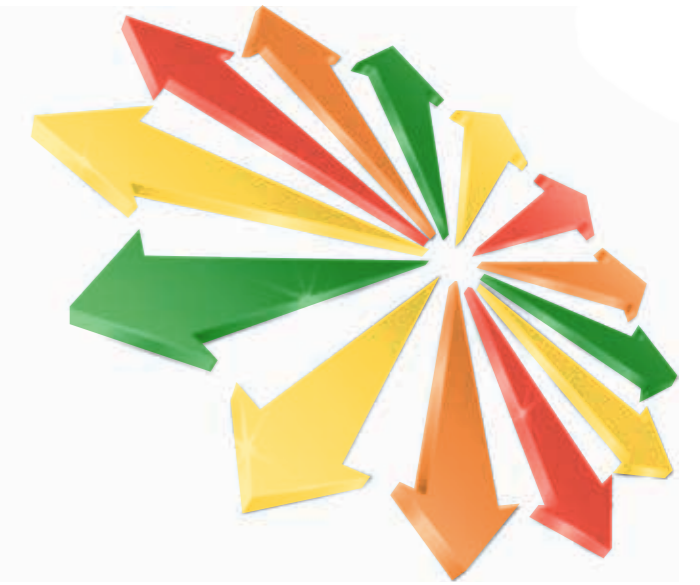
सर्व सम्भाव्यते त्वयि। //

## OPTIMISM FUELLING GROWTH

At Vishnu, we embody optimism as we strive for success and continuous growth. With meticulous attention to detail, we drive innovation in operational excellence as we set new benchmarks and exceed expectations across all facets of our business. Our unwavering commitment to fundamental growth is evident through our ongoing efforts to expand in niche speciality chemicals which are not easy to replicate. We prioritise timely completion of projects, customer reach and value creation for our shareholders.

## CONSISTENCY DRIVING SUCCESS

By staying true to our core chemistry, we consistently deliver exceptional value through research and customer needs. Our success is rooted in our relentless dedication and three-decade journey, expanding from a limited portfolio to a comprehensive range of chromium and barium chemicals. We embrace the industry's rapid transformation and actively seek innovative, sustainable solutions that benefit stakeholders. Our commitment extends beyond business growth; it encompasses building a brighter future for all.



**OPTIMISM FUELLING  
GROWTH.**

**CONSISTENCY  
DRIVING SUCCESS.**

**सर्व सम्भाव्यते त्वयि।**

This Sanskrit quote perfectly defines the mantra that propels us. It is what consistently challenges our limits while we strive for performance par excellence, an agile value chain, and healthy value accretive growth. At Vishnu, we wholeheartedly believe in the power of 'You Can Do Anything,' and all our sincere efforts are always aimed at exemplifying this belief.



Introduction to Vishnu Chemicals

# Fuelling Growth With Unmatched Commitment //

## Who We Are

Vishnu Chemicals Limited is a leading manufacturer of high-performance speciality chemicals with a strong market leadership and an intelligent framework of forward and backward integration to produce world-class products that focus on the diverse needs and aspirations of its customers.

## What Do We Do

At Vishnu Chemicals, we cater to a diverse range of industries, including pharmaceuticals, electroplating, ceramics and tiles, wood preservatives, pigments and dyes, refractories, plastic colours, and detergents, among others. Our products and processes adhere to global standards, which is a testament to the quality and reliability of our product portfolio.

## What Differentiates Us

### Established Track Record of Over 30 Years

Principled and ethical leadership. Manufacturing focus.

### Unmatched Scale & Research

Nurtured complex and heavy manufacturing processes. Leading manufacturers in an industry, known for having multiple entry barriers.

### Differentiated Heavy Assets

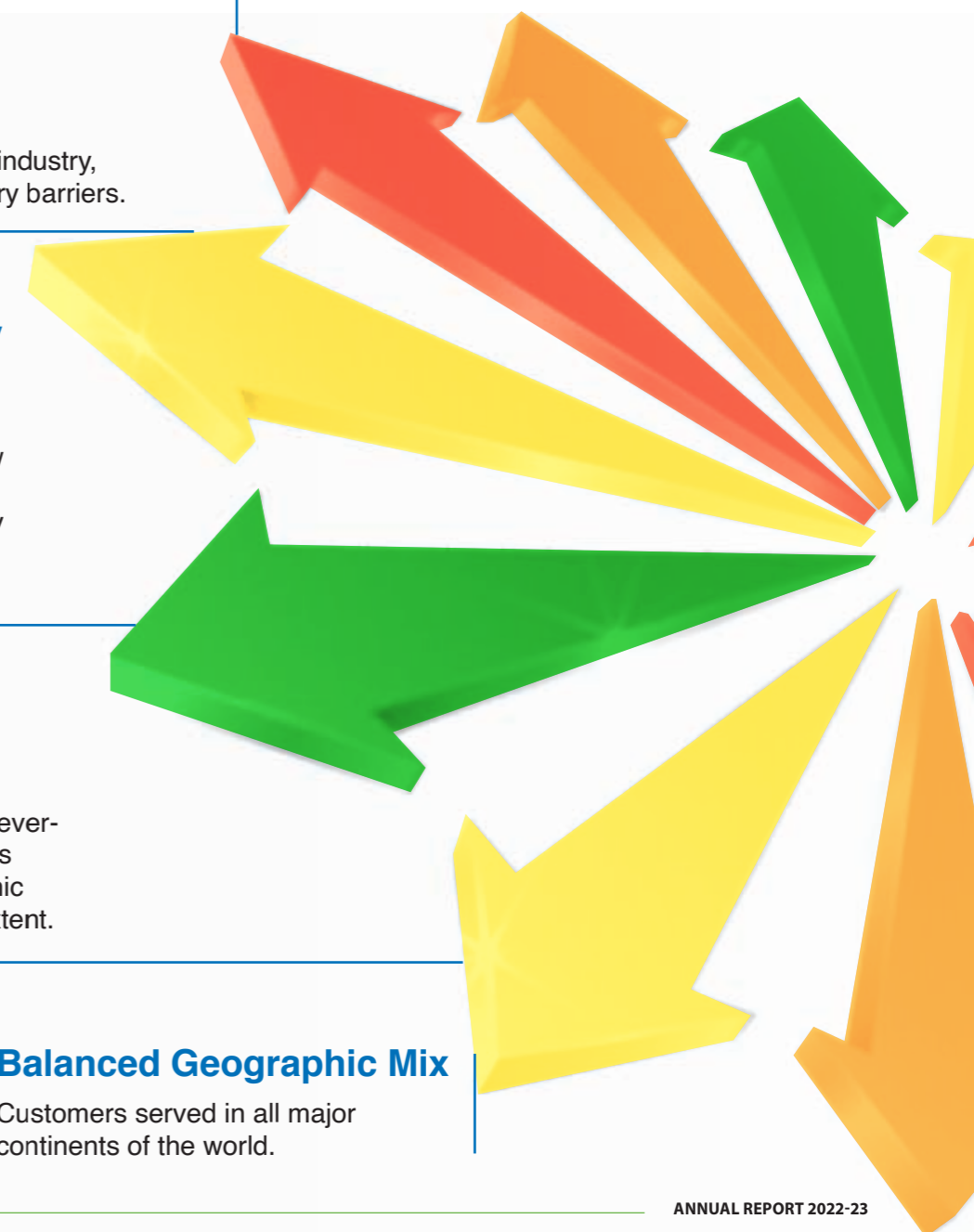
Efficient producer reducing the consumption of select raw materials significantly. A strong asset implies healthy and profitable business, while focusing on sustainability.

### Flexible Product Mix

Provides the flexibility to manufacture according to the ever-evolving industry demand, thus mitigating cyclical, geographic and currency risk to a large extent.

### Balanced Geographic Mix

Customers served in all major continents of the world.



## What We Offer

### Chromium Chemicals

At Vishnu Chemicals, we manufacture high-quality chromium chemicals and supply them across the globe. Chromium is an essential component for certain applications due to its corrosion resistance, colour and uniformity, among other beneficial properties.

#### Key Application

- › Pharmaceuticals
- › Electroplating
- › Refractories
- › Ceramics & Tiles
- › Wood Preservatives
- › Pigment and Dyes
- › Plastic Colours
- › Paper
- › Detergents
- › Leather



### Barium Chemical

At Vishnu Chemicals, we manufacture industry-grade barium carbonate and precipitated barium sulphate, which find applications in the manufacturing of a plethora of ceramics and tiles, paints, batteries, glass, and enamel products. The demand for barium chemicals has experienced robust growth due to various factors, including infrastructural development, urbanisation, and evolving lifestyle preferences.

#### Key Application

- › Ceramics and Tiles
- › Construction Materials
- › Paints
- › Battery
- › Caustic Soda Industry
- › Specialty Glass



## Our Ethos

### Vision



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

### Value



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

### Philosophy



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

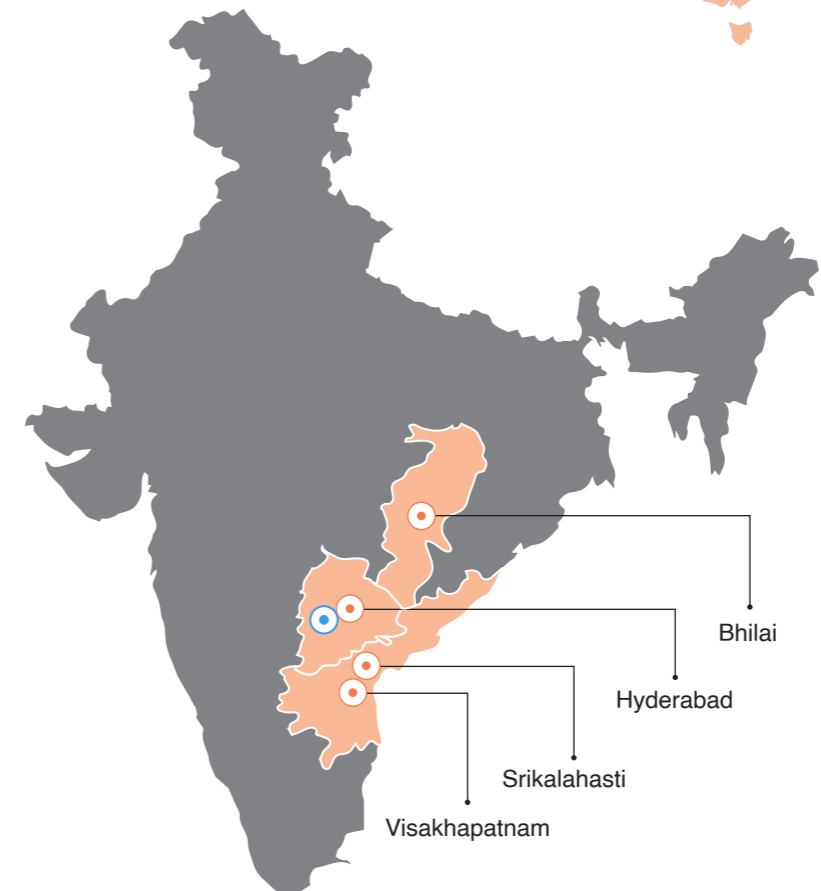
- › Accountability in every action
- › Transparency in every transaction
- › Dedication in every decision
- › Collective in every concern



## Where We Operate



- Marketing and Sales
- Company Headquarter
- State-of-the-Art Manufacturing Facilities



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



## The Speciality Behind Chromium Chemistry

# Chrome The Only Mineral Of Its Kind//

Chromium, also known as chrome, is a chemical element that has the symbol Cr and the atomic number 24. Born in the Earth's crust, Chrome is found in the mineral chromite or chrome ore.

### The Unique Properties

Corrosion Resistant

Durable and Long-Lasting

Resilient to Extreme Temperatures

Recyclable

Iconic Lustrous Appearance

Hardest Element on the Planet after Diamond and Boron

Low Coefficiency against Friction

## Unearthing Facts

- › First identified as an element in 1797
- › Commercial manufacturing began in the UK and USA within 30 years
- › Does not rust
- › Makes up ~15% of the raw material cost of non-steroidal anti-inflammatory drugs (NSAIDs)
- › An airplane engine requires a staggering 250 kgs of chrome metal
- › Finds its way into the hot combustion chambers of jets and rocket engines
- › Recent studies say select chromium chemicals are most effective in hydrogen production from seawater

## Why Chromium Chemicals

Unfolding the reaction to make lives better

### Versatile yet Unique

- › From acting as strong oxidants in pharmaceuticals to creating a shining & reflective surface in tiles and ceramics or the silver finish on faucets, towel holders, hardware – door knobs or handles.
- › They add to the aesthetic appeal of any vehicle that gives a good feel. Be it the shining logo, stylish front grills, premium leather seats or sturdy engines and pistons. Or be it colours, that don't fade away!
- › The properties of chromium chemicals make the industrial parts more versatile and indispensable, making them resistant to corrosion & oxidation.
- › Plays a key role in bringing in delight & durability!

### Comfortable yet Urban

- › Chromium's unique properties chemicals have helped create the products that make consumers' lives easier and more comfortable.

### Durable yet Attractive

- › Whether one needs to improve the durability of a component or enhance its aesthetic appeal, chromium chemicals provide a long-lasting and visually attractive solution.

### Essential yet Niche

- › Chromium chemical is an indispensable ingredient, used in the manufacturing of products across a broad range of industries.





## Vishnu Chemicals Business Model

# Largest Integrated Manufacturer Of Chromium And Barium Chemicals In India //

Our Company's business model strives to create long term value for our stakeholders epitomising manufacturing excellence and higher corporate governance.



### Inputs



#### Financial Capital

Our key financial resources include equity, internal accruals, and debt. The robust financial capital and our strong balance sheet serves as the solid foundation that drives our growth strategies and generates exceptional value for our stakeholders.



#### Social and Relationship Capital

Our society is an inseparable stakeholder in our journey. At the core of our CSR vision, we emphasise on this fact and strive to achieve progress and value creation at the grass-root level. To strengthen our commitment and create a lasting impact on the larger community, we allocated our CSR funds towards the construction of an old age home. Our objective is to positively transform the lives of the elderly by providing them with compassionate care and comprehensive assistance. The facility offers nutritious food, hygienic and comfortable environment, and recreation activities, among others. Moving forward, we are committed to spend the CSR fund on community service, and provide economic independence and shelter to the underprivileged.



#### Manufacturing Capital

Our world-class manufacturing facilities, along with the infrastructure that supports our logistics, marketing, enable us to deliver quality offerings to the market. Besides, our focus on research helps us improve product quality and enhance process efficiency in our operations.



#### Natural Capital

Our strategic endeavours revolve around sustainability. Throughout our journey, we have consistently acted as a catalyst for growth, serving our customers in various industries and adapting to changing preferences, while prioritising sustainability. We recognise the importance of addressing environmental concerns. Hence, at Vishnu Chemicals, our commitment to conserve the environment and contribute to people's health remains constant. We are continuously adopting new techniques to eliminate and minimise the environmental impact. In this direction, renewable energy projects are being undertaken with more vigour, promoting the use of greener sources of energy wherever possible.



#### Human Capital

Our workforce is the key driver of our value creation, fuelling growth through robust expertise, knowledge, and commitment to excellence. We recognise the invaluable contributions of our employees in scripting our success and treat them with dignity and compassion. Over the years, we have developed a holistic employee value proposition, enabling us to attract and retain top talent. As we have successfully kept track of our employees' core competence, it has enabled us to create task-specific teams.

### Outputs



#### Financial Capital

<b>0.9x</b>	<b>0.8x</b>
Consolidated D:E	Standalone D:E



#### Manufacturing Capital

<b>₹ 735 Cr</b>	<b>₹ 590 Cr</b>
Consolidated Gross Fixed Assets	Standalone Gross Fixed Assets



#### Human Capital

**1000+**  
Total Workforce

- Comprising Chemical Engineers, Mechanical Engineers, PhDs on Permanent Basis



#### Natural Capital

- Solar Power: 4 MW Plant being Set Up at Srikalahasti
- Emphasising reduction in Carbon Footprint through Select Processes



Key Strengths

# Surging Ahead With Multitude Of Advantages //



## Principled & Value-Driven Management

Our established track record of over 30 years has paved the way for an unmatched value-driven growth for our Company, upholding the utmost standards of corporate governance.



## Growth Opportunities Supported by Structural Push

The range of Chromium and Barium chemicals produced by us find wide applications across the pharmaceutical, consumer, and industrial sectors.



## Scale & Research

The improvisation strategy of our Company is firmly rooted in a steadfast dedication towards research and chemistry. With years of perseverance, we have built a world-class infrastructure in an industry, known for high barriers to entry.



## Strong Cash Generation

A consolidated operating cash flow of ₹ 134.25 Cr, generated in 2022-23, with a 42% Y-o-Y growth, has put our Company on a robust upward trajectory. Over the last five years, we have consistently generated positive free cash flow on a consolidated basis.



## Focus on Creating Long-Term ROCE

A significant growth and expansion in both product portfolio and customer base has enabled our Company to script a long-term success for our stakeholders. We emphasize on better utilisation of capacities, which in turn, allows us to deliver robust performance.



## One-of-a-Kind Raw Material Savings

As manufacturing is the core focus of our Company, we constantly study data from customer inquiries to create our production plan. Similarly, our process changes are allowing us to maximise the utilisation of co-products and generate raw materials for indigenous consumption.



## Differentiated Assets and Product Mix

Our forward integration and flexible product mix allow us to reinvent and innovate as we cater to a new range of applications and, consequently, enhance our business prospects, thus mitigating cyclicity to a large extent.



## Our Operating Landscape

# Levers Of Demand //

### Demographics

#### Trend

- › The UN expects the world's population to increase by 2 Bn in the next 30 years, and reach 9.7 Bn
- › Developing countries are expected to lead this increase, further driving urbanisation
- › Economic development, a thriving middle-class, and a surge in western world-influenced consumerism are poised to generate greater demand for products, and enhance the standard of living in these economies

#### What this Means for Our Industry

- › Increased demand for longer-lasting products
- › Increasing demand for construction and infrastructure-related solutions
- › New geographic markets for consumer and industrial products

#### Our Opportunities

- › Domestic consumption is poised to experience robust growth, expected to reach an impressive rate of 9-10%
- › India's burgeoning middle-class is predicted to spend more on air travel. As a result, **passenger traffic in India will grow at 6.2% per annum** by 2040, the fastest among the major economies and well above the global average of 3.9%

#### Our Response

- › Foundation in place to serve the rising demand and enhance our ability to capitalise on growth opportunities

#### Industries We Serve that will Benefit from this

- › Pharmaceuticals
- › Automobiles
- › Construction
- › Wood Preservatives

### Longevity

#### Trend

- › Unparalleled attributes of our chemistry make it exceedingly difficult to substitute it with any other chemical, highlighting its indispensability in various manufacturing processes

#### What this Means for Our Industry

- › Demand for longer-lasting and aesthetically appealing products
- › Demand for products that make care and hygiene easier to maintain

#### Our Opportunities

- › Demand for products to elevate durability of a component or aesthetic appeal

#### Our Response

- › Serving 10+ applications. Launched Precipitated Barium Sulphate to better serve the evolving powder coating industry

#### Industries We Serve that will Benefit from this

- › Tiles
- › Paints
- › Construction
- › Wood
- › Hydraulics
- › Leather

### Premiumisation

#### Trend

- › The gap between luxury and mass market is getting bridged. Consumers are accessing unique products that promise enhanced features
- › The concept of 'Premium' extends beyond mere price considerations and encompasses the assurance of exceptional quality and an unmatched experience
- › As a result, the premium segment is experiencing strong growth, outpacing total category sales in many markets

#### What this Means for Our Industry

- › Demand for products that make consumers' lives easier
- › Demand for products with feel-good and premium characteristics

#### Our Opportunities

- › The bathroom fittings industry in India is poised to register a CAGR of 9% by 2027
- › Automotive chromium market is expected to grow at 5.51% between 2022-26
- › Indian leather industry is set to grow three-fold by 2025, according to the IFLMEA

#### Our Response

- › Optimising capacity utilisation while delivering the highest-quality of products. Our strategically located plants help us cater to the national and international markets, effectively

#### Industries We Serve that will Benefit from this

- › Bathroom Fittings
- › Leather
- › Automobiles
- › Furniture
- › Sports Surface
- › Tiles
- › Paints

### Performance

#### Trend

- › Manufacturing is the focus area again
- › A rise in manufacturing activity leads to demand for performance chemicals, which can work in stressed environments at high temperatures with friction

#### What this Means for Our Industry

- › By nature, chromium has a low coefficient of friction and is resistant to a wide variety of corrosive agents and materials. These attributes make hard chromium plating particularly appealing for applications that are prone to accelerated wear and high friction

#### Our Opportunities

- › India's steel manufacturing capacity is expected to reach 300 MT by 2030, as per India's Steel Policy. Production is anticipated to grow to 230 MT by that time from 118 MT in 2021-22. The cement industry is projected to grow by 12%, compared to a CAGR of 6% historically
- › However, this growth is incumbent upon 'refractory', a critical but lesser-known component for the functioning of the steel and cement factories

#### Our Response

- › Nurtured this chemistry and implemented at scale through a combination of factors that has taught us the importance of staying the course

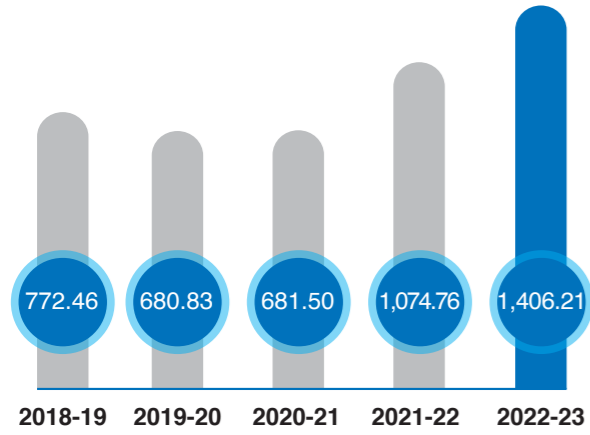
#### Industries We Serve that will Benefit from this

- › Hard Plating
- › Refractory
- › Hydraulics
- › Automotive & Mechanical Components
- › Infrastructure

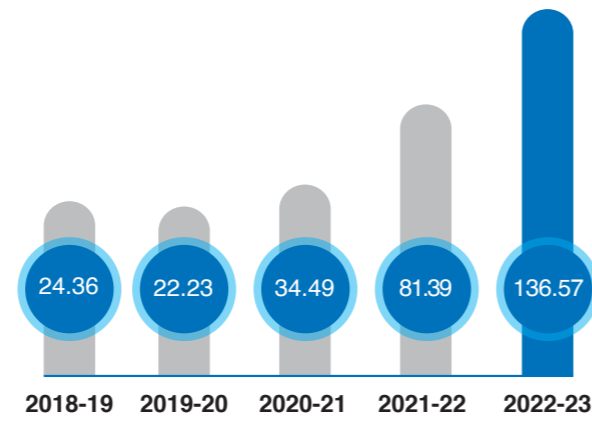
Key Financials

# Fuelling Growth With Robust Numbers //

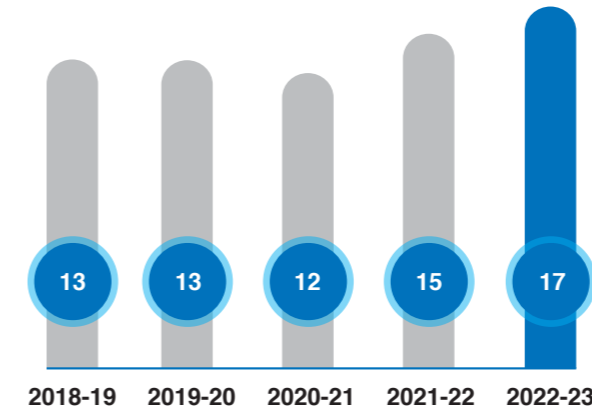
Total Income (₹ in Cr)



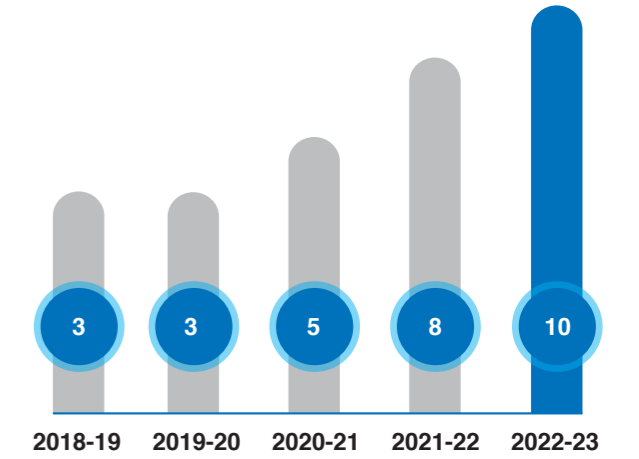
PAT (₹ in Cr)



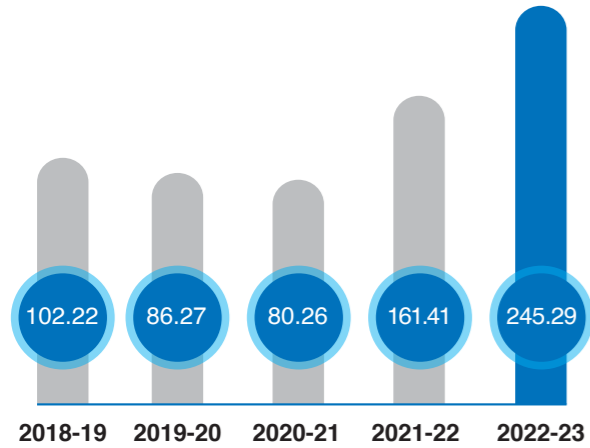
EBITDA Margin (%)



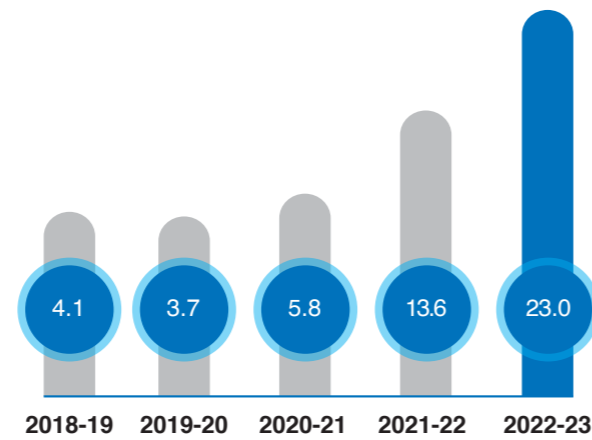
PAT Margin (%)



EBITDA (₹ in Cr)



EPS (₹)



\*All numbers are on a consolidated basis and rounded off to the nearest decimal. EPS is calculated on the new base post-split of shares.





# From The CMD's Desk//



**“With an experience of over 30 years, Vishnu Chemicals has built a differentiated business model to be the largest integrated manufacturer of various chromium and barium speciality chemicals in India.”**



## Dear Shareholders,

India has established itself as the world's fastest-growing major economy and is on track to become one of the top three economic powers in the next 10-15 years. This means each one of us now has the chance to make a meaningful contribution to this remarkable growth. This opportunity arises from multiple factors, such as a youthful and expanding population, increasing middle-class incomes, the flourishing service sector, and Government-led reforms that have positioned India as the fifth-largest economy in the world. We are confident that our steadfast commitment to progress and development will propel us to even greater heights in the future.

Striding towards this aspiration, one of the sectors that can help India achieve its goal is the chemical sector. With strong Government support and focus, India is on the verge of emerging as a leading global hub for chemical manufacturing. It is positioned to exert a significant influence in terms of both consumption and production on the global stage. In recent years, evolving geopolitical dynamics have spurred many nations to prioritise domestic self-reliance. Despite these trends, India continues to receive good response due to its manufacturing competitiveness compared to other key global chemical clusters. With these factors in our favour, India is well-positioned to offer competitive pricing while maintaining high-quality standards. Considering the favourable prospects of the chemical sector and leveraging our competitive strengths, we hold a positive outlook regarding our performance and our ability to weather headwinds.

With an experience of over 30 years, Vishnu Chemicals has built a differentiated business model to be the largest integrated manufacturer of various chromium and barium speciality chemicals in India.

Our performance results from simple yet effective changes we have implemented over the years. Firstly, the decision to do forward and backward integration, while maintaining a transparent, well-organised, and well-controlled manufacturing line. Secondly, we adopted a holistic approach, helping us streamline our production assets in line with logistics, sales, and talent development. By prioritising continuous improvement and research, we have enhanced our competitiveness and expanded our market reach.

At our core, we are fuelled by dedication to manufacture. Our commitment to excellence in the chemistry in which we operate is the engine that drives innovation and change. Through upgradation and improvements in our manufacturing capacity, we have expanded our range of unique speciality chemicals.

**“At Vishnu Chemicals, sustainability is a way of life ingrained in every aspect of our operations. We believe that true success can only be achieved when we prioritise the well-being of the planet alongside our business objectives. By embracing sustainability, we are fulfilling our responsibility to future generations and unlocking new opportunities for innovation and growth.”**

Our day-to-day operations strive to minimise our environmental impact through conscious decision-making and resource management. We have implemented comprehensive waste reduction programmes that extend beyond the basics. We actively seek ways to reduce energy consumption, such as utilising energy-efficient equipment, optimising our transportation logistics, and embracing smart building technologies and renewable energy source. These initiatives are aimed at minimising our carbon footprint and promoting sustainability.

Moreover, we understand that sustainability extends beyond environmental considerations. We embrace a holistic approach that encompasses social and economic dimensions as well. We prioritise fair and equitable business practices, ensuring that our employees and partners are treated respectfully. By doing so, we aim to create a positive and sustainable impact beyond our organisation and touch the lives of those around us.

I would like to express our sincere gratitude to our esteemed customers, suppliers, bankers, regulators, employees and shareholders, whose unwavering trust and support have been instrumental in our success. Your faith in us has been a driving force in our journey towards excellence. As we look forward to the future, our dedication remains steadfast in fostering enduring partnerships, providing value, and upholding the utmost standards of integrity and professionalism. Thank you for being an integral part of our growth story, and we look forward to continued collaboration and success together.

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



# Letter From the JMD//



**“Climate change is a real thing today. Renowned researchers have created the world’s whitest paint using a Barium Chemical. This paint has entered the Guinness Book of World Records for its ability to reflect over 98% of sunlight, hence giving a cooling effect to surfaces and reducing energy consumption. This innovation, we believe, is path-breaking as it delivers results to your homes and offices most effectively.”**

## Dear Shareholders,

The year 2022-23 held great significance for us as we achieved substantial progress across various areas, building upon the benchmark set in the previous year. We recorded impressive double-digit growth in both Sales and EBITDA compared to the previous year. This growth can be attributed to our consistent focus on maintaining a flexible product mix and effective cost management practices, resulting in improved profitability.

Since 2020-21, we have successfully achieved a consolidated EBITDA expansion of more than 500 basis points, all while prioritising deleveraging efforts and attaining a debt-to-equity ratio of less than 1. In the previous fiscal year, our consolidated PAT witnessed a remarkable year-on-year growth of 68%, surpassing the topline growth of 31%. This outstanding achievement is a testament to our unwavering dedication to maintaining consistency, embracing customer feedback and emphasising efficient manufacturing excellence.

At a consolidated level, we achieved an operating cash flow of ₹ 134.2 Cr, strengthening our balance sheet through inventory and debtors’ days reduction. Remarkably, our consolidated free cash flow has remained positive for five consecutive years, highlighting our distinctive characteristic as a business that generates cash. This accomplishment demonstrates our collaborative efforts in delivering consistent growth, even in a challenging and unpredictable global operating environment.

Our Company has demonstrated the ability to complete complex projects on time, while controlling capital expenditure costs. This has been made possible due to our execution capability and generation of internal accruals.

Our expansion plans allow us to generate additional volumes to meet rising demand, penetrate deeper into international markets, and consolidate our position in the domestic market. In addition, these efforts will lead to greater operating leverage and enhanced profitability, further driving our Company’s consistent growth trajectory.

From an industry standpoint, the concept of premiumisation has emerged as a powerful bridge between the realms of luxury and the mass market. Premiumisation goes beyond mere pricing; it embodies a commitment to exceptional quality and a captivating experience, giving rise to a surge in unique and value-added offerings. The rise of premiumisation can be attributed to demographic factors and increased per capita income. This trend has become so prominent that premium products across various sectors are experiencing strong growth, often surpassing the overall market growth.

At Vishnu Chemicals, we are collectively dedicated to improve the existing, execute the present and timely pivot into the future. We are optimistic about our chemistry and positive about delivering value accretive growth for our stakeholders. In our diverse range of applications,

we are strategically positioned to manufacture a range of speciality chemicals to address the needs arising due to demographics, premiumisation trend and performance needs.

Climate change is a real thing today. Renowned researchers have created the world’s whitest paint using a Barium Chemical. This paint has entered the Guinness Book of World Records for its ability to reflect over 98% of sunlight, hence giving a cooling effect to surfaces and reducing energy consumption. This innovation, we believe, is path-breaking as it delivers results to your homes and offices most effectively.

We are excited about this development as we have started manufacturing the best quality Precipitated Barium Sulphate under our wholly-owned subsidiary. Being a technical and speciality chemical, we are confident that the addition of this product to our Company will aid diversification and margin expansion in our subsidiary’s business model.

With a prudent approach to risk management and scale, we will continue to focus on manufacturing to take advantage of our scale, invest in digitisation, and drive sustainability for our customers, our Company, and stakeholders. We have focused on enhancing our customer experiences, streamlining our supply chain, and optimising our resource management practices to minimise our environmental impact. None of these achievements would have been possible without our valued shareholders’ continued support and confidence. Your trust in our vision and commitment to sustainability has been a driving force behind our progress, and for that, we are immensely grateful.

Looking ahead, our focus will remain on sustaining a robust balance sheet while implementing a disciplined approach to capital allocation and new capital expenditure initiatives. This includes enhancing our core portfolio through process improvements. We will approach investments, costs, and pricing actions deliberately, emphasising generating value accretive growth for our shareholders.

As we look to the future, we remain committed to being rooted and true to our manufacturing capability to drive sustainable growth and value creation. Our commitment to innovation and execution remains firm as we prioritise investments in research and improvements, explore untapped markets, and broaden our product range to cater to the changing demands of our customers. Additionally, we will collaborate closely with our partners and suppliers to integrate sustainable practices throughout our supply chain, focusing on waste reduction and minimising our carbon footprint.

Regards,  
**Mr. Ch. Siddartha**  
Joint Managing Director



## ESG Commitment

# Taking Steps To Promote Responsible Growth Environment //

At Vishnu Chemicals, we accord a high priority to environmental sustainability and understand the importance of taking proactive steps to reduce our environmental impact. We believe that every effort counts towards a healthier planet. Hence, our Company is focussing on products, operations, and culture, having a strong sustainability quotient in order to promote efficiencies and responsible resource usage.

We are also creating comfortable, safe, and healthy workplaces for all our stakeholders, while ensuring responsible growth. We realise that climate change is one of the most urgent environmental and social concerns today. Thus, to contribute towards tackling the same, we are manufacturing our products innovatively, with the aim of accelerating the transition towards a low-carbon economy.

## Climate Change

At Vishnu Chemicals, we firmly acknowledge climate change as a matter of critical priority. Hence, we are fully committed to reduce the emissions generated by our operations. As a responsible company, we have devised comprehensive strategies to tackle concerns related to global warming. Our dedicated team of professionals consistently assesses the environmental impact of our business activities and formulates relevant action plans to effectively mitigate any adverse effects.



## Energy Management

At Vishnu Chemicals, we attach significant emphasis on energy management as a key focus area that directly influences the operations of our manufacturing facilities. As we understand the importance of sustainable energy practices, our Company has taken proactive steps and is in the process of installing solar panels at our barium unit to reduce the use of conventional energy. Furthermore, we have purchased energy-efficient spares and consumables and replaced the traditional ones.



## Water Conservation

At Vishnu Chemicals, we take our responsibility towards water conservation seriously. As part of our sustainability initiatives, we have established a state-of-the-art wastewater treatment facility with tertiary treatment, including reverse osmosis. Through these advanced treatment methods, water is treated and reused. Cumulatively, our Company intends to save water for future generations and our planet.





## Social

At Vishnu Chemicals, we strive to uphold the highest levels of integrity and operational excellence in our daily work. We recognise that fulfilling the expectations of our stakeholders is of utmost importance and serves as a guiding principle for our business practices. We work on the premise of success and achievement through strong business procedures. At our Company, we highly value and actively promote the integrity, knowledge, innovation, skill, diversity, and teamwork of our employees. We aspire to bring happiness and success to the people of India, including our employees, shareholders, customers, and local communities. We constituted the Corporate Social Responsibility Committee which is responsible for monitoring and assessing our CSR policy and ensuring action in that respect.



## Community

At Vishnu Chemicals, we deeply value and respect the rights of indigenous people, especially their rights to self-determination and the preservation of their culture, identity, traditions, and customs. Our Company acknowledges and appreciates the diversity and cultures of the communities within which we operate. In our interaction with indigenous communities, we focus on building mutually beneficial relationships based on trust, cooperation, and economic inclusion.



## Healthcare

At Vishnu Chemicals, we undertake various health initiatives to benefit underprivileged and underserved members of society. Our CSR wing promotes awareness and basic knowledge among the target group and help them learn the ways to take care of their health and that of others around them. Moreover, our Company also provides a host of facilities to address the medical needs of our workforce.



## People

At Vishnu Chemicals, we place the utmost value on our employees. It is their dedication and hard work that give us the competitive edge. We believe in continuously training our employees to make them future-ready. In addition, at our Company, we place a strong emphasis on attracting and recruiting talented individuals to join our team. We are committed to nurture their potential and continuously enhance their skills through comprehensive training programmes and expert guidance. Further to the induction training, regular training on job-related modules is also provided to help employees continually improve their performance. We also undertake safety training for our entire training module and it is mandatory for all the employees.



## Old Age Homes

At Vishnu Chemicals, we are steadfast in our commitment towards creating a more equitable society. In our endeavour to serve the ecosystem we operate in, we have taken compassionate step towards addressing the needs of senior citizens and established an old age home with a range of facilities to support their well-being. The home is equipped with modern amenities and helmed by trained professionals. They are dedicated to provide the highest level of care and comfort to our residents.

This initiative is aligned with our core values and philosophy of promoting sustainable and inclusive development for all members of society. Thus, enabling us to address the inequalities faced by socially and economically disadvantaged groups, particularly senior citizens as they are often the most neglected segment of the population.





Governance

# Harnessing Growth With Prudent Vision //



**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 and transforming the organisation from a single product to a multi-product manufacturing unit through his commitment. He has over three decades of rich experience in the manufacturing of speciality chemicals.



**MR. CH. SIDDARTHA**  
Joint Managing Director

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



**MRS. CH. MANJULA**  
Non-Executive Director

Mrs. Ch. Manjula is one of the promoters of our Company and a valuable guide for the last three decades with her rich organisational skills. She plays a pivotal role in the welfare policies of our Company. She keenly believes in serving the community and has made significant contributions in the spheres of education, health, and rural development. She is one of the trustees of the Philanthropic trust, the Krishna Foundation.



**MR. TIRTHANKAR MITRA**  
Independent Director

Mr. Tirthankar Mitra is a chemical engineer, who graduated from the prestigious Indian Institute of Technology, Kharagpur, in 1978 and was honoured with a silver medal for getting the first rank in chemical engineering. He has around four decades of professional expertise in the design, operation, and management, process engineering, project management, innovation, cost savings, and business turnaround plans of chemical units. During his tenure, he worked in various capacities, including Executive Director, and Director in Charge of various speciality chemical manufacturing companies.



**MR. CHETAN NAVINCHANDRA SHAH**  
Independent Director

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



**MR. V. VIMALANAND**  
Independent Director

Mr. V. Vimalanand is a graduate in commerce and law. He is one of the leading advocates in the State of Telangana, with over three decades of experience. With vast experience in dealing with corporate suits, arbitration, and other legal cases under civil & criminal law, he acts as an advisor to several corporate houses and individuals.



**DR. SITA VANKA**  
Independent Director

Dr. Sita Vanka is currently a professor at the School of Management Studies, University of Hyderabad, Hyderabad, India. Prior to that, she served as the Dean of the School of Management Studies for the years 2012-15. She also served on the Board of APIIC, a public sector undertaking, during the years 2012-14 on behalf of the University. She is a member of several national bodies for accreditation and a subject expert in India – NAAC, AMDISA, NBA, UGC, AICTE, UPSC, DRDO, and CSIR, among others. She won several awards in academia, both in India and in international forums.

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Fund Raising Committee
- Investment Committee
- Finance Committee

- Chairman
- Member

**In addition to the members marked above, there are three more members of the Risk Management Committee:**

- Mr. C.P.C Kamalakara Rao
- Mr. T. Ramakrishna
- Mr. Mahesh Bhattar

### Board of Directors

Mr. Ch. Krishna Murthy  
Chairman & Managing Director

Mr. Ch. Siddartha  
Joint Managing Director

Mrs. Ch. Manjula  
Non-Executive Director

Mr. Tirthankar Mitra  
Independent Director

Mr. Chetan Navinchandra Shah  
Independent Director

Mr. Veeramachaneni Vimalanand  
Independent Director

Dr. Sita Vanka  
Independent Director  
(W.e.f. May 16, 2022)

### Chief Financial Officer

Mr. Mahesh Bhatler

### Company Secretary & Compliance Officer

Ms. Vibha Shinde

### Registered Office

Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills,  
Hyderabad – 500 096, Telangana, India  
Tel: +91 40 23396817, 23327723/29  
Fax: +91 40 23314158  
Website: [www.vishnuchemicals.com](http://www.vishnuchemicals.com)  
Email: [vishnu@vishnuchemicals.com](mailto:vishnu@vishnuchemicals.com)  
CIN: L85200TG1993PLC046359

### Auditors

M/s. Jampani & Associates  
Chartered Accountants, Hyderabad

### Secretarial Auditors

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

### Secretarial Advisors

M/s. P.S.R Corporate Consultants, Hyderabad  
M/s. Bathiya & Associates LLP, Mumbai

### Cost Auditors

M/s. Sagar & Associates Cost Accountants,  
Hyderabad

### Bankers

State Bank of India  
Union Bank of India  
Indian Overseas Bank

### Registrar and Share Transfer Agents

Bigshare Services Private Limited  
306, Right Wing, 3rd Floor,  
Amrutha Ville, Opp. Yashoda Hospital,  
Somajiguda, Rajbhavan Road,  
Hyderabad – 500082, Telangana, India  
Tel: +91 40 4014 4582  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
Email: [bsshyd1@bigshareonline.com](mailto:bsshyd1@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, Chhattisgarh – 490026

#### Kazipally Plant

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

#### Vishnu Barium Plant

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

# Management Discussion & Analysis





## Management Discussion & Analysis

### Global Economy

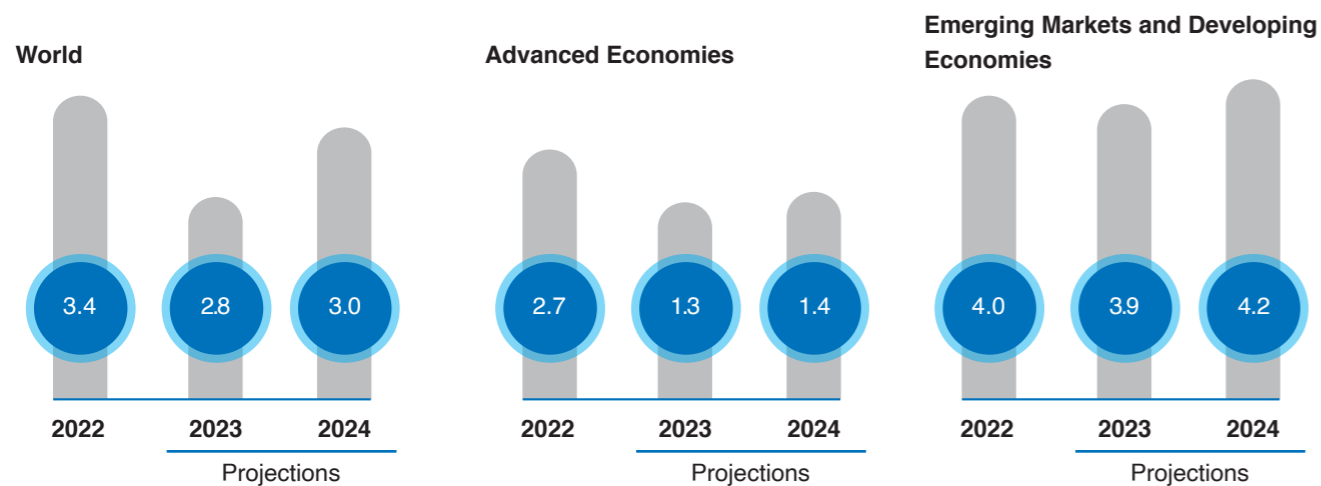
The global economy remains on track for a gradual recovery, after being affected by the Covid-19 pandemic. While advanced economies are expected to have a pronounced slowdown in growth, the resilience shown by Asia is a positive sign for global trade and logistics. With the supply chain disruptions subsequently easing and the inflationary trends in energy subsiding through the second half of 2022-23, it is expected to create a better equilibrium between demand and supply. This will have an overall positive impact on the global economy in the years to come.

Inflation has proven to be stickier than expected, with core inflation still peaking in many countries. Global inflation is set to decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024. This is aided by the fact

that most of the central banks are implementing a massive and synchronised tightening of monetary policy, with the objective of slowing down the inflation to move back towards its targets. In addition, strong labour markets in most advanced economies suggest stronger-than-expected aggregate demand that may require monetary policy to tighten further or to stay tighter for longer than anticipated.

The rising interest rates globally were expected to spiral the world into a tip of recession but the global economy has shown tremendous resilience to avoid that scenario. Though, it meant that practically every country had to deal with weaker currencies, not necessarily boosting the exports. Quality and consistency has been the priorities of global trade in the post-Covid-19 pandemic era.

### Global Economic Growth (% Change)



According to the International Monetary Fund (IMF), global growth was estimated to slow down from 3.4% in 2022 to 2.8% in 2023. While the global economic outlook for advanced economies is expected to experience a significant decline in growth reducing from 2.7% in 2022 to 1.3% in 2023, the developing economies are expected to maintain their pace of robust growth. The sluggish economic forecast of advanced economies can be attributed to a higher base of GDP, the tight policy stances taken to combat inflation and the increasing fragmentation in geoeconomics. For emerging markets and developing economies, the economic prospects are generally stronger than those of advanced economies, although the growth prospects vary significantly across different regions. The average growth rate is expected to be 3.9% in 2023, with a projected increase to 4.2% in 2024.



### Outlook

It is positive to see that energy prices have cooled with Brent crude trending at less than USD 100 a barrel. The inflation seems to have peaked and the trajectory of growth is expected to improve steadily. There is a widespread expectation of decrease in medium-term growth estimates due to the high-base effect. The natural convergence of previously fast-growing economies and advancing developing economies is expected to bridge the gap and bring economies closer to each other.

(Source: World Economic Outlook, April 2023: A Rocky Recovery (imf.org))

### Indian Economy

India's consistent demonstration of growth and resilience has made it a powerhouse of an economy with a place of its own in the world post-Covid-19 pandemic. India has risen from the tenth to the fifth-largest economy in the world over the past decade. This economic success is largely attributed to key reforms including liberalisation, investment in infrastructure and improved access to finance for small and medium-sized enterprises. Despite challenges posed by the global environment, India has been the fastest-growing major economy for the past three years.

The Indian economy has demonstrated complete

recovery in 2021-22, ahead of many other nations, positioning it to return to its pre-Covid-19 pandemic growth trajectory in 2022-23. Despite the challenges posed by inflation, India has demonstrated resilience. Economists worldwide project that India will be the fastest-growing major economy with a growth rate of 6.9% in 2022-23, a testament to the strength of the Indian economy. India's overall export in 2022-23 rose by 14% standing at USD 775.87 Bn and almost USD 100 Bn more than last year on an absolute basis. This has resulted in higher production activity and capacity utilisation across various sectors.

### Outlook

The Economic Survey released by the Central Government, projects a baseline GDP growth for India in 2023-24. India's growth prospects have an upside due to several factors. The recent surge of post-Covid-19 pandemic in certain developing economies has not caused significant health or economic disruptions in the rest of the world, resulting in the continued normalisation of supply chains. A stable domestic inflation rate below 6%, coupled with improved investor sentiment is expected to stimulate private sector investments and domestic consumption.

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>  
<https://www.firstpost.com/business/indias-growth-story-overall-exports-up-by-14-at-775-87-billion-in-2022-2023-12599512.html>)

## Industry Overview

### Indian Chemical Industry Overview

India's chemical industry demand has impressed the world in the past decade, making it a global outperformer. As a result, India is expected to play a more dominant role in both consumption and manufacturing in the global arena. With changing geopolitical scenarios, many countries have shifted their focus to domestic self-sufficiency and localised supply chains. India has a strong starting point in terms of manufacturing competitiveness when compared to other major global chemical clusters, which could position India as the preferred destination for the procurement of chemicals.

The thriving chemical industry is expected to grow at 11-12% during 2021-27 and 7-10% during 2027-40 tripling its global market share by 2040 creating an additional USD 700 Bn market value, over and above the current contribution of USD 170-180 Bn as of 2021. India's impressive standing in the global chemical industry serves as a testament to its strong fundamentals. Currently, it ranks 12<sup>th</sup> in the world for chemical exports and 5<sup>th</sup> for chemical imports.

*Source – India: The next chemicals manufacturing hub by McKinsey & Company, March 2023*

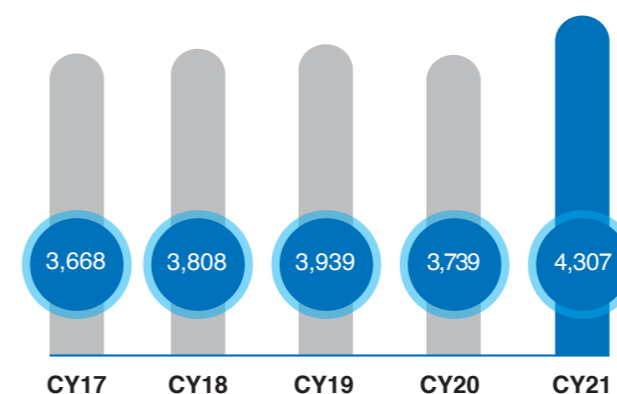
India's exports of chemicals was USD 36.6 Bn in 2020, whereas its imports stood at USD 53.1 Bn in 2020. The country's share in the world exports and imports of chemicals hovered at 2.4% and 3.4%, respectively, in 2020.

*Source – Care Edge Research: India-Inorganic Chemical Industry, March 2023*

### Global Chemical Industry Overview

The global chemicals sales recorded USD 4,307 Bn in 2021 from USD 3,739 Bn in 2020, with a CAGR of 4.1% and is estimated to grow by 5% to 6% through 2027. This growth will be largely driven by developing markets like the Asia-Pacific region (APAC), which are likely to achieve a higher CAGR of around 7%-8%. In comparison, the growth in more matured markets, such as the US and Europe is expected to be around 2%-4%.

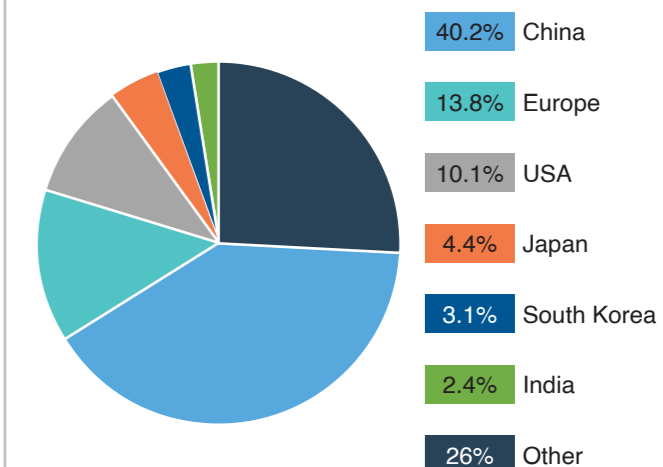
### Trend in Global Chemical Sales (USD Bn)



*Source : CEFIC*

Sales from 10 countries accounted for a significant share of 86.6%, representing USD 3,434 Bn of sales during 2021. Sales from rest of the world contributed to 13.4% of the total sales in CY21. China stands out as the world leader in chemical sales, with a commanding 40.2% share of the market, amounting to a staggering USD 1,850 Bn. It is followed by Europe (comprising 27 nations), the US, Japan, and South Korea. India, on the other hand, secured the sixth position with a notable contribution of USD 111 Bn, accounting for 2.4% of the global chemical sales.

### Trend in Global Chemical Sales (USD Bn)



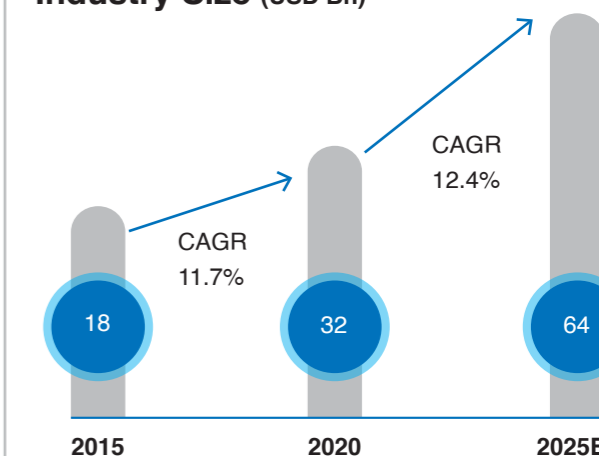
*Source : CEFIC*

### Indian Speciality Chemical Industry Overview

The Indian specialty chemicals industry has experienced remarkable growth in the recent past. This expansion can be attributed to the increased demand from many end-user sectors, favourable Government policies, a growing domestic customer base, and premiumisation in consumer lifestyles, among other factors.

In terms of trade, speciality chemicals hold substantial weight, accounting for over 50% of chemical exports from India. Moreover, it is one of the fastest-growing segments in the country's manufacturing sector.

### Indian Speciality Chemicals Industry Size (USD Bn)



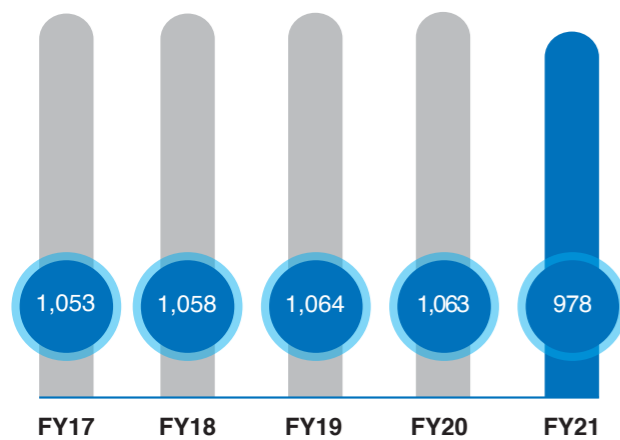
*Source – KPMG: Speciality Chemicals Industry in India, November 2022*



## Indian Inorganic Chemical Industry Overview

Inorganic chemicals are the third-largest segment of the chemical industry in India. According to the Department of Chemicals and Petrochemicals, this segment constituted about 8.7% of the total chemicals output during FY21. In FY22, the situation improved as the production of inorganic chemicals on an aggregate basis grew to 340,000 metric tonnes during the four months (April-July) of FY22. It further increased by 4.4% during April-July of FY23 to 355,000 metric tonnes, primarily due to low-base effect and a pick-up in demand of inorganic chemicals.

### Trend in Production of Inorganic Chemicals in India ('000 metric tonne)



Source – Department of Chemicals and Petrochemicals  
Source – Care Edge Research: Inorganic Chemical, March 2023

## Outlook

India is emerging as a preferred manufacturing destination for global businesses due to its strategic location, strong manufacturing capabilities, effective process engineering expertise, and highly skilled workforce. India's chemical manufacturing capabilities are diverse. It is thriving with a focus on producing high-value-added products, such as speciality chemicals, that caters to specific applications, including pharmaceuticals, clean energy and personal care products. India has already established itself as a major producer and exporter of various niche speciality chemicals.

The Indian chemical industry has experienced steady growth over the past decade, and there exists a strong potential for future growth. Within the chemical industry, the consumption and imports of inorganic chemicals have registered a CAGR of 12.5% and 4.1%, respectively, over the five-year period between 2016-17 and 2020-21. The demand for inorganic chemicals is expected to sustain its healthy upward momentum in the coming years. This is backed by low per capita consumption, rising demand for speciality chemicals, and expected growth in downstream sectors like paints, pigments, coatings, pharmaceuticals, textiles, personal care, clean energy along with the growth in diversified manufacturing base. In addition to this, several factors, such as growing population and urbanisation are fuelling the growth. Furthermore, the improvement in disposable income, which has increased at a CAGR of 10.7% in the last 10 years, is also expected to aid the growth momentum in India.

India is emerging as a manufacturing hub for high-value goods, as well as a consumer-driven economy in the years to come. The chemical industry is likely to benefit from improvements in the investment climate, speedy approval of projects, and proposed reform measures that would translate into higher industrial activity to meet the rising demand for a more urban and performance-driven generation.

Source – Care Edge Research: Inorganic Chemical, March 2023

## Opportunities

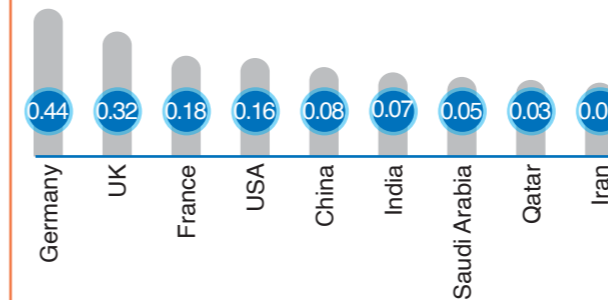
### Rise in the Demand of Speciality Chemicals in Different End-User Industries

The speciality chemicals market is experiencing rapid growth due to increased demand from existing and emerging end-user sectors. These include textiles, construction, clean energy, personal care, home care, automobiles and consumer durables. The rise in per capita income has driven the development of premium consumption categories. Additionally, increased urbanisation has led to demand for products that make consumer's life easier. Moreover, Government initiatives, such as smart cities and several infrastructure projects are expected to boost demand for construction sector. An increased Government funding in rural markets has also resulted in greater demand for consumer and industrial products that require performance additives.

### Competitive Electricity Cost

India fares well in terms of electricity costs for industrial usage compared to high electricity costs of 6-11% as a percentage of sales, in other major economies, with an average cost of USD 0.07/kWh in March 2022. Most developed countries have a higher average electricity cost, ranging from USD 0.17-0.44/kWh, while China's cost is marginally higher, the Middle East countries have access to significantly lower electricity costs, ranging from USD 0.005-0.05/kWh.

### India's Electricity Cost for Industrial Users Fares Well Due to High Coal Usage (USD/kWh, Mar'22)

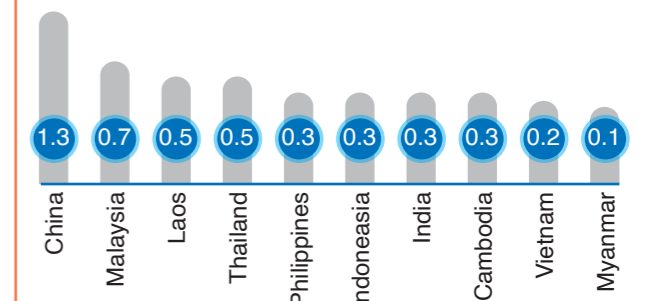


Source – globalpetrolprices, MOFSL

### Competitive Advantage of Indian Companies

Over the past few years, India has taken the opportunity to increase its share of global chemical exports. It is evident from the fact that speciality chemical producers in the country have witnessed increased demand from end-user sectors across the world, accounting for 20.25% of the entire chemical industry. In addition, Indian companies have reported good returns on capital employed since FY 2017. Furthermore, the relatively lower hourly wages in India as compared to China have positioned Indian companies to produce speciality chemicals at a lower cost. This cost advantage has enabled them to export their products to the two largest international markets - the US and the European Union.

### Labour Costs Benefit from Manufacturing in India (per hour USD)



Source – Statista, MOFSL

### Government Initiatives

The Government has taken several initiatives, such as Production Linked Incentives (PLI) Scheme, Aatmanirbhar Bharat, Petroleum, Chemicals, and Petrochemicals Investment Regions (PCPIRs), and National Logistics Policy, to boost domestic production.

### PCPIR Scheme

The Government aims to redraft PCPIR guidelines, which may raise investments and provide the basic raw materials for the chemical industry in India.

## Company Overview

### Operational

On consolidated basis, total income for FY 2022-23 grew by 31% to ₹ 1,40,620.57 Lakhs compared to ₹ 1,07,475.93 Lakhs in previous year. PAT is ₹ 13,656.64 Lakhs, registering a growth of 68% over the previous year's PAT of ₹ 8,139.28 Lakhs. On standalone basis, total income for FY 2022-23 grew by 35% to ₹ 1,23,736.21 Lakhs compared to ₹ 91,328.66 Lakhs, generated previous year. PAT stands at ₹ 12,934.47 Lakhs, an increase of 98% over the previous year's PAT of ₹ 6,523.90 Lakhs.

### Risk Management

Vishnu Chemicals diligently evaluates risks on a routine basis, and proactively devises novel strategies to navigate shifting market conditions. The Company believes in nipping risks in the bud to ensure the seamless continuation of operations. The Audit Committee and Management work hand-in-hand to identify and mitigate potential risks. Below are some of the Company's risks and their corresponding mitigation methods.

#### Risk

#### Impact

#### Mitigation

Sluggish Financial Climate

A deceleration in the Indian economy has the potential to adversely impact the organisation's revenue, leading to a decline in its profitability.

Vishnu Chemicals offers its diverse range of products to both domestic and international markets, thereby reducing its market risk and expanding its global reach.

Supply Chain Disruption

The chemical industry faces a significant challenge in the form of global price volatility for raw materials. A shortage of raw materials or sudden price fluctuations can impede the manufacturing process and potentially harm the financial performance of the industry.

With its prominent position in the industry, Vishnu Chemicals takes proactive measures to ensure that it is not affected by raw material shortages. The Company maintains adequate inventory of essential raw materials to alleviate any potential risks. This enables seamless operations of Vishnu Chemicals, both domestically and internationally, ensuring uninterrupted production of high-quality chemicals.

#### Green Responsibility

Vishnu Chemicals' environmental impact is a direct result of the industry it operates in. Chemical accidents pose a threat to the environment, health and safety of society, and the viability of businesses. Chemical companies are responsible for not only complying with environmental standards but also for adding value to society.

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

#### Competitive Landscape

The chemical industry is marked by intense competition among its numerous players. Failing to swiftly seize opportunities can negatively impact Vishnu Chemical's profitability.

Vishnu Chemicals continuously explores the dynamic landscape of the chemical industry. The Company prioritises agility and proactive measures to stay ahead of the curve in this fiercely competitive landscape. It is quick to seize new opportunities and augment its portfolio with innovative products.



## Internal Financial Control

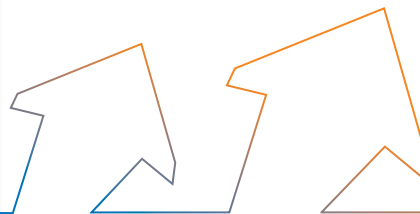
The internal financial control systems of Vishnu Chemicals are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance regarding several aspects. These include recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation, and ensuring compliance with corporate policies. The Company has a well-defined delegation of authority with specified limits for approval of expenditures, both capital and revenue. It uses an established ERP system to record day-to-day transactions for accounting and financial reporting. The Audit Committee had deliberations with the Management team to consider the internal financial control systems. Additionally, the Committee consulted with both the internal and statutory auditors and sought their views on the effectiveness of these systems. The objective was to ensure that the systems in place were operating optimally. The Audit Committee confirmed the sufficiency and efficiency of the internal financial control system as established and kept the Board of Directors informed about its findings. However, Vishnu Chemicals recognises that no matter how robust the internal control framework is, it has inherent limitations. Accordingly, the Company conducts periodical audits and reviews to ensure that such systems are updated at regular intervals.

## Human Resources

Vishnu Chemicals places high value on its human capital, which it regards as its most critical asset, and ensures that its employees are treated with respect and dignity at all times. The Company's has successfully ingrained a balance mix of experience and youth in its team, which allows a holistic approach to varied situations. Enriching employee knowledge is a fundamental value of the Company, and to fulfil the same, the Company has prioritised the training and development of its human capital. In addition, it organises team-building exercises through sports & recreation, while encouraging work-life balance, which leads to improved productivity and longevity. The enhancement of the Company's human resources' skill sets has led to better execution, communication, and best-in-class customer service for its global clientele.

## Outlook

The outlook of Vishnu Chemicals appears positive and is driven by a combination of micro and macro factors. The Company's market share is expanding due to its multi-site capabilities, manufacturing focus, procurement strategies and balanced approach to improve its profitability. The Company is setting the bar high with its remarkable achievement of crossing ₹ 100 Cr of PAT in 2022-23. In recognition of its outstanding performance, Vishnu Chemicals has been honoured with the esteemed 'Company of the Year' award at the Dare to Dream Awards, 2022. Vishnu Chemicals has experienced a tremendously successful year, marked by impressive output, sound financial health, and recognition, both at the national and global level, for its chemical expertise. With a strong market position, diverse product range, extensive end-user industries, and a dynamic distribution network with top-tier clients, Vishnu Chemicals is well positioned to deliver profitable growth in the future



## BOARD'S REPORT

### To the Members,

The Board of Directors are pleased to present the Company's Thirtieth Annual Report and the Company's Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2023.

### Financial Results

The Company's financial performance for the year ended March 31, 2023, is summarised below:

₹ in Lakhs

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	1,22,185.61	90,668.70	1,39,099.36	1,06,900.18
Other income	1,550.60	659.96	1,520.95	575.75
Total Revenue	1,23,736.21	91,328.66	1,40,620.31	1,07,475.93
Earnings before finance cost, depreciation & amortisation and taxes (EBITDA)*	22,343.82	13,284.36	24,528.26	16,141.30
Earnings before finance cost and taxes (EBIT)*	20,294.36	11,357.69	21,881.94	13,842.86
Finance Cost	2,775.83	2,452.00	3,337.06	2,609.52
Profit Before Taxation	17,518.53	8,905.69	18,544.88	11,233.34
Less: Tax Expense	4,584.06	2,381.79	4,888.50	3,094.07
Profit After Taxation	12,934.47	6,523.90	13,656.38	8,139.27
Other comprehensive income/ (expenses) (net of taxes)	20.69	(40.92)	56.08	(56.43)
Total comprehensive income for the year	12,955.16	6,482.98	13,712.46	8,082.84
EPS (of ₹ 2/- each)**				
Basic	21.65	10.92	22.86	13.63
Diluted	21.65	10.92	22.86	13.63

\*including other income

\*\* EPS is calculated on the new base post-split of shares

### Performance Review & Company's State of Affairs

On consolidated basis, total income for the financial year 2022-23 grew by 31 % to ₹ 1,40,620.31 Lakhs compared to ₹ 1,07,475.93 Lakhs in previous year. Also growth in EBITDA recorded 52% to ₹ 24,528.26 Lakhs as against ₹ 16,141.30 Lakhs for previous year. PAT is ₹ 13,656.38 Lakhs, higher by 68% over the previous year's PAT ₹ 8,139.27 Lakhs.

On standalone basis, total income for the financial year 2022-23 grew by 35% to ₹ 1,23,736.21 Lakhs compared to ₹ 91,328.66 Lakhs in previous year. Also growth in EBITDA recorded over 68% to ₹ 22,343.82 Lakhs as against ₹ 13,284.36 Lakhs for previous year. PAT is ₹ 12,934.47 Lakhs, higher by 98% over the previous year's PAT ₹ 6,523.90 Lakhs.

### Geography-wise performance

Particulars	Standalone				Consolidated			
	2022-23		2021-22		2022-23		2021-22	
Domestic	63,921.88	52.45%	47,194.47	52.18%	70,841.69	51.05%	52,084.01	48.86%
Overseas	57,955.79	47.55%	43,251.93	47.82%	67,923.89	48.95%	54,503.60	51.14%
	<b>1,21,877.67</b>	<b>100%</b>	<b>90,446.40</b>	<b>100%</b>	<b>1,38,765.58</b>	<b>100%</b>	<b>106587.61</b>	<b>100%</b>

The Company has achieved remarkable achievement of PAT crossing ₹ 100 Cr in financial year 2022-23 and highest ever PAT margin in a decade. The performance for 2022-23 was satisfactory with the growth in domestic as well as export sales by 36% and 26% respectively. Indeed, the demand environment was good throughout the year. During the year, apart from the growth in revenue the consolidated EBITDA margin stood at 18.1% as compared to 14.5% in 2021-22, and has expanded by over 500 basis points since 2020-21. On consolidated basis debt to equity

ratio was reported less than 1. Your Company was recognised as the "Company of the Year" in the Chemicals Sector at the prestigious Dare to Dream Awards 2022.

Further we are confident that robust demand environment continue to drive enquiries for Company's products as they are essential to extending the life, impart colors and improving the performance of many consumer and industrial components such as construction equipment, wind turbines, engine pistons etc.



## BOARD'S REPORT (CONTD.)

### Outlook

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

### Management Discussion and Analysis

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report. As required under the provisions of the Listing Regulations, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended March 31, 2023.

### Dividend

The Board at its meeting held on May 03, 2023 has recommended Dividend of ₹ 0.40 (i.e. 20%) per equity share of ₹ 2/- each for the financial year 2022-23 (previous year ₹ 2/- per equity share of ₹ 10/- each i.e. 20%) amounting to ₹ 238.92 Lakhs. The dividend pay-out is subject to the approval of the shareholders at ensuing Annual General Meeting. The dividend will be paid to the members whose names appear in register of members before the day of Closure of Register of Members and Share Transfer Books i.e. as on Friday, August 4, 2023.

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 to accept reduced rate of dividend i.e. 4.5% per annum instead of 7% per annum for the financial year 2022-23.

### Dividend Distribution Policy

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

### Transfer to reserves

The Board of Directors has decided to retain the entire amount of profits for 2022-23 in the Retained Earnings.

### 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, 2023:

S.No.	Promoters	Equity shares		Preference Share	
		No. of shares	Percentage	No. of shares	Percentage
1	Mr. Ch. Krishna Murthy	3,10,98,950	52.07	7,11,21,750	92.80
2	Mrs. Ch. Manjula	80,70,240	13.51	52,71,250	6.88
3	Mr. Ch. Siddhartha	56,28,340	9.42	2,44,500	0.32
<b>Total</b>		<b>4,47,97,530</b>	<b>75.00</b>	<b>7,66,37,500</b>	<b>100.00</b>

### Sub Division of Equity shares

During the 2022-23, the shareholders by means of Postal Ballot through electronic means, on December 14, 2022, approved sub-division of Company's one (1) equity share of face value of ₹ 10/- each into five (5) equity shares of face value of ₹ 2/- each and consequent amendment in the existing Capital Clause V of the Memorandum of Association (MOA) of the Company.

After the requisite approvals of the Stock Exchanges (i.e., BSE and NSE) and Depositories (i.e., NSDL and CDSL), new ISIN i.e., INE270I01022 has been allotted to the Company. The effect of the change in face value of the share was reflected on the share price at the Stock Exchanges where Company is listed (BSE and NSE) with effect from January 13, 2023 (i.e., Record Date).

### Share capital

Due to the sub-division of shares during the year under review, the Authorised share capital of the Company was altered and amended to ₹ 95,00,00,000/- divided into 7,50,00,000 Equity Shares of ₹ 2/- each and 8,00,00,000 Preference Shares of ₹ 10/- each; and the total paid-up share capital of the Company as on financial year ended March 31, 2023 was ₹ 88,58,35,200/- divided into 5,97,30,100 Equity Shares of ₹ 2/- each and 7,66,37,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each.

### Variation of terms of Cumulative Redeemable Preference Shares

During the year under review, the shareholders by means of Postal Ballot through electronic means, on March 22, 2023, have approved variation of terms of Cumulative Redeemable Preference Shares (CRPS) of the Company in relation to the redemption period of the CRPS, wherein such CRPS will be allowed for early redemption or early repayment by the Company to CRPS shareholders, on or any time before March 31, 2038.

### Fund Raising

The Company is under the process of raising funds by way Qualified Institutions Placement. During the year under review, the shareholders by means of Postal Ballot through electronic means, on March 22, 2023, approved the proposal for capital raising in one or more tranches by way of issuance of equity shares and/or equity linked securities by way of Qualified Institutions Placement ("QIP").

## BOARD'S REPORT (CONTD.)

### 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, 2023 to May 03, 2023.

### Deposits

The Company did not accept any deposits within the meaning of section 73 of the Companies Act, 2013 during the year. As such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

### Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited and National Stock Exchange of India Limited. The Annual Listing fee for the year 2022-23 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 01, 2019, as per the amended definition given under the 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 and no company has become subsidiary or ceased to be subsidiary of the Company during the year.

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

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

### Consolidated Financial Statements

During the year, the Board of Directors reviewed the affairs of the subsidiaries and prepared consolidated financial statements

(CFS) of the Company and its subsidiaries for the financial year 2022-23 in compliance with the provisions of Section 129(3) of the Companies Act, 2013 and as stipulated under Regulation 33 of the Listing Regulations as well as in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries as approved by the respective Board of Directors. The audited CFS together with the Auditor's Report thereon forms part of this Annual Report.

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

### Particulars of loans, guarantees or investments

Particulars of loans, guarantees, security and investments covered under section 186 of the Companies Act, 2013 forms part of the notes to the financial statements (please refer Note No 3, 4 & 7). During the financial year, the Company has not given any loans and advances to the firms/ Companies where directors of the Company are interested except to its subsidiaries.

### Directors and Key Managerial Personnel

#### Directors

The Board received a declaration from all the directors under section 164 and other applicable provisions, if any, of the Companies Act, 2013 that none of the directors of the Company is disqualified under the provisions of the Companies Act, 2013 ('Act') or under the Listing Regulations.

#### i. Appointment

During the year under review, based on the recommendations of Nomination and Remuneration Committee (NRC), Mrs. Sita Vanka (DIN:07016012) was appointed as Additional Director (for Independent Director category) of the Company by the Board at its meeting held on May 16, 2022, with immediate effect under the provisions of section 161 (1) and other applicable provisions, if any, of the Companies Act, 2013 and her appointment was approved by the shareholders of the Company by passing Special Resolution under Section 149 and all other applicable provisions of the Companies Act, 2013 read with Listing Regulations at the 29th Annual General Meeting of the Company held on July 15, 2022.

#### ii. Re-appointment

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Ch. Siddhartha, Joint Managing Director of the Company, retires



## BOARD'S REPORT (CONTD.)

by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

During the year under review, based on the recommendations of NRC, the Board at its meeting held on May 16, 2022 approved re-appointment of Mr. Tirthankar Mitra (DIN: 02675454) and Mr. Chetan Shah (DIN: 08038633) as Independent Directors of the Company for a second term of three (3) years i.e. from August 14, 2022 to August 13, 2025 and two (2) years i.e. February 12, 2023 to February 11, 2025 respectively, and the said re-appointment was approved by the shareholders of the Company by passing Special Resolution under section 149 and all other applicable provisions of the Companies Act, 2013 read with Listing Regulations at the 29th Annual General Meeting of the Company held on July 15, 2022.

Based on the recommendations of NRC, the Board at its meeting held on May 03, 2023 approved re-appointment of Mr. Veeramachaneni Vimalanand (DIN: 02693721) as Independent Director of the Company for a second term of two (2) years i.e. from December 31, 2023 to December 30, 2025, subject to approval of shareholders under section 149 and all other applicable provisions of the Companies Act, 2013 read with Listing Regulations at ensuing Annual General Meeting of the Company. Accordingly, resolution is being proposed in the notice of 30th AGM along with explanatory statement thereof, for approval of members of the Company by passing a special resolution.

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

The Board recommends the Ordinary Resolution set out at Item No. 3 and Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

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

During the year under review, as per approved terms and conditions of reappointment of Mr. Ch. Siddartha, Joint Managing Director and based on the recommendations of NRC, the Board at its meeting held on May 16, 2022 revised the terms & conditions of his re-appointment to increase remuneration from ₹ 48 Lakhs (Rupees Forty Eight Lakhs only) per annum to ₹ 72 Lakhs (Rupees Seventy Two Lakhs only) per annum w.e.f. June 01, 2022 which is within the limits as approved by the shareholders at their 28th AGM of the Company held on July 12, 2021 by way of special resolution.

Further, based on the recommendations of NRC, the Board at its meeting held on May 16, 2022 revised the terms of appointment of Mr. Ch. Krishna Murthy, Chairman

& Managing Director of the Company to increase the remuneration payable to him from ₹ 96 Lakhs (Rupees Ninety Six Lakhs only) per annum to ₹ 192 Lakhs (Rupees One Crore Ninety Two Lakhs only) per annum w.e.f. June 01, 2022 and the same was approved by the shareholders by passing Special Resolution in terms of the provisions of section 197 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and Regulation 17 and all other applicable provision, if any, of the Listing Regulations at the 29th Annual General Meeting of the Company held on July 15, 2022.

### Independent Directors

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

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

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

### Familiarisation Programme for Independent Directors

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

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

## BOARD'S REPORT (CONTD.)

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

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

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

### Key Managerial Personnel

Mr. Ch. Krishna Murthy, Chairman & Managing Director; Mr. Ch. Siddhartha, Joint Managing Director; Mr. Mahesh Bhatler, Chief Financial Officer and Ms. Vibha Shinde, Company Secretary & Compliance Officer, 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.

During the year under review, Mr. Kishore Kathri, Company Secretary & AGM-Legal has resigned from the Company w.e.f. June 15, 2022 and Ms. Vibha Shinde was appointed as Company Secretary & Compliance Officer w.e.f. August 06, 2022. Pursuant to demise of Mr. P. Anjaneyulu (former Chief Financial Officer of the Company) Mr. Mahesh Bhatler was appointed as Chief Financial Officer of the Company w.e.f. February 10, 2023.

### 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. Risk Management Committee
6. Finance Committee of Directors
7. Fund Raising Committee
8. Investment Committee

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

### Investment Committee

Mr. Ch. Krishna Murthy, Chairman & Managing Director, Mr. Ch. Siddhartha, Joint Managing Director and Mr. Chetan Shah, Independent Director are the members of the Committee. The Committee was constituted on May 03, 2023, inter alia, to exercise the powers specified in clauses (d) to (f) of sub-section (3) of section 179 of the Companies Act, 2013 w.r.t enter into transaction with the Company's related party including but not limited to its subsidiaries and associates entities, wherein, the Company may transfer its resources to such related party in permitted form and manner including (a) granting of loan, (b) giving guarantee, (c) subscribing to the share capital, convertible instrument and/or debt instrument of such related party as maybe deem fit in adherence to the provisions Section 186 and 188 of the Companies Act, 2013 and SEBI Listing Regulations. During the year, no meetings were held by the Committee.

### Board Meetings

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

### Procedure for Nomination & Appointment of Directors and Remuneration Policy

The Nomination and Remuneration Committee (NRC) is responsible to set the skills/ expertise/ competencies of the Board Members based on the industry and strategy of the Company and to formulate the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and the Listing Regulations. The Board has, on the recommendations of the Nomination & Remuneration Committee framed a policy for Remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company.

During 2022-23, 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 recognising the interests of Company's stakeholders.



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

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

### Mechanism for Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

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

In line with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 05, 2017, the Company has adopted the criteria recommended by the SEBI. The Directors were given Six Forms for evaluation of the following:

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

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

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

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

In a separate meeting held on May 03, 2023, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Director and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and

of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees were also discussed.

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

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

### Particulars of Employees and Remuneration

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are enclosed as '**Annexure C**' to this Report.

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

### Internal Financial Controls

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

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

### Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and

## BOARD'S REPORT (CONTD.)

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 2022-23.

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, 2023:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Auditors

#### i. Statutory Audit

M/s. Jampani & Associates, Chartered Accountants (FRN - 016581S), Hyderabad were re-appointed as statutory auditors of the Company for second term of five (5) years i.e. from the date of 28th Annual General Meeting till the conclusion of 33rd AGM to be held in year 2026, 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.

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 granting of interest free unsecured loans of ₹ 989 Lakhs (with a value at amortised cost of ₹ 670.18 Lakhs) in earlier years and granting of interest bearing loan of Rs. 1440 Lakhs during 2022-23 to wholly-owned subsidiary (WOS) i.e. Vishnu Barium Pvt Ltd (VBPL). Further, they also mentioned in their report at point no. (a) of (vii) of Annexure – 'B' that the company has generally been regular in depositing undisputed statutory dues except instances of payment of income tax and they also mentioned that there are no dues outstanding for a period of more than six months from the date they became payable as at March 31, 2023.

Management Replies:

The above said interest-free unsecured loan was infused by the Company in WOS Company i.e. VBPL, to comply with the conditions stipulated by the Banker for sanction of term loan and working capital facilities to VBPL and such infusion of unsecured loan is for the ultimate benefit of the Company. During the year further infusion of unsecured interest bearing Loan for Rs. 1440 Lakhs is for the long term benefit of the company. Also, during the year, the Company has paid all its statutory dues pertaining to the previous years and efforts are being made to comply with the provisions of advance tax during the financial year 2022-23.

#### ii. Cost Auditors

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

The Board on the recommendation of the Audit Committee has appointed M/s. Sagar & Associates, Cost Accountants (FRN: 000118) as the Cost Auditors of the Company under Section 148 and all other applicable provisions of the Act to conduct the audit of the cost records of the Company for the 2023-24.

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

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time), the remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution for seeking Members' ratification for the remuneration payable to M/s. Sagar &



## BOARD'S REPORT (CONTD.)

Associates, Cost Accountants (FRN: 000118) is included at Item No. 5 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 2022-23. The Secretarial Audit Report of 2022-23 is annexed herewith as **'Annexure D'**.

There has been no other qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report except the concern about delay in deposit of some of the tax dues. In this regard, the management explained that the Company has deposited all its pending taxes during the 2022-23 and has assured that the same will be given priority hereinafter.

### Secretarial Standards

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

### Energy conservation, technology absorption and foreign exchange earnings and outgo

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

### Particulars of Contracts or Arrangements with Related Parties

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

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

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended March 31, 2023 is annexed to this Board's Report in prescribed Form AOC-2 as **'Annexure F'**.

### Corporate Social Responsibility (CSR) initiatives

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

### Whistle Blower Policy/ Vigil Mechanism

In terms of the requirements of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has a vigil mechanism to deal with instances of fraud and mismanagement, if any, including reporting instances of leak of UPSI or suspected leak of UPSI by employees, anti-bribery & anti-corruption and taking appropriate actions on such reporting. The Audit Committee reviews the functioning of the vigil / whistle blower mechanism from time to time. There were no allegations / disclosures / concerns received during the year under review in terms of the vigil mechanism established by the Company. The details of the vigil mechanism are displayed on the website of the Company <https://www.vishnuchemicals.com/investors/#Policies>

### Prevention of Insider Trading

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

### Environment, Health and Safety

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

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

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

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

## BOARD'S REPORT (CONTD.)

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

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

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

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

### Prevention of Sexual Harassment ('POSH')

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees permanent, temporary or contractual are covered under the above policy. The said policy has been circulated to all employees by hosting on notice board and a copy of the same has been uploaded on the website of the Company. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. To build awareness in this area, the Company has been conducting awareness sessions during induction. During the year under review, no complaints pertaining to sexual harassment of women employees were reported.

### Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website on [https://vishnuchemicals.com/wp-content/uploads/2023/06/VCL\\_Form\\_MGT\\_7\\_dt31032023pdf.pdf](https://vishnuchemicals.com/wp-content/uploads/2023/06/VCL_Form_MGT_7_dt31032023pdf.pdf)

### Corporate Governance

A detailed report on Corporate Governance forms part of this Report as 'Annexure H'. The Secretarial Auditors of the Company have examined the Company's compliance and have certified the same as required under the Listing Regulations. A copy of the certificate on corporate governance is reproduced in this Annual Report.

### Business Responsibility and Sustainability Report

The 'Business Responsibility and Sustainability Report' (BRSR) of your Company for the year ended March 31, 2023 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as 'Annexure I'.

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

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

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

The procedure for claiming such unclaimed dividend/ shares from IEPF has been made available on website of the Company [https://vishnuchemicals.com/wp-content/uploads/2022/12/VCL\\_Procedure-for-claiming-shares-unclaimed-dividend.pdf](https://vishnuchemicals.com/wp-content/uploads/2022/12/VCL_Procedure-for-claiming-shares-unclaimed-dividend.pdf). Also, the List of shareholders whose shares have been transferred to IEPF is available on the website of the Company <https://vishnuchemicals.com/investors/#1571301753648-def2a8d8-e177>

### 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.

### Insolvency and Bankruptcy

The Company has neither made any applications nor there are any proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

### 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

Sd/-

**Ch. Krishna Murthy**

Chairman & Managing Director

DIN: 00030274

Sd/-

**Ch. Manjula**

Director

DIN: 01546339

Hyderabad  
May 03, 2023



## '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	
		March 31, 2023	March 31, 2023	March 31, 2023
	Reporting period	March 31, 2023		March 31, 2023
	Reporting currency and Exchange rate of subsidiaries	₹ in Lakhs	₹ in actuals	Rand in actuals/ Exchange Rate is ₹4.61
1	Share capital	8,727.50	20,57,880	4,51,000
2	Reserves & surplus	(768.70)	(2,17,117)	(52,437)
3	Total assets	25,524.45	18,45,382	3,99,563
4	Total Liabilities (Excl. share capital and R&S)	17,565.65	4,619	1,000
5	Investments	143.62	-	-
6	Turnover	18,858.96	-	-
7	Profit before taxation	1028.68	(2,34,174)	(50,437)
8	Provision for taxation	304.44	-	-
9	Profit after taxation	724.24	(2,34,174)	(50,437)
10	Total Comprehensive income	759.37	(2,07,357)	(50,437)
11	Proposed Dividend			
	- Equity	Nil	Nil	Nil
	- Preference	NA	NA	NA
12	% 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, 2023.

#### 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/-  
**Mahesh Bhatler**  
 Chief Financial Officer

Sd/-  
**Vibha Shinde**  
 Company Secretary & Compliance Officer  
 M. No: FCS8466

Hyderabad  
 May 03, 2023

## 'ANNEXURE B'

### FORM NO.MR-3

#### Secretarial Audit Report

For the Period from April 01, 2022 to March 31, 2023

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

To  
The Members  
M/s. Vishnu Barium Private Limited  
Plot No. C-23, Road No. 8, Film Nagar,  
Jubilee Hills, Hyderabad – 500033

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from April 01, 2022 to March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Vishnu Barium Private Limited ("The Company") for the Period from April 01, 2022 to March 31, 2023 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not Applicable to the Company during audit period)
  - iii. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder; (Not Applicable to the Company during audit period)
  - iv. Since the Company being unlisted material Subsidiary of the M/s. Vishnu Chemicals Limited (Listed Entity) the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during audit period)
    - b. SEBI (Prohibition of Insider Trading) Regulations, 2015. (Not Applicable to the Company during audit period)
    - 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 audit period)
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable to the Company during 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. (Not Applicable to the Company during audit period)
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not Applicable to the Company during audit period)
    - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not Applicable to the Company during 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



**'ANNEXURE B' (CONTD.)**

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

We have also examined compliance with the applicable clauses of

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

- Report of the Board of Directors;
  - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment;
3. We further report that there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, Depositories Act, and Rules, Regulations and Guidelines framed there under on the Company or on its Directors and Officers.
4. We Further Report That:
- The Company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
  - The Company has filed return as per the Factories Act, 1948.
  - The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948
5. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further Report that during the audit Period we notice that the Company has to comply with the below.
- *Some Statutory payment are paid with delay as per the provisions of the relevant Acts.*
7. We further Report that during the audit period the Company has:
- No Public /Right/Preferential Issue of Shares/ Debentures/Sweat Equity etc.,
  - No Redemption/Buy-back of Securities;
  - No Major decision taken by the members in pursuance of Section 180 of the companies Act, 2013 relating to business expansion.
  - No Merger/Amalgamation/Reconstruction, etc.,
  - No Foreign Technical Collaborations;

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

Sd/-  
**L. Dhanamjay Reddy**  
 (Proprietor)  
 M.No.13104; CP No.3752  
 UDIN: A013104E000240661  
 PR: 1262/2021

Date: May 02, 2023  
 Place: Hyderabad

## 'ANNEXURE'

To

The Members

**M/s. Vishnu Barium Private Limited**

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

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

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

Company Secretaries

Sd/-

**L. Dhanamjay Reddy**

(Proprietor)

M.No.13104; CP No.3752

UDIN: A013104E000240661

PR: 1262/2021

Date: May 02, 2023

Place: Hyderabad



## 'ANNEXURE C'

### Disclosure of Managerial Remuneration

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

S.No	Requirements	Disclosure	
		Name of the Director	Ratio (in x times)
1	The ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year.	Mr.Ch. Krishna Murthy	42 times
		Mr. Ch. Siddartha	16 times
		Mrs. Ch. Manjula*	-
		Mr. Tirthankar Mitra*	-
		Mr. Chetan Shah*	-
		Mr. V Vimalanand*	-
		Mrs. Sita Vanka*	-

\*Non-Executive Directors are not paid any remuneration or commission except sitting fee.

\*\*The median remuneration of all the employees of the Company was ₹ 4.20 Lakhs p.a.

S.No	Requirements	Disclosure	
		Name	% increase in Remuneration
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;	Mr.Ch. Krishna Murthy	100%
		Mr. Ch. Siddartha	50%
		Late Mr.P Anjaneyulu*	Nil
		Mr. Kishore Kathri**	Nil
		Mr. Mahesh Bhatte***	Nil
		Ms. Vibha Shinde****	Nil
		*Ceased as CFO w.e.f January 21, 2023	
** Ceased as CS w.e.f June 15, 2022			
***Appointed as CFO w.e.f. February 10, 2023			
****Appointed as CS w.e.f August 06, 2022			
3	The percentage increase in the median remuneration of employees in the financial year;	During 2022-23, the percentage increase in the median remuneration of employees is Nil	
4	The number of permanent employees on the rolls of company;	There were 422 employees as on March 31, 2023	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentile increase already made in the salaries of employees is Nil	

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 03, 2023

## 'ANNEXURE D'

### FORM NO.MR-3

#### Secretarial Audit Report

For the Period from April 01, 2022 to March 31, 2023

[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 500096

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from April 01, 2022 to March 31, 2023, 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 April 01, 2022 to March 31, 2023 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (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. Equal Remuneration Act 1976
  - xiv. The Payment of Bonus Act, 1965
  - xv. Maternity Benefit Act 1961



**'ANNEXURE D' (CONTD.)**

- xvi. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xvii. Telangana Shops And Establishments Act, 1988
- xviii. Income Tax Act, 1961
- xix. GST Acts and Rules made thereunder
- xx. The Insurance Act, 1938, as amended
- xxi. The Factories Act, 1948
- xxii. Water (Prevention & Control of Pollution) Act, 1974 and rules there under
- xxiii. Air (Prevention & Control of Pollution) Act, 1981 and rules there under
- xxiv. The Environment (Protection) Act, 1986
- xxv. Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016.
- xxvi. Customs Act, 1962
- xxvii. The Boilers Act, 1923 and Indian Boilers Regulations, 1950
- xxviii. The Petroleum Act, 1934 and Petroleum Rules, 2002
- xxix. The Sexual Harassment of Women at Workplace Act -2013

We have also examined compliance with the applicable clauses of

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

- Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditor.
- Borrowings and registration, modification and satisfaction of charges wherever applicable;
- Format of Balance Sheet and statement of profit and loss is as per Schedule III of the Companies Act, 2013
- Report of the Board of Directors;
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Senior Management;

We further report that there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed thereunder against the Company or its Directors and Officers.

3. We Further Report That:

- The Company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
- The Company has filed return as per the Factories Act, 1948.
- The Company is regular in publishing Audited and Unaudited Financial Results.
- The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948.
- The Company has filed return under Employment Exchange Act/Rules.
- The Company has renewed the Policy with LIC for Gratuity under Payment of Gratuity Act, 1972.

4. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**'ANNEXURE D' (CONTD.)**

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;
  - Ordinary Resolution passed by postal ballot for Sub-Division of 1 Equity Share of the face value of ₹ 10/- per share to 5 Equity shares of face value of ₹ 2/- per share
  - Special Resolution passed by postal ballot for the proposal for capital raising in one or more tranches by way of issuance of equity shares and/or equity linked securities by way of qualified institutions placement ("QIP")

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

Sd/-  
**L. Dhanamjay Reddy**  
(Proprietor)  
M.No.13104; CP No.3752  
UDIN: A013104E000240584  
PR: 1262/2021

Date: May 02, 2023  
Place: Hyderabad

**'ANNEXURE'**

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 500096 IN.

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

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

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

Sd/-  
**L. Dhanamjay Reddy**  
(Proprietor)  
M.No.13104; CP No.3752  
UDIN: A013104E000240584  
PR: 1262/2021

Date: May 02, 2023  
Place: Hyderabad



## 'ANNEXURE E'

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

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

#### A. Conservation of energy

**(i) Steps taken or impact on conservation of energy:**

- Concentrating on less sulphur containing fuels.
- Periodic maintenance as well as replacing higher capacity motors with suitable size motors for reducing power consumption.

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

The Company has completed installation of solar power plant.

**(iii) The capital investment on energy conservation equipments:**

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

#### B. Technology absorption

**(i) The efforts made towards technology absorption:**

Installation of preheaters and recuperators for heat recovery.

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

Result is improvement in the energy efficiency

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

- |  |   |   |
|--|---|---|
| <ol style="list-style-type: none"> <li>the details of technology imported;</li> <li>the year of import;</li> <li>whether the technology been fully absorbed;</li> <li>if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;</li> </ol> | } | 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)	
	2022-23	2021-22
Total Foreign Exchange used and earned in terms of actual inflows and actual outflow:		
Used / Outflow	16,634.19	18,063.10
Earned / Inflow	59,197.42	39,814.06

#### 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 03, 2023

## 'ANNEXURE F'

### FORM NO. AOC -2

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

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

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

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Vasanth Transport Corporation (VTC), Proprietary Concern, Where Mr. Ch. Krishna Murthy, Managing Director is Proprietor	Availing transport, hire services and CHA services	Five years i.e., from May 06, 2019 till March 31, 2024	The aggregate value of transaction during any financial year shall be less than 10% of the turnover of the Company, as per latest audited balance sheet or ₹ 5,000.00 Lakhs, whichever is less.  All the services rendered during the contract term shall be at prevailing market price.	May 06, 2019 & August 12, 2021	Nil
2	K.M.S. Infrastructure Private Limited (KMS), where Mr. Ch. Krishna Murthy, Managing Director and Mrs. Ch. Manjula, Director are Directors and members	Availing civil construction services	Duration is from September 30, 2019 till March 31, 2024	The aggregate value of transaction during any financial year shall not exceed ₹ 5,000.00 Lakhs.  All the services rendered during the contract term shall be at prevailing market price.	May 06, 2019	Nil
3	Mr. Ch. Krishna Murthy, Managing Director of the Company	The Company has taken building on lease.	Duration of the agreement is ten years i.e. from July 01, 2017 till June 30, 2027	Lease rent is ₹ 3.70 Lakhs per month, which is prevailing market rate and the same shall be enhanced by 15% once in every three years.	November 08, 2019	Nil
4	Mrs. Ch. Manjula, Director of the Company	The Company took land admeasuring Ac.3.00 cents on lease	Duration of the agreement is five years i.e. from September 24, 2020 till September 23, 2025	Lease rent is ₹ 0.60 Lakhs per annum, which is prevailing market rate and the same shall be enhanced by 10% once in every three years.	August 14, 2020	Nil
5	Mrs. Ch. Manjula, Director of the Company	The Company took land admeasuring Ac. 2.11 cents on lease for the purpose of preserving its raw material.	Duration of the lease is from June 01, 2021 till May 31, 2024	Lease rent is of ₹ 2.11 Lakhs per month (excluding all applicable taxes), which is prevailing market rate.	May 19, 2021	Nil

**'ANNEXURE F' (CONTD.)**

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
6	Vishnu Life Sciences Limited (VLS), Where Mr. Ch. Siddartha, Joint Managing Director is Director and holds more than 2%	Agreement entered on August 12, 2021 for procuring Metpen in required quantities from time to time	Duration of the agreement is from May 10, 2021 till May 09, 2024	The said procurement of product shall be at prevailing market price and the aggregate value of the transactions shall not exceed ₹ 1000.00 Lakhs during any financial year	August 12, 2021	Nil
7	Vishnu Life Sciences Limited (VLS), Where Mr. Ch. Siddartha, Joint Managing Director is Director and holds more than 2%	Availing of R&D services for development of chemical products	Ongoing	The said procurement is availed at consideration of ₹ 5.00 Lakhs per product and it shall be at prevailing market price and the aggregate value of the transactions shall not exceed ₹ 1000.00 Lakhs during any financial year.	August 06, 2022	Nil
8	Vishnu Life Sciences Limited (VLS), Where Mr. Ch. Siddartha, Joint Managing Director is Director and holds more than 2%	Availing of R&D services for development of chemical products	Ongoing	The said procurement of product shall be at prevailing market price	February 10, 2023	Nil

Note:

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

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

Hyderabad  
May 03, 2023

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

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



## 'ANNEXURE G'

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

#### 1. Brief outline on CSR Policy of the Company:

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

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

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

#### 2. The Composition of CSR Committee:

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

S. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Chetan Shah	Chairman, Independent Director	2	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:

CSR Policy: <https://www.vishnuchemicals.com/investors/#Policies>

Composition of the Committee: [https://vishnuchemicals.com/wp-content/uploads/2023/05/Board\\_Composition-as-on-03052023.pdf](https://vishnuchemicals.com/wp-content/uploads/2023/05/Board_Composition-as-on-03052023.pdf)

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

#### 4. Executive summary along with web links(s) of Impact assessment of CSR Projects carried out in pursuance of sub-rule(3) of rule 8, if applicable.

Not Applicable.

#### 5. (a) Average net profit of the Company as per section 135(5): ₹ 4,390.82 Lakhs

(b) Two percent of average net profit of the Company as per section 135(5): ₹ 87.81 Lakhs

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

(d) Amount required to be set off for the financial year, if any: ₹ 87.81 Lakhs

(e) Total CSR obligation for the financial year (5b+5c-5d): Nil

#### 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 219.70 Lakhs

(b) Amount spent in Administrative overheads : Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

**'ANNEXURE G' (CONTD.)**

(d) **Total amount spent for the Financial Year [6a+6b+6c]:** ₹ 219.70 Lakhs

(e) **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
219.70	Nil	-	-	Nil	-

(f) **Excess amount for set off, if any**

S. No.	Particulars	₹ in Lakhs
(i)	Two percent of average net profit of the Company as per section 135(5)	87.81
(ii)	Total amount spent for the Financial Year	219.70
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	219.70
(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)]*	219.70

\*CSR obligation of ₹ 87.81 Lakhs for the 2022-23 has been adjusted against the excess CSR spent during the previous financial years i.e. ₹ 35.08 Lakhs for 2020-21 & ₹ 323.50 Lakhs for 2021-22. Hence, the total amount of ₹ 219.70 Lakhs spent during the financial year 2022-23 will be carried forward along with ₹ 270.77 Lakhs (pertaining to previous financial year 2021-22) for set off in succeeding financial years thereby the overall cumulative excess CSR available for set-off as on March 31, 2023 is ₹ 490.47 Lakhs.

7. **Details of Unspent CSR amount for the preceding three financial years:** Nil

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):**  
Not Applicable

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

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

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

Hyderabad  
 May 03, 2023



## 'ANNEXURE H'

### REPORT ON CORPORATE GOVERNANCE

#### Company's philosophy on corporate governance

The Corporate Governance framework of the Company is based on an effective Independent Board of Directors and management team. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all the stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The above philosophy of corporate governance entails that our governance process is devised in such a manner as to meet aspirations of our stakeholders and expectations of the society.

We are constantly striving to adopt emerging best practices in corporate governance. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

#### Board and its Composition:

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

S. No.	Name of the Director & DIN	Category of Directorship	Attendance at Board Meeting		No. of Directorship including this listed entity (Refer Regulation 26(1) of Listing Regulations)	Number of memberships/ chairpersonship in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)		Whether present at the previous AGM
			Held	Attended		Chairperson	Member	
1	Mr. Ch. Krishna Murthy DIN: 00030274	Promoter and CMD	5	5	1	0	1	Yes
2	Mrs. Ch. Manjula DIN: 01546339	Promoter and NED	5	5	3	1	1	Yes
3	Mr. Ch. Siddhartha DIN: 01250728	Promoter and JMD	5	5	3	0	2	Yes
4	Mr. Tirthankar Mitra DIN: 02675454	NED & ID	5	5	2	0	2	Yes
5	Mr. Chetan Navinchandra Shah DIN: 08038633	NED & ID	5	4	2	1	3	Yes
6	Mr. V. Vimalanand DIN: 02693721	NED & ID	5	5	1	0	1	Yes
7	Mrs. Sita Vanka DIN: 07016012	NED & ID	5	3	1	0	0	Yes

Notes:

a. Chairman & Managing Director (CMD), Joint Managing Director (JMD), Non-Executive Director (NED) and Independent Director (ID)

@ During 2022-23, Mr. Chetan Shah was an Independent Director of a listed company Focus Lighting and Fixtures Limited and none of the other Directors were Directors of other listed companies.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### Board Procedure

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

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

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

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

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

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, which is required to be placed before the Board, the Board is also apprised of major events and approvals obtained from time to time, if necessary.

### Board Meetings

The Board met five (5) times during 2022-23 as detailed hereunder. The gap between two meetings did not exceed one hundred and twenty days and the meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings. During the financial year, the facility of Video

Conference (VC) was enabled for all the Board meetings except meeting held on October 31, 2022.

Date of the Meeting	Board Strength	No. of Directors Present
May 16, 2022	7	7
August 06, 2022	7	6
October 31, 2022	7	7
February 10, 2023	7	6
February 27, 2023	7	6

During 2022-23, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

### Disclosure of relationship between directors inter-se

Mr. Ch. Krishna Murthy, Mrs. Ch. Manjula and Mr. Ch. Siddartha are relatives of each other in terms of Section 2(77) of the Companies Act, 2013 and none of the other Directors has any relationship with each other.

### Shares held by Non-Executive Directors

Mrs. Ch. Manjula, Promoter and Non-Executive Director, holds 80,70,240 equity shares of ₹ 2/- 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, 2023; Mr. Chetan Shah, Independent Director, holds 22,000 (0.03%) through his spouse and none of the other non-executive directors hold any shares in the Company.

### Appointment/Re-appointment of Directors

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

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

<https://vishnuchemicals.com/wp-content/uploads/2023/02/Familiarization-Program-for-IDs-dt-31032023.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:

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

### 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://vishnuchemicals.com/wp-content/uploads/2022/12/Terms-and-conditions-of-appointment-of-independent-directors\\_with-annexures.pdf](https://vishnuchemicals.com/wp-content/uploads/2022/12/Terms-and-conditions-of-appointment-of-independent-directors_with-annexures.pdf)

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

During the year 2022-23, one meeting of the Independent Directors was held on May 16, 2022. 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://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, 2023. 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 seven Board Level Committees:

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

### 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.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

### Terms of Reference

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

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

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

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

During the financial year under review, Audit Committee met four (4) times i.e. on May 16, 2022, August 06, 2022, October 31, 2022 and February 10, 2023. Composition and attendance of directors is as under:

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

Note:

C - Chairperson, ID - Independent Director, JMD - Joint Managing Director

Throughout the year the composition of the Committee is in conformity with Section 177 of the Act read with rules made thereunder and Regulation 18(1) of the Listing Regulations. The Audit Committee consists of Independent Directors and Joint Managing Director as members and all the members of the Committee are financially literate and Mr. Chetan Shah, Chairman



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

of the Committee, being a graduate in Commerce & Economics and an experience of over three decades in Finance has expertise in accounting and financial management. The Company Secretary of the Company is secretary to the Committee. Internal Auditors, Statutory Auditors, Secretarial Auditors and Cost Auditors are invited for Audit Committee meetings on need basis.

### Nomination and Remuneration Committee

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

During the financial year under review, Nomination and Remuneration Committee met three times (3) times i.e. on May 16, 2022, August 06, 2022 and February 10, 2023. Composition and attendance of directors is as under:

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

Note:

C – Chairperson, ID - Independent Director, NED – Non-Executive Director

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

The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Committee. As per section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairperson of the Committee, Mr. Tirthankar Mitra was present at the 29th Annual

General Meeting of the Company held on July 15, 2022.

### 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:

- a. Qualifications: Professional qualifications;
- b. Experience: Experience relevant to the entity;
- c. Knowledge and Competency:
  - i. How the person fares for effective functioning of the entity and the Board; and
  - ii. Whether the person has sufficient understanding and knowledge of the entity and fulfilment of the independence criteria as specified in these regulations and their independence from the management;
- d. Fulfilment of functions: Whether the person understands and fulfils the functions assigned to him/her as by the Board and the law;
- e. Ability to function as a team: Whether the person is able to function as an effective team- member;
- f. Initiative: Whether the person actively takes initiative with respect to various areas;
- g. Availability and attendance: Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay;
- h. Commitment: Whether the person is adequately committed to the Board and the entity;
- i. Contribution: Whether the person contributed effectively to the entity and in the Board meetings;
- j. Integrity: Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.);
- k. Independence: Whether person is independent from the entity and the Management and there is no conflict of interest; and
- l. Independent views and judgment: Whether the person exercises his/ her own judgment and voices opinion freely.

### Remuneration Policy

The Nomination and Remuneration policy of your Company is a comprehensive policy which is competitive, in line with the industry practices and rewards good performance of the employees of the Company. The objective of the Company's remuneration policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognising the interests of Company's stakeholders.

The Non-Executive Directors (NED) are remunerated by way of

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

sitting fee for each meeting attended and are also reimbursed out of pocket expenses incurred by them in connection with the attendance of the Company's Meetings. A copy of the Nomination & Remuneration Policy is available on the website of the Company <https://vishnuchemicals.com/wp-content/uploads/2023/02/NRC-Policy-dt-09022018-updated-on-10022023.pdf>

### Directors' Remuneration

The details of remuneration to the Directors for the financial year ended March 31, 2023

#### i) For Executive Directors:

The elements of remuneration package of Managing Directors are as under:

Particulars	₹ in Lakhs	
	Mr. Ch. Krishna Murthy Managing Director	Mr. Ch. Siddartha Joint Managing Director
Salary (Including perquisites)	176.00	63.92
Commission	0	0
Contribution to Provident Fund and Superannuation Fund	0	4.08
Other Benefits	0	0
<b>Total</b>	<b>176.00</b>	<b>68.00</b>

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 ₹40,000/-; ₹40,000/- 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 2022-23 and the Company does not have any stock option scheme.

₹ in Lakhs

Non-Executive Directors	Sitting Fees
Mrs. Ch. Manjula	2.00
Mr. Tirthankar Mitra	3.60
Mr. Chetan Shah	3.20
Mr. V. Vimalanand	3.60
Mrs. Sita Vanka	1.20
<b>Total</b>	<b>13.60</b>

### Stakeholders' Relationship Committee

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

The terms of reference of the SRC are as under:

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

During the financial year under review, SRC met eight (8) times i.e. on May 16, 2022, June 09, 2022, June 20, 2022, August 06, 2022, October 31, 2022, January 04, 2023, January 30, 2023 and February 27, 2023. 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	8	8
2	Mr. Ch. Krishna Murthy, CMD	8	8
3	Mr. Ch. Siddartha, JMD	8	8
4	Mr. Tirthankar Mitra, NED&ID	8	4

Note:

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

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### Status of Investor Complaints

The status of Investor Complaints as on March 31, 2023 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	1
Number of complaints solved to the satisfaction of the shareholders	1
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 May 16, 2022 and February 10, 2023. Composition of CSR Committee and attendance thereof is as under:

S. No.	Name of CSR Member	No. of meetings held	No. of meetings attended
1	Mr. Chetan Shah, C&ID	2	2
2	Mr. Ch. Krishna Murthy, CMD	2	2
3	Mrs. Ch. Manjula, NED	2	2

Note:

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

### Risk Management Committee

The Risk Management Committee ('RMC') is constituted and functions as per Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations to frame, implement and monitor the risk management plan for the Company. The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat risks. The Risk management procedures are reviewed by the Audit Committee and the Board of Directors on a quarterly basis at the time of review of the Quarterly Financial Results of the Company.

The terms of reference of RMC are as under:

1. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability

(particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
  3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
  4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
  5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
  6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
  7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

During the financial year under review, Risk Management Committee met two (2) times i.e., on August 06, 2022 and January 30, 2023. Composition and attendance of the members of RMC is as under:

S. No.	Name of the RMC Member	No. of meetings held	No. of meetings attended
1	Mr. Ch. Krishna Murthy, C & CMD	2	2
2	Mr. Ch. Siddartha, JMD	2	2
3	Mr. Tirthankar Mitra, NED&ID	2	2
4	Mrs. Ch. Manjula, NED	2	2
5	Mr. CPC Kamalakara Rao, D(O)	2	0
6	Mr. T. Ramakrishna, D(C& C)	2	2
7	Mr. Mahesh Bhatler, CFO	2	0
8	Late Mr. P. Anjaneyulu, CFO	2	1

Notes:

- a. C – Chairperson, ID - Independent Director, NED – Non-Executive Director, CMD – Chairman and Managing Director, JMD – Joint Managing Director, D(O)- Director(Operations), D(C&C)- Director(Commercial & Corporate Affairs), CFO- Chief Financial Officer.
- b. Mr. P. Anjaneyulu, on his demise ceased to be the member of Risk Management Committee on January 21, 2023.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

- c. Mr. Mahesh Bhattar has been appointed as member of Risk Management Committee w.e.f January 30, 2023.

Throughout the year the composition of the Committee is in conformity with SEBI LODR Regulations, 2015. The RMC consists of Directors and Senior Management of the Company as members. Mr. Ch. Krishna Murthy, Managing Director is the Chairman of the Committee; Mr. T. Ramakrishna, Director (Commercial & Corporate Affairs) of the Company is designated as Chief Risk Officer and the Company Secretary of the Company is the Secretary to the Committee.

### Finance Committee

Mr. Ch. Krishna Murthy, Chairman & Managing Director, Mrs. Ch. Manjula, Non-Executive Director and Mr. Ch. Siddartha, Joint Managing Director are the members of the Committee. During the year under review, the Committee met one (1) time i.e. on February 10, 2023. 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.

### Fund Raising Committee

Mr. Ch. Krishna Murthy, Chairman & Managing Director, Mr. Ch. Siddartha, Joint Managing Director and Mr. Chetan Shah, Independent Director are the members of the Committee. The Committee was constituted on February 10, 2023, inter alia, to undertake the acts in connection with the proposed capital raising by way of issuance of Securities by way of Qualified Institutions Placement. During the year under review, the Committee met one (1) time i.e. on February 10, 2023.

### Compliance Officer

Mr. Kishore Kathri resigned as Company Secretary & Compliance Officer w.e.f June 15, 2022 and Ms. Vibha Shinde was appointed as Company Secretary & Compliance Officer w.e.f August 6, 2022. She acts as the Secretary to all the mandatory sub-committees of the Board.

### General Body Meetings

- (a) Location, time and venue where last three Annual General Meetings held:

Financial Year	Date & Time of AGM	Venue of AGM
2021-22	Friday, July 15, 2022 at 2.30 P.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 – 500 096
2020-21	Monday, July 12, 2021 at 11.00 A.M (IST)	Held via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') deemed venue is the registered office situated at Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 033

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

- (b) The details of Special Resolution(s) passed at the last three Annual General Meetings are as follows:

In 29th AGM held on July 15, 2022	<ul style="list-style-type: none"> <li>To appoint Mr. Veeramachaneni Vimalanand (DIN:02683721) as an Independent Director of the Company.</li> <li>To appoint Mrs. Sita Vanka (DIN:07016012) as an Independent Director of the Company.</li> <li>To approve re-appointment of Mr. Tirthankar Mitra (DIN: 02675454) as an Independent Director of the Company.</li> <li>To approve re-appointment of Mr. Chetan Navinchandra Shah (DIN:08038633) as an Independent Director of the Company.</li> <li>To approve increase in remuneration of Mr. Ch. Krishna Murthy (DIN:00030274), Managing Director of the Company.</li> <li>To approve variation of terms of 7,66,37,500 7% Cumulative Redeemable Preference Shares of the Company</li> </ul>
In 28th AGM held on July 12, 2021	<ul style="list-style-type: none"> <li>To re-appoint Mr. Siddartha Cherukuri (DIN: 01250728) as a Joint Managing Director of the Company for a further term of five years.</li> </ul>
In 27th AGM held on August 14, 2020	<ul style="list-style-type: none"> <li>To re-appoint Mr. Ch. Krishna Murthy (DIN: 00030274) as a Managing Director of the Company for a further term of five years.</li> </ul>



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### (c) Resolution(s) passed through Postal Ballot

During the year, the Company had conducted 2 (two) Postal Ballots and the details of postal ballots are as follows:

Date of Postal Ballot notice	: October 31, 2022
Voting period	: November 15, 2022 to December 14, 2022
Date of declaration of result	: December 15, 2022
Date of approval	: December 14, 2022

Resolutions	Total no. of votes cast	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
Sub-division of 1 equity share of the face value of ₹ 10/- per share to 5 equity shares of face value of ₹ 2/- per share	90,84,459	90,84,444	99.9998%	15	0.0002%
Amendment of the Memorandum of Association of the Company	90,84,457	90,84,432	99.9997%	25	0.0003%

Ms. Bhavani Chandolu, Partner, R & A Associates, Practicing Company Secretaries was appointed as Scrutiniser for conducting the postal ballot/e-Voting process in a fair and transparent manner.

Date of Postal Ballot notice	: February 10, 2023
Voting period	: February 21, 2023 to March 22, 2023
Date of declaration of result	: March 24, 2023
Date of approval	: March 22, 2023

Resolutions	Total no. of votes cast	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
To consider and approve the proposal for capital raising in one or more tranches by way of issuance of equity shares and/or equity linked securities by way of Qualified Institutions Placement ("QIP")	4,74,26,312	4,73,45,869	93.8304%	80,443	0.1636%
To approve variation of terms of Cumulative Redeemable Preference Shares of the Company	26,28,632	26,17,781	99.5872%	10,851	0.4128%

Mr. L Dhanamjay Reddy, Proprietor, M/s. L.D.Reddy & Co., Company Secretaries, was appointed as Scrutiniser for conducting the postal ballot/e-Voting process in a fair and transparent manner.

#### Procedure for Postal Ballot:

In compliance with Section 108, 110 and other applicable provisions the Act, as amended, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Secretarial Standards- 2 on General Meetings issued by the Institute of Company Secretaries of India on General Meeting, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations") read with General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 read

with other relevant circulars, including General Circular No. 03/2022 dated May 05, 2022 and General Circular No 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs, Government of India (hereinafter collectively referred to as "MCA Circulars") and other applicable laws, rules, circulars, regulations and notifications issued thereunder (including any statutory modification or re-enactment thereof, for the time being in force), the resolutions as set out in the Notice are proposed for consideration by the Members for passing by means of Postal Ballot by way of voting through electronic means.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

The Postal Ballot Notice was sent only by email to those members who had registered their email address with their Depository Participant(s) ('DP') or with M/s. Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company as on cut-off date. Voting Rights were in proportion to the shares held by members whose names appeared in the Register of Members/ List of Beneficial Owners in the total paid-up equity share capital of Company as on the cut-off date. Members were requested to vote through remote e-voting only on or before the close of voting period.

The Company had appointed CDSL for providing the e-voting facility to all its members. The Company also published a notice in the newspapers declaring the details and requirements as mandated by the Act and applicable rules.

The Scrutiniser completed the scrutiny and submitted the report to the Chairman, and consolidated results of the voting were announced and communicated to the Stock Exchanges and were also displayed on the Company's website www.vishnuchemicals.com.

The Resolutions, as set out in the Postal Ballot Notice dated October 31, 2022 and February 10, 2023 were passed with requisite majority.

There is no immediate proposal for passing any resolution through postal ballot

- (d) During the financial year there were no Extraordinary General Meetings held.

### Means of communication

#### Financials Calendar (Tentative):

- Unaudited results for 1st quarter of next Financial Year – by August 14, 2023
- Unaudited results for 2nd quarter of next Financial Year – by November 14, 2023
- Unaudited results for 3rd quarter of next Financial Year – by February 14, 2024
- Audited results for next Financial Year – by May 29, 2024

The quarterly unaudited results and annual audited results are published in Financial Express/ Business Standard/ Business Line 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 shareholder information

#### Annual General Meeting:

Day & Date	- Friday, August 11, 2023 at 11 AM (IST)
Venue	- In accordance with the General Circular No. 14, 17 & 20 dated April 08, 2020, April 13, 2020 & May 05, 2020 respectively, issued by the MCA read with circular no. 10/2022 dated December 28, 2022, amendments thereof, the AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
Financial Year	- 2022-23 (April 01, 2022 to March 31, 2023)
Record Date	- Not applicable
Date of Book Closure	- August 5, 2023 to August 11, 2023 (both days inclusive)
Date of Dividend Payment	- On or before September 9, 2023
Dividend for the last three years	- 2021-22 : 20% 2020-21 : 10% 2019-20 : 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** - INE270I01022

The Company has paid listing fee to both Stock Exchanges for the financial year 2022-23.

#### Monthly high and low of Company's shares on BSE Limited & National Stock Exchange of India Limited during the financial year 2022-23

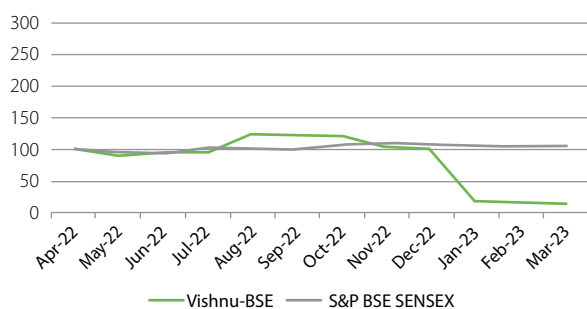
Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-22	1,696.95	1,470.05	1,684.50	1,465.15
May-22	1,656.00	1,269.30	1,660.00	1,272.50
Jun-22	1,564.00	1,335.00	1,552.45	1,331.50
Jul-22	1,598.60	1,420.85	1,587.95	1,420.00



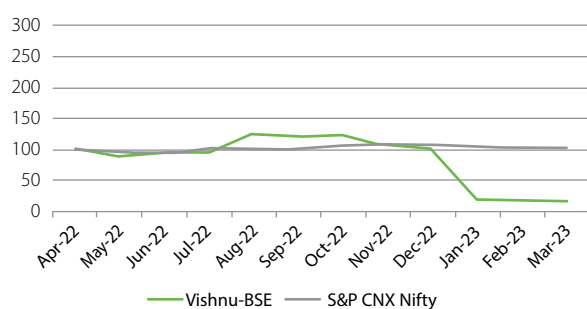
**REPORT ON CORPORATE GOVERNANCE (CONTD.)**

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Aug-22	2,069.00	1,480.00	2,048.80	1,502.00
Sep-22	2,147.00	1,719.90	2,170.00	1,701.15
Oct-22	2,086.75	1,820.00	2,087.00	1,821.55
Nov-22	1,850.00	1,407.00	1,850.00	1,406.00
Dec-22	1,644.25	1,404.15	1,657.00	1,415.00
Jan-23	1,561.30	259.20	1,572.00	260.00
Feb-23	298.95	257.10	300.00	256.80
Mar-23	278.35	245.05	279.95	244.85

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



**Stock Performance vis-a-vis CNX NIFTY**



**Share Transfer System**

The requests received for deletion of name, transmission of shares, split and issue of duplicate share certificates are processed and dispatched to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid deletion of name, transmission of shares, split and issue of duplicate share certificates are approved by Stakeholders Relationship Committee.

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

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

**Dematerialisation of shares and liquidity**

5,94,02,550 (NSDL: 3,78,65,143; CDSL: 2,15,37,407) equity shares are in demat form i.e. 99.45% of the total paid-up capital of the Company and the shares of the Company are traded on BSE and NSE. The Company had entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders can dematerialise their shares with either of the Depositories. Shareholders who continue to hold shares in physical form are requested to dematerialise their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialised is uploaded on website of the Company [www.vishnuchemicals.com](http://www.vishnuchemicals.com).

**Nomination**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). 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://vishnuchemicals.com/investors/#1571313077497-a1a918a7-6e88> or <https://www.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](mailto:bsshyd1@bigshareonline.com) in case the shares are held in physical form, quoting your folio no.

**REPORT ON CORPORATE GOVERNANCE (CONTD.)**
**Distribution of Shareholding (in ₹) as on March 31, 2023:**

Shareholding of Nominal in ₹	Number of Shareholders	Percentage of total shareholders	Share Amount in ₹	Percentage of total share capital
Upto 5000	22,620	97.09	84,72,458	7.09
5001-10000	315	1.35	23,35,706	1.96
10000-20000	174	0.75	26,03,722	2.18
20001-30000	54	0.23	13,76,620	1.15
30001-40000	21	0.09	7,62,706	0.64
40001-50000	29	0.12	13,30,030	1.11
50001-100000	38	0.16	28,03,936	2.35
100001-119460200	48	0.21	9,97,75,022	83.52
<b>TOTAL</b>	<b>23299</b>	<b>100.00</b>	<b>11,94,60,200</b>	<b>100</b>

**Pattern of Shareholding as on March 31, 2023:**

Category	No. of Shares	% of shareholding
Promoters	4,47,97,530	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	4,78,417	0.80
NRI's / OCB's / Foreign Nationals	5,91,471	0.99
Corporate Bodies / Trust	16,62,490	2.78
Indian Public and Others	1,15,76,245	19.38
Alternate Investment Fund	-	-
IEPF account	5,64,275	0.94
Clearing Members	59,672	0.10
<b>GRAND TOTAL</b>	<b>5,97,30,100</b>	<b>100</b>

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

**Registrar and Share Transfer Agents:**

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

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

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

**Vizag Plant:**

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

**Bhilai Plant:**

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

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### Other disclosures

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

b. Disclosure on materially significant related party transactions:

There were no materially significant related party transactions which may have potential conflict with the interests of the Company. The Company maintains a Register of Contracts containing the transactions, if any in which the directors are interested and same is placed before the Board. The transactions with related parties as covered under Indian Accounting Standard are disclosed in Note 42 forming part of the financial statements. Web-link for the Policy on dealing with related party transactions is <https://www.vishnuchemicals.com/investors/#Policies>

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

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

d. Disclosure of non-compliance by 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. Details of material subsidiary:

The Company has one material unlisted Indian Subsidiary i.e. Vishnu Barium Private Limited (VBPL) w.e.f. April 01, 2019 which was incorporated on May 29, 2001 at Andhra Pradesh. 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. M/s. Jampani & Associates, Chartered Accountants (FRN-

0165815) were appointed as the Statutory Auditors of VBPL at its 20th Annual General Meeting held on July 12, 2021.

Web-link for the policy for determining 'material' subsidiaries is <https://www.vishnuchemicals.com/investors/#Policies>

g. Loans and advances in the nature of loans to firms/companies in which directors are interested:

The details w.r.t loans and advances in the nature of loans to firms/companies in which directors are interested are disclosed in Note 42 forming part of the financial statements.

h. 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.

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

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

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

During 2022-23, a total fee of ₹ 30.16 Lakhs was paid by the Company and its subsidiaries, on a consolidated basis, for all services to M/s. Jampani & Associates, Statutory Auditors and all entities in the network firm/network entity of which they are part.

(₹ in Lakhs)

Services	VCL	VBPL	Total
Statutory Audit Fee	15.00	4.00	19.00
For taxation matters & Tax Audit fee	4.15	1.00	5.15
Quarterly review	1.20	0.60	1.80
Other services	3.73	0.48	4.21
<b>Total</b>	<b>24.08</b>	<b>6.08</b>	<b>30.16</b>

l. Risk Management:

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



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

- m. 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.
- n. 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.
- o. PCS Certificate  
 Mr. L. Dhananjaya 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.
- p. 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.
- q. 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.
- r. The Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations.
- s. Disclosure with respect to demat suspense account/unclaimed suspense account:
- Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year - Nil.
  - Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - Nil
  - Number of shareholders to whom shares were transferred from suspense account during the year - Nil
  - Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year - Nil
  - That the voting rights on these shares, if any shall remain frozen till the rightful owner of such shares claims the shares.

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

Hyderabad  
 May 03, 2023

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, 2023 as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Hyderabad  
 May 03, 2023

### For Vishnu Chemicals Limited

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

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
Vishnu Chemicals Limited  
H.No. 8-2-293/82/F/23-C, Plot No. 23,  
Road No. 8, Film Nagar,  
Jubilee Hills, Hyderabad TG 500033 IN

We have examined the compliance of the conditions of Corporate Governance by Vishnu Chemicals Limited for the year ended on March 31, 2023 as stipulated under Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations, made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid -19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

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

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

Sd/-

**L. Dhanamjaya Reddy**

(Proprietor)

M. No. 13104; CP No.3752

PR: 1262/2021

UDIN No: A013104E000247681

Date: May 03, 2023  
Place: Hyderabad

## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

To  
 The Members,  
 Vishnu Chemicals Limited  
 Hyderabad.

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

I, L. Dhanamjay Reddy, Practicing Company Secretary, proprietor of L.D.Reddy & Co., Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Vishnu Chemicals Limited (CIN: L85200TG1993PLC046359) having its Registered office at H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad - 500033, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the financial year ended on March 31, 2023.

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, 2023:

List of Director of the Company as on March 31, 2023:

S.No.	DIN	Full Name	Designation
1	00030274	Mr. Cherukuri Krishna Murthy	Managing Director
2	01250728	Mr. Cherukuri Siddartha	Joint Managing Director
3	01546339	Mrs. Cherukuri Manjula	Director
4	02675454	Mr. Tirthankar Mitra	Independent Director
5	08038633	Mr. Chetan Navinchandra Shah	Independent Director
6	02693721	Mr. Veeramachaneni Vimalanand	Independent Director
7	07016012	Mrs. Sita Vanka	Independent Director

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

Sd/-  
**L. Dhanamjaya Reddy**  
 (Proprietor)  
 M. No. 13104; CP No.3752  
 PR: 1262/2021  
 UDIN: A013104E000247679

Date: May 03, 2023  
 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, 2023 and that to the best of our knowledge and belief:
- (1) the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) the statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- (1) There were no significant changes in internal control over financial reporting during the year;
  - (2) There were no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad  
Date: May 03, 2023

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

Sd/-  
**Mahesh Bhatler**  
Chief Financial Officer

# 'ANNEXURE I'

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the Listed Entity

1. Corporate Identity Number (CIN) of the Listed Entity : L85200TG1993PLC046359
2. Name of the Listed Entity : Vishnu Chemicals Limited
3. Year of Incorporation : 1993
4. Registered Office Address: H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad Telangana-500096
5. Corporate Address: H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad, Telangana -500096
6. E-mail : investors@vishnuchemicals.com
7. Telephone : 040-23396817/23327723/29
8. Website : <https://vishnuchemicals.com/>
9. Financial year for which reporting is being done : April 01, 2022 to March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed : Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11. Paid-Up Capital : ₹ 88,58,35,200/-
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

S No.	Particulars	Details
1	Name	Mr. Ch. Krishna Murthy
2	Designation	Chairman & Managing Director
3	Telephone No	+91-40-23396817
4	Email id	investors@vishnuchemicals.com

13. Reporting boundary – Standalone.

#### II. Products/Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Specialty Chemicals	Specialty Chemicals	99

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Chromium Chemicals	20119	99

#### III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	1	4
International	0	0	0

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

## 17. Markets served by the entity:

## a. Number of locations

Locations	Number
National (No. of States)	15
International (No. of Countries)	50+ countries

## b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports Turnover is 47.33%

## c. A brief on types of customers

Vishnu Chemicals Limited has a diversified customer base and our customers are our pillars of strength who continue to contribute in our growth and success. As a pure play chemical manufacturer, we have today consolidated our position as a dependable supplier for global companies across pharmaceutical, consumer & industrial sectors including glass, pigments and dyes, leather, automobiles, wood preservatives etc.

## IV. Employees

## 18. Details as at the end of Financial Year:

## a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	296	281	95%	15	5%
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	296	281	95%	15	5%
<b>WORKERS</b>						
4.	Permanent (F)	126	126	100%	0	0%
5.	Other than Permanent (G)	648	636	98%	12	2%
6.	<b>Total workers (F + G)</b>	774	762	98%	12	2%

## b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)					
2.	Other than Permanent (E)					
3.	<b>Total differently abled employees (D + E)</b>			Nil		
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)					
5.	Other than permanent (G)					
6.	<b>Total differently abled workers (F + G)</b>			Nil		

## 19. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	29%
Key Management Personnel	4	1	25%



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

20. Turnover rate for permanent employees and workers

Category	2022-23			2021-22			2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6%	1%	7%	8%	0	8%	8%	2%	10%
Permanent Workers	4%	0	4%	2%	0	2%	2%	0	2%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Vishnu Barium Private Limited	Indian Subsidiary	100%	No
2	Vishnu South Africa (Pty) Limited	Foreign Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) – ₹ 1,22,185.61 Lakhs

(iii) Net worth (in ₹)- ₹ 34,609.29 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the nine principles under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. <a href="https://vishnuchemicals.com/investors/#Policies">https://vishnuchemicals.com/investors/#Policies</a>	Nil	Nil	–	Nil	Nil	–
Investors (other than shareholders)		Nil	Nil	–	Nil	Nil	–
Shareholders		1	Nil	–	Nil	Nil	–
Employees and workers		Nil	Nil	–	Nil	Nil	–
Customers		Nil	Nil	–	Nil	Nil	–
Value Chain Partners		Nil	Nil	–	Nil	Nil	–
Others (please specify)		Nil	Nil	–	Nil	Nil	–

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

## 24. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health and safety of Employees and all stakeholders	Risk & Opportunity	Aim to achieve eco-friendly organisation & maintain sustainable practices	Company's plants are equipped with modern machinery operated with sustainable practices	Nil
2	Waste Management	Opportunity	Reduce, Reuse and Re-cycle our waste	Continually improving our waste management monitoring. Waste is sent to authorised waste management agencies and further we aim to reduce, reuse and re-cycle our waste	Opportunity to reduce waste management expenses
3	Grievance Redressal Mechanism	Opportunity	Aim to redress the grievance of the shareholder in time – bound manner	We have the grievances mechanism in place along with the whistle blower policy	Nil
4	Ethics and Governance	Opportunity	Good governance helps to attract and retain talent Smooth business operations	Zero tolerance for statutory non-compliance. Continuous monitoring, reporting and corrective/ preventive actions as and when required.	These mitigation practices help us with de-risking facilities, healthy work environment which brings better productivity. Adherence to regulatory compliance, attract customers, and grow business

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="https://vishnuchemicals.com/investors/#Policies">https://vishnuchemicals.com/investors/#Policies</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Company has translated the policies into Procedures.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001, Authorised Economic Operator for Imports & Exports, Two star Export house of India, Quality Circle Forum of India, Federation of Telangana Chamber of Commerce & Industry, International Chromium Development Association.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is engaging with the subject matter experts and actively pursuing sustainability improvement agenda.								

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Not Applicable								

**Governance, leadership and oversight**

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements: Our Company is committed for conservation of environment, health and safety of its employees and all direct and indirect stakeholders. Our teams regularly conduct awareness programs and impart training to all employees on sustainability practices. Our philosophy for sustainability stems from individual action and collective responsibility.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Ch. Krishna Murthy (Chairman & Managing Director)								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No, The Company does not have a specified Committee. The Board of Directors and senior leadership team reviews the business responsibility performance periodically as part of overall management review.								
10. Details of Review of NGRBCs by the Company:									

Subject for Review	Review by Director / Committee of the Board/ Any other Committee									Frequency								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, Business Responsibility policies of the Company are reviewed periodically or on a need basis by Senior Leadership Team including the Board of Directors. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with statutory requirements as applicable.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No. However, the Company conducts review of the charters, policies by the Board Committees on need basis which then drives the policies, projects and performance of the aspects of business responsibility and sustainability.								

12. If Principles are not covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

All nine principles as articulated in India's National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of business are covered by policies of Vishnu Chemicals Limited.



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**
**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**
**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**
**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Numbers of Training And Awareness programmes held	Topics/ Principles covered under the training and its impact	Percentage of the person of the respective category covered by awareness programmes
Board of Directors & Key Managerial Personnel	4	Industry overview, business overview, plans & budget Statutory compliances as Board Members including their rights, roles & responsibilities, financial performance, familiarisation on statutory provisions as a Board Member	100%
Employees other than Board of Directors and KMP	16	Learning and Development infinite Enhancing people Effectiveness, 5S, Quality Management Roles in Plant Operations through process monitoring, Leadership Challenges in the Current scenario- Opportunities & Avenues for Success, Decision making skills, Storage and Preservation of Material, VFD Trouble Shooting, Utility Control for Efficiency	80%
Workers	45	Responsibilities of ETP Operators, Centrifugal Pumps, Pressure transmissions, BCS Burner, Material Identification and Traceability, Kiln Operations Principles, Parameters & Controls for process Optimisation, Leaching Process, PH & ORP Transmitters Working Principle and Calibrations, QC Lab Practices, Safety with Lifting Appliances	90%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement					
Compounding fee					

Non - Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil	
Punishment				

3. Details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

No penalties or fines were reported. We comply with the regulations and policies.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has an anti-corruption and anti-bribery policy in place. Also, the Company has whistle blower policy and code of conduct which can be accessed through <https://vishnuchemicals.com/investors/#Policies>

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	2022-23	2021-22
Directors	Nil	
KMP		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	2022-23		2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

### PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and Safe

#### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	2022-23	2021-22	Details of improvement in environment and social impacts
R&D	Nil	Nil	<b>Inorganic Products Development:</b> At Vishnu we understand the importance of environmental sustainability and therefore, all our strategies are thoroughly screened by team of professionals from environment perspective before getting converted to successful business ideas. Production processes, plans and its environmental impact on business activities are analyzed and accordingly plans are formulated to mitigate its adverse effects, if any. Our focus underlies towards making our planet healthier and thus steps are being taken to manufacture products innovatively so that Vishnu can contribute towards protection of global ecosystems, health and well-being of all its stakeholders.
Capex	Nil	Nil	

2. a. Does the entity have procedures in place for sustainable sourcing?  
No
- b. If yes, what percentage of inputs was sourced sustainably?  
Not Applicable

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company uses plastic bags for packaging. Therefore, the excess stock build up will not be present at the time of recycling. E-waste is limited to disposal of the electronic panels and this is disposed to authorised recyclers. Waste is sent to authorised waste management agencies after neutralisation and stabilisation. Part of waste is being sent to authorised agencies for use as a raw material.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

Not Applicable

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**
**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	281	281	100%	281	100%						
Female	15	15	100%	15	100%	Nil		Nil		Nil	
Total	296	296	100%	296	100%						

Employees other than the above mentioned are covered under Employees' State Insurance Scheme

<b>Other than Permanent Employees</b>											
Male											
Female						Nil					
Total											

Employees are covered under Employees' State Insurance Scheme

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	126	92	73%	92	73%						
Female	0	0	0	0	0	Nil		Nil		Nil	
Total	126	92	73%	92	73%						

Workers other than the above mentioned are covered under Employees' State Insurance Scheme

<b>Other than Permanent workers</b>											
Male	636	169	27%	169	27%						
Female	12	1	8%	1	8%	Nil		Nil		Nil	
Total	648	170	27%	170	27%						

Workers other than the above mentioned are covered under Employees' State Insurance Scheme

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

2. Details of retirement benefits, for Current financial year and Previous financial year.

Benefits	2022-23			2021-22		
	No. of employees covered as a % of total employees	No. of Workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the Authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	0	66	Yes	0	65	Yes
Others – specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company does not discriminate on the grounds of disabilities and believes in providing equal opportunities to all its employees.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

Permanent Workers	The employees / workers can register their complaints with their immediate manager or concerned HR manager. Also, the Company has established a vigil mechanism/ Whistle blower policy for Directors and employees to report their concerns
Other than permanent Workers	
Permanent Employees	
Other than permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	Not Applicable					
Male						
Female						
<b>Total Permanent Workers</b>						
Male						
Female						



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

8. Details of training given to employees and workers:

Category	2022-23					2021-22				
	Total (A)	On health and safety measures		On skills upgradation		Total (D)	On health and safety measures		On skills upgradation	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
<b>Employees</b>										
Male	281	220	78%	250	89%	280	210	75%	240	86%
Female	15	15	100%	15	100%	15	10	67%	10	67%
<b>Total</b>	<b>296</b>	<b>235</b>	<b>79%</b>	<b>265</b>	<b>90%</b>	<b>295</b>	<b>220</b>	<b>75%</b>	<b>250</b>	<b>85%</b>
<b>Workers</b>										
Male	762	700	92%	720	94%	761	690	91%	710	93%
Female	12	9	75%	10	83%	11	10	91%	10	91%
<b>Total</b>	<b>774</b>	<b>709</b>	<b>92%</b>	<b>730</b>	<b>94%</b>	<b>772</b>	<b>700</b>	<b>91%</b>	<b>720</b>	<b>93%</b>

9. Details of performance and career development reviews of employees and worker:

Category	2022-23			2021-22		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
<b>Employees</b>						
Male	281	281	100%	280	280	100%
Female	15	15	100%	15	15	100%
<b>Total</b>	<b>296</b>	<b>296</b>	<b>100%</b>	<b>295</b>	<b>295</b>	<b>100%</b>
<b>Workers</b>						
Male	762	762	100%	761	761	100%
Female	12	12	100%	11	11	100%
<b>Total</b>	<b>774</b>	<b>774</b>	<b>100%</b>	<b>772</b>	<b>772</b>	<b>100%</b>

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company across all its plant locations has deployed appropriate and adequate safety appliances. Provisions have been made for safe drinking water. Personal Protective Equipment are made available at all locations, regular drills are conducted to ensure preparedness, training session on safe handling and disposal of waste and regular health check-ups are done to ensure safety management.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

A monthly Safety Committee meeting is being conducted to discuss work related hazards and assess risks and being addressed.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)

Yes

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

11. Details of safety related incidents:

Safety Incident/Number	Category	2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) er one (per one Mn-person hours worked)	Employees	Nil	Nil
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company ensures a safe and healthy work place. Imparting awareness in every shift, work permit system, safety awareness, providing PPE kits to all employees are some of the measures taken by the Company.

13. Number of Complaints on the following made by employees and workers:

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health &amp; safety practices and working conditions.

We have taken the corrective actions whenever incident happens, preventive actions are taken care of to minimise the safety and health related issues if any.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**
**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

We have identified the key Stakeholders for Vishnu based on the following attributes:

- Dependency** – Stakeholders who are directly dependent on the organisations' activities, products, services or on whom the organisation is dependent to operate.
- Responsibility** – Stakeholders towards whom the organisation has legal, commercial, operational, or moral/ ethical responsibilities.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder / Investor	No	General Meetings, Annual Report, Press Releases, Newspaper, Publications, Conference Call, Emails, Investor meet, website	Annually / Half Yearly / Quarterly	Statutory and Business Requirement
Customer / Client	No	Discussions, Meetings, email, call conferences, video conferences, relationship meetings, website	Annually / Half Yearly / Quarterly	Product and services quality, feedbacks, technical service
Employees	No	Emails, One to one interactions, Performance appraisal reviews, Grievances redressal Mechanism, Monthly staff meetings	As and when required	Learning Opportunities and growth, fair Wages and rewards, career growth, job security
Suppliers / Vendors	No	Meetings, Contracts, Email, SMS, Agreements	As and when required	Material requirements, timely supplies and payments, credit worthiness, maintaining relationships
Government/ Statutory Authorities	No	Communications with regulatory bodies	As and when required/ Yearly	Ensure compliances of all rules and regulations
Bankers	No	Meetings, Telephonic calls, Emails, SMS	As and when required	Terms and conditions of banks, Sanction letters, compliance requirements
Community	No	Newspaper Publications, press releases, website, CSR Initiatives, Interviews, Social Media	As and when required	Community Development

**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	2022-23			2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	296	296	100%	294	294	100%
Other than permanent	Nil					
<b>Total Employees</b>	<b>296</b>	<b>296</b>	<b>100%</b>	<b>294</b>	<b>294</b>	<b>100%</b>
<b>Workers</b>						
Permanent	126	126	100%	126	126	100%
Other than permanent	648	648	100%	620	620	100%
<b>Total Workers</b>	<b>774</b>	<b>774</b>	<b>100%</b>	<b>746</b>	<b>746</b>	<b>100%</b>

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

## 2. Details of minimum wages paid to employees and workers:

Category	2022-23				2021-22					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	296	Nil		296	100%	294	Nil		294	100%
Male	281	Nil		281	100%	280	Nil		280	100%
Female	15	Nil		15	100%	14	Nil		14	100%
<b>Other than Permanent Employees</b>	Nil									
Male										
Female										
<b>Workers</b>										
<b>Permanent</b>	126	Nil		126	100%	126	Nil		126	100%
Male	126	Nil		126	100%	126	Nil		126	100%
Female	0	Nil		0	0%	0	Nil		0	0%
<b>Other than Permanent Employees</b>	648	Nil		648	100%	630	Nil		630	100%
Male	636	Nil		636	100%	620	Nil		620	100%
Female	12	Nil		12	100%	10	Nil		10	100%

## 3. Details of remuneration/salary/wages:

(₹ in Lakhs)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	22	2	Nil
Key Managerial Personnel	3	24	1	2
Employees other than BoD and KMP	1,068		327	
Workers				

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The grievances related to human rights can be submitted to the Human Resource Department and share their concern regarding the issues they were facing and their identity also protected throughout the grievances handling process.



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

6. Number of Complaints on the following made by employees and workers:

	2022-2023			2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Complaints, if any, are directly placed before the Internal Committee.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	100% Assessed, No Concern
Forced/involuntary labour	100% Assessed, No Concern
Sexual harassment	100% Assessed, No concern
Discrimination at workplace	100% Assessed, No concern
Wages	100% Assessed, No concern
Others – please specify	-

10. Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments above.

Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**
**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	2022-23	2021-22
Total electricity consumption (A)- (Giga Joules)	2,56,695	1,98,560
Total fuel consumption (B)	36,39,556	31,23,373
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>38,96,251</b>	<b>33,21,993</b>
Energy intensity per rupee of turnover ( <i>Total energy consumption/ turnover in rupees</i> )	49.98	53.97
Energy intensity ( <i>optional</i> ) – the relevant metric may be selected by the entity	-	-

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/ evaluation/assurance has been carried out.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Details of the following disclosures related to water:

Parameter	2022-23	2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	2,735	639
(ii) Groundwater	18,963	30,175
(iii) Third party water	4,86,499	4,31,884
(iv) Seawater/desalinated water	-	-
(v) Others	16,704	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>5,24,901</b>	<b>4,62,698</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>5,21,138</b>	<b>4,61,604</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.11	0.12
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

Water management plays an integral part of Vishnu's culture. The Company constantly aims at achieving decrease use of water, especially potable water. With a principle goal of reducing the effluents, the Company also focuses on operational innovations like, Recycling, Reusing, Treating/Neutralising the Effluents and restoring the water from these processes and using in process operations.

The Company is actively mapping potential water-saving projects, especially concerning freshwater like adopting new techniques in operations to achieve ZLD, ETP Plants, Multiple effect evaporators etc.

Currently the Company is successful in implementing ZLD operations at two locations.

5. Details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	2022-23	2021-22
NOx	Mg/m3	132	123
SOx	Mg/m3	111	106
Particulate matter (PM)	ug/m3	40,865	48,885
Persistent organic pollutants (POP)	ug/m3	54	22
Volatile organic Compounds(VOC)	ug/m3	2.50	2.60
Hazardous air pollutants (HAP)	-	-	-
Others – please specify		<0.1	<0.1

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, We have certified external agency i.e., M/s. S V Enviro Labs to monitor the air emissions on regular intervals.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	2022-23	2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	1,41,444	1,10,990
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	56,044	56,298
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	-	0.02	0.02
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

At Vizag location, CO<sub>2</sub> Gas recovery plant was established in 2021-22.CO<sub>2</sub> is recovered from boiler flue gases which is under operations.

8. Details related to waste management by the entity:

Parameter	2022-23	2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>	20	22
E-waste <b>(B)</b>	0.29	-
Bio-medical waste <b>(C)</b>	-	-
Construction and demolition waste <b>(D)</b>	-	-
Battery waste <b>(E)</b>	-	-
Radioactive waste <b>(F)</b>	-	-
Other Hazardous waste. Please specify, if any. <b>(G)</b> <b>(in Mts on dry basis)</b>	67,044	72,776
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)- Coal Ash <b>(in Mts on dry basis)</b>	5,829	5,192
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>72893.29</b>	<b>77,990</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	20	22
(iii) Other recovery operations	-	-
<b>Total</b>	<b>20</b>	<b>22</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration <b>(in Mts on wet basis)</b>	-	-
(ii) Landfilling <b>(in Mts on wet basis)</b>	83,381	79,749
(iii) Other disposal operations <b>(in Mts on wet basis)</b>	11060	-
(iv) Plastic Disposal send thru Authorised re-cyclers <b>(in Mts)</b>	0.29	-
(v) Other recovery operations To use in bricks manufacture units	5,829	5,192
<b>Total</b>	<b>1,00,270.29</b>	<b>89,491</b>

Dry Wt \* 1.23 (Factor) gives wet weight.

\* The Value of disposal is higher than the generated, due to previous year left over quantities carry-forwarded

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Units generating waste have solid waste treatment plants where the waste is treated and neutralised.

The treated sludge is send to Cement Industries as part of their raw material and balance is sent to authorised waste management agencies. Waste Generated from the usage of Raw Material like fly ash is sent to Brick Manufacturers.

No water or waste is discharged into public areas.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required.

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

The Company has complied with all the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder along with any other act as may be applicable.

### **PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do in a manner that is responsible and transparent.**

#### **Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is a member of FTCCI Telangana, India, Quality Circle Forum of India (QCFI), International Chromium Development Association.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	Federation of Telangana Chamber of Commerce and Industry	State
2.	Bulk Drugs Manufactures Association	State
3.	Chamber of Commerce & Industry	State
4	Confederation of Indian Industry	State
5	Import Export Council	State
6	CHEMEXCIL	National
7	Andhra Chamber of Commerce	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities

There were no adverse order from regulatory authorities



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**
**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**
**Essential Indicators**

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.  
Not Applicable
- Provide information on project(s) for which on going Rehabilitation and Resettlement (R&R) is being undertaken by your entity  
Not Applicable
- Describe the mechanisms to receive and redress grievances of the community.  
Not Applicable
- Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	2022-23	2021-22
Directly sourced from MSMEs/ small producers	16%	14%
Sourced directly from within the district and neighboring districts	30%	36%

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**
**Essential Indicators**

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.  
The Company responds to the customers' queries promptly. Depending on the nature and severity of compliant required actions are taken by the team. Complaints are acknowledged and well responded within the strict timeframe.
- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As the percentage of total turnover
Environmental and Social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and / or safe disposal	100%

- Number of consumer complaints in respect of the following:

	2022-23		2021-22	
	Receive during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year
Data privacy				
Cyber-security				
Delivery of Essential Services				
Restrictive Trade Practices				
Unfair Trade Practices				
Others				

- Details of instances of product recalls on account of safety issues:  
Not Applicable
- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.  
The Company follows the information security guidelines set by the IT team of the Company.
- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.  
The Company was not required to take any corrective actions relating to advertising, delivery of essential services, cyber security and data privacy of customers. No instances of product recalls and no penalty levied or action taken by regulatory authorities on safety of products / services.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF THE VISHNU CHEMICALS LIMITED

### REPORT ON THE AUDIT OF THE STANDALONE IND AS 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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Aspects determined as KAM

##### 1. Revenue Recognition:

The sanctity of Revenue recognition being the sine quo non for arriving at a true and fair presentation of the top line and bottom line in the standalone financial statements, it was determined as the key audit matter. In this context, attention is drawn to Note-1.B (i) (Significant Accounting Policies) and Note-28 (Revenue from operations) of the standalone financial statements.

As is required, revenue is recognised by the company in the manner and methods that are in compliance with Ind AS. The core principle of the applicable Ind AS 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. The point at which recognition of revenue has to be made assumes significance in view of the continuous flow of goods or services.

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.

#### Emphasis of Matter

The preference shareholders of the company, who are also the promoters have given an undertaking foregoing 2.5% of the eligible 7% dividend amounting to ₹ 191.59 Lakhs, receivable by them for the financial year 2022-23 as mentioned in Note 43 of Notes to Accounts.

Our Opinion is not modified in respect of this matter.

## INDEPENDENT AUDITORS' REPORT (CONTD.)

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

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

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

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

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

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

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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

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

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

## INDEPENDENT AUDITORS' REPORT (CONTD.)

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, 2015, as amended;

- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40.
  - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
  - iv. a. The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding whether recorded in writing



## INDEPENDENT AUDITORS' REPORT (CONTD.)

- or not that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- b. The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
- c. Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis-statement.
- v. In our opinion Company has complied with section 123 of the Companies Act, 2013 with respect to dividend declared/paid during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Sd/-**  
**Trinadha Rao Marisetty**

Partner  
(Membership No. 207990)  
UDIN: 23207990BGROMJ2562

Place: Hyderabad  
Date: 03 May, 2023

## 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, 2023 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-**  
**Trinadha Rao Marisetty**  
Partner

Place: Hyderabad  
Date: 03 May, 2023

(Membership No. 207990)  
UDIN: 23207990BGROMJ2562

## 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)

In terms of the information and explanation sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment, capital Work-in-progress, and relevant details of right of use of assets. The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of verification to cover all the items of Property, Plant & Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant & Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date.
  - (d) According to the information and explanations given to us, the company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.
  - (e) As per the information and explanations provided to us, no proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
  - ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
  - (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
  - iii. (a) According to the information and explanations given to us, the Company has granted, in the earlier years, interest free unsecured loan to its Indian wholly owned subsidiary (WOS), in terms of the condition for sanctioning of Term loans by Banks to the WOS. The actual balance outstanding at the end of the year is ₹ 989 Lakhs (with an amortised value of ₹ 670.18 Lakhs). As per the stipulation of the banks lending to WOS, the loan given by company to WOS cannot be withdrawn till the loans taken from banks are repaid by WOS, which as per schedules of payment will last till 31-12-2028. 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, if any.
- Apart from the above, during the year, the company has granted interest bearing loan to its Wholly owned subsidiary (WOS) to the extent of ₹ 1440 Lakhs, which amount is outstanding as on the balance sheet date, for which no conditions were stipulated. 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, if any. Based on the information provided, there were no guarantees given by the company.
- (b) According to the information and explanations given to us, the terms and conditions of grant of the loans and guarantees provided are not prima facie prejudicial to the interests of the company.
  - (c) With regard to the interest-free loan advanced, basis the the stipulation of the banks' lending to WOS, the loan given by company to WOS cannot be withdrawn till the loans taken from banks are repaid by WOS, which as per schedules of payment will last till 30-12-2028. As for the interest bearing loan advanced during the year, no repayment terms were stipulated. Hence we are unable to comment as required under this clause.

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

- (d) In view of aforesaid nature of the loans and observations thereon, the comment as required under this clause is not pertinent.
- (e) As per the information provided and aforesaid nature of the loans, no loan or advance in the nature of loans have been renewed or extended or fresh loans granted to settle overdues of existing loans given to same parties.
- (f) As mentioned herein, the repayment of the interest-free loan granted by the company to WOS is dependent on the closure of loans given to it by banks and hence no specific period of repayment is specified, the aggregate amount of which is ₹ 989 Lakhs (with an amortised value of ₹ 670.18 Lakhs). With regard to the additional loan of ₹ 1440 Lakh granted during the year, no repayment terms were specified. Both these loans in the aggregate constitutes 100% of the total loans given by the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (b) Details of statutory dues referred to in sub-clause (a) which have not been deposited as at March 31, 2023 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	Sales tax	High Court	2008-09	124.36 (₹124.36 Lakhs deposited)
Sales Tax Act	Entry Tax	Appellate Commissioner	2014-15 to 2017-18	55.40 (₹ 14.68 Lakhs deposited)
Finance Act, 1994	Service Tax	CESTAT	2006-2007 to 2010-11	418.68 Stay granted
Finance Act, 1994	Service Tax	CESTAT	2011-12	233.94 (₹ 17.55 Lakhs deposited)

- viii. According to the information and explanations provided to us, the Company has not surrendered or disclosed as income, during the year, any transactions not recorded in the books of account in tax assessments under the Income Tax Act, 1961.
- ix. a. In our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. The Company has not declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- v. According to the information and explanations provided to us, the Company has not accepted deposits or amounts which are deemed to be deposits in terms of the directives 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 regular in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income Tax, sales tax, service tax, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities except in instances of payment of income taxes and there are no dues outstanding for a period of more than six months from the date they became payable as at March 31, 2023.
- d. On an overall examination of the financial statements of the company, funds raised on short-term basis have, prima facie, not been used for long-term purposes by the company.
- e. According to the information and explanations provided to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- f. According to the information and explanations provided to us and procedures performed by us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.



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

- x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x) (b) of the Order is not applicable to the Company
- xi. a. To the best of our knowledge and according to the information and explanations given to us and based on the audit procedures performed by us, no fraud by the Company or on the Company has been noticed or reported during the year.
- b. To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As represented to us, the Company has not received any whistle-blower complaints during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the company issued till date for the period under audit.
- xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. We continue to be statutory auditors of the Company since the previous year and have not resigned at any point during the year, hence reporting under clause 3 (xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

**Sd/-**  
**Trinadha Rao Marisetty**

Partner

(Membership No. 207990)

UDIN: 23207990BGROMJ2562

Place: Hyderabad

Date: 03 May, 2023

# STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023

Particulars	Note No.	(₹ in Lakhs)	
		As at March 31, 2023	As at March 31, 2022
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	37,730.08	37,520.88
(b) Capital work-in-progress	2	454.56	254.85
(c) Intangible Assets	2	1.04	0.39
		38,185.68	37,776.12
(d) Financial Assets			
(i) Investments	3	971.79	598.62
(ii) Loans	4	2,110.18	951.59
(e) Other non-current assets	5	1,543.24	1,112.52
		<b>42,810.89</b>	<b>40,438.85</b>
<b>(2) Current assets</b>			
(a) Inventories	6	18,138.64	14,997.95
(b) Financial Assets			
(i) Investments	7	-	100.40
(ii) Trade receivables	8	16,027.31	17,084.51
(iii) Cash and cash equivalents	9	8.16	11.34
(iv) Bank balances other than (iii) above	10	1,318.18	1,249.71
(v) Other financial assets	11	72.01	56.39
(c) Other current assets	12	4,475.22	2,825.36
(d) Assets classified as held for sale	13	-	190.00
		<b>40,039.52</b>	<b>36,515.66</b>
<b>Total Assets</b>		<b>82,850.41</b>	<b>76,954.51</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	14	1,194.60	1,194.60
(b) Other Equity	15	33,414.69	20,421.88
		<b>34,609.29</b>	<b>21,616.48</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	14,120.14	17,410.15
(ii) Lease liabilities	17	5.88	22.04
(b) Provisions	18	37.21	145.13
(c) Deferred tax liabilities (Net)	19	4,263.51	3,990.90
(d) Other Non-Current Liabilities	20	-	1,523.76
		<b>18,426.74</b>	<b>23,091.98</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	11,958.42	13,874.86
(ii) Trade payables			
- Due to MSME entities	22	-	0.18
- Other than MSME entities	22	15,368.15	14,332.36
(iii) Lease liabilities	23	16.82	15.96
(iv) Other financial liabilities	24	353.48	482.94
(b) Other current liabilities	25	741.40	2,089.76
(c) Provisions	26	16.92	20.31
(d) Current Tax Liabilities (Net)	27	1,359.19	1,429.68
		<b>29,814.38</b>	<b>32,246.05</b>
<b>Total Equity and Liabilities</b>		<b>82,850.41</b>	<b>76,954.51</b>

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date  
 For **Jampani & Associates**  
 Chartered Accountants  
 Firm Registration No. 016581S  
**Sd/-**  
**Trinadha Rao Marisetty**  
 Partner  
 Membership No. 207990

Place: Hyderabad  
 Date: May 03,2023

For and on behalf of the Board of Directors

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

**Sd/-**  
**Mahesh Bhatte**  
 Chief Financial Officer

Place: Hyderabad  
 Date: May 03,2023

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

**Sd/-**  
**Vibha Shinde**  
 Company Secretary & Compliance Officer  
 M. No.: FCS8466

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDING MARCH 31, 2023

₹ in Lakhs

	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1 INCOME</b>			
a. Revenue from Operations	28	1,22,185.61	90,668.70
b. Other Income	29	1,550.60	659.96
<b>Total Income</b>		<b>1,23,736.21</b>	<b>91,328.66</b>
<b>2 EXPENSES</b>			
a. Cost of Materials Consumed	30	48,779.51	35,272.59
b. Purchases of Stock-in-Trade		918.38	1,506.72
c. Cost of Consumables	31	19,194.88	13,459.85
d. Changes in Inventories of Finished Goods and Work-in-Progress	32	(1,886.36)	1,641.22
e. Employee Benefit Expenses	33	3,591.21	3,198.37
f. Finance Costs	34	2,775.83	2,452.00
g. Depreciation and Amortisation Expense	2	2,049.46	1,926.67
h. Power Cost	35	5,127.44	3,623.59
i. Manufacturing Expenses	36	12,748.75	8,137.37
j. Selling & Administrative Expenses	37	12,830.76	11,161.32
k. Corporate Social Responsibility Expenses	38	87.82	43.27
<b>Total Expenses</b>		<b>1,06,217.68</b>	<b>82,422.97</b>
<b>3 Profit Before Tax</b>		<b>17,518.53</b>	<b>8,905.69</b>
<b>4 Tax Expense</b>	39		
a. Current Tax		4,317.51	2,053.12
b. Tax pertaining to earlier years		0.90	(5.26)
c. Deferred Tax		265.65	333.93
		<b>4,584.06</b>	<b>2,381.79</b>
<b>5 Profit For the Period from Continuing Operations</b>		<b>12,934.47</b>	<b>6,523.90</b>
<b>6 Other Comprehensive Income/(Losses)</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement gains/(losses) on defined benefit plans		27.65	(54.68)
Tax on remeasurement of defined benefit plans		(6.96)	13.76
<b>7 Other Comprehensive Income (Net of Taxes)</b>		<b>20.69</b>	<b>(40.92)</b>
<b>8 Total Comprehensive Income for the Period (5+7)</b>		<b>12,955.16</b>	<b>6,482.98</b>
<b>9 Earnings Per Share</b>			
Basic & Diluted (in ₹)		21.65	10.92
		(Annualised)	(Annualised)

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date

For **Jampani & Associates**  
Chartered Accountants  
Firm Registration No. 0165815

**Sd/-**  
**Trinadha Rao Marisetty**  
Partner  
Membership No. 207990

Place: Hyderabad  
Date: May 03, 2023

For and on behalf of the Board of Directors

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

**Sd/-**  
**Mahesh Bhatler**  
Chief Financial Officer

Place: Hyderabad  
Date: May 03, 2023

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

**Sd/-**  
**Vibha Shinde**  
Company Secretary & Compliance Officer  
M. No.: FCS8466

## STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Profit before tax</b>	<b>17,518.53</b>	<b>8,905.69</b>
<b>Cash flows used in / from operating activities</b>		
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	2,049.46	1,926.67
Profit on sale of investments	(0.61)	(3.64)
Profit on sale of Property Plant and Equipment	(392.84)	(0.50)
Interest income	(114.14)	(62.06)
Unwinding of interest income on interest free loan given to subsidiary	(70.44)	(83.58)
Interest expenses	2,230.86	2,031.78
Preference dividend expenses	344.87	76.64
Unwinding of interest expenses on loan from promoter directors.	186.84	220.05
Unwinding of interest on interest free security deposits received from suppliers.	1.24	5.18
Amortisation of processing fees of long term loans	3.35	5.85
Fair value (gain)/ loss on investments (net)	0.51	(1.21)
Obsolete Stock provision	12.50	13.29
Re-measurement of defined employee benefit plans	27.65	(54.68)
<b>Operating profit before working capital changes</b>	<b>21,797.78</b>	<b>12,979.48</b>
<b>Movement in working capital:</b>		
(Increase)/Decrease in inventories	(3,153.20)	2,742.12
Increase/(Decrease) in trade receivables	1,057.21	(6,671.60)
(Increase) / Decrease in financial & non financial assets	(3,536.19)	(907.10)
(Decrease)/ Increase in trade payables	1,035.61	2,260.32
Increase/(Decrease) in financial & non financial liabilities & provisions	(3,104.39)	(703.46)
<b>Cash generated from operations</b>	<b>14,096.82</b>	<b>9,699.75</b>
Income tax paid	(4,388.90)	(899.07)
<b>Net cash flows used in / from operating activities (A)</b>	<b>9,707.92</b>	<b>8,800.68</b>
<b>Cash flows used in / from investing activities</b>		
Purchase of property, plant and equipment, including capital work in progress	(2,095.98)	(3,326.47)
Proceeds from sale of fixed assets	219.80	118.30
Investments in mutual funds and subsidiary	(21.42)	(251.93)
Proceeds from sale investments in mutual funds	100.61	162.57
Movement in Other Bank Balances	(68.48)	(313.21)
Interest received	114.14	62.06
<b>Net cash flows used in / from investing activities (B)</b>	<b>(1,751.33)</b>	<b>(3,548.66)</b>



# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

₹ in Lakhs

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Net cash flows used in / from financing activities</b>		
Increase/(Decrease) in long term borrowings	(3,517.09)	(843.77)
Increase/(Decrease) in short term borrowings	(1,879.56)	(1,044.46)
Payments to lease liabilities	(15.30)	38.00
Interest paid	(2,230.86)	(2,031.78)
Dividend Paid	(316.95)	(1,370.09)
<b>Net cash flows used in/from financing activities (C)</b>	<b>(7,959.77)</b>	<b>(5,252.10)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(3.18)</b>	<b>(0.08)</b>
Cash and cash equivalents at the beginning of the year	11.34	11.42
<b>Cash and cash equivalents at the year end</b>	<b>8.16</b>	<b>11.34</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	4.67	4.22
Balances with banks	3.49	7.12
<b>Total cash and cash equivalents</b>	<b>8.16</b>	<b>11.34</b>

As per our report of even date  
For **Jampani & Associates**  
Chartered Accountants  
Firm Registration No. 016581S  
**Sd/-**  
**Trinadha Rao Marisetty**  
Partner  
Membership No. 207990

Place: Hyderabad  
Date: May 03,2023

For and on behalf of the Board of Directors

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

**Sd/-**  
**Mahesh Bhatler**  
Chief Financial Officer

Place: Hyderabad  
Date: May 03,2023

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

**Sd/-**  
**Vibha Shinde**  
Company Secretary & Compliance Officer  
M. No.: FCS8466

## STATEMENTS OF CHANGES IN EQUITY OF STANDALONE FINANCIALS

### AS AT MARCH 31, 2023

#### Note 14

##### a. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid-up	Number of shares*		Amount (₹ in Lakhs)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
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	5,97,30,100	1,19,46,020	1,194.60	1,194.60

\* During the year ended March 31, 2023, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from January 13, 2023 (record date).

#### Note 15

##### b. Other Equity

##### For the year ended March 31, 2023

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortisation of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
<b>Balance as at April 01, 2022</b>	<b>0.86</b>	<b>659.07</b>	<b>18,680.82</b>	<b>1,146.81</b>	<b>(65.68)</b>	<b>20,421.88</b>
Add/(less) Profit for the year (Net of Taxes)			12,934.47			<b>12,934.47</b>
Add/(less) Changes during the year (net)				276.57		<b>276.57</b>
Add/(less) Other Comprehensive Income for the year (net of taxes)					20.69	<b>20.69</b>
Less: Dividend			238.92			<b>238.92</b>
<b>Balance as at March 31, 2023</b>	<b>0.86</b>	<b>659.07</b>	<b>31,376.37</b>	<b>1,423.38</b>	<b>(44.99)</b>	<b>33,414.69</b>

₹ in Lakhs

##### For the year ended March 31, 2022

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortisation of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
<b>Balance as at April 01, 2021</b>	<b>0.86</b>	<b>659.07</b>	<b>12,276.38</b>	<b>1,036.88</b>	<b>(24.66)</b>	<b>13,948.53</b>
Add/(less) Profit for the year (Net of Taxes)			6,523.90			6,523.90
Add/(less) Changes during the year (net)				109.93		109.93
Add/(less) Other Comprehensive Income for the year (net of taxes)					(41.02)	(41.02)
Less: Dividend			119.46			119.46
<b>Balance as at March 31, 2022</b>	<b>0.86</b>	<b>659.07</b>	<b>18,680.82</b>	<b>1,146.81</b>	<b>(65.68)</b>	<b>20,421.88</b>

₹ in Lakhs

As per our report of even date  
 For **Jampani & Associates**  
 Chartered Accountants  
 Firm Registration No. 016581S  
**Sd/-**  
**Trinadha Rao Marisetty**  
 Partner  
 Membership No. 207990

Place: Hyderabad  
 Date: May 03, 2023

For and on behalf of the Board of Directors

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

**Sd/-**  
**Mahesh Bhatte**  
 Chief Financial Officer

Place: Hyderabad  
 Date: May 03, 2023

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

**Sd/-**  
**Vibha Shinde**  
 Company Secretary & Compliance Officer  
 M. No.: FCS8466

# 1. 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) Basis of Preparation

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

### c) Functional and Presentation currency

The financial statements are prepared in Indian Rupees (₹), which is the Company's functional currency and all values are rounded to the nearest Lakh, except otherwise indicated.

### d) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash

equivalents. The Company has identified twelve months as its operating cycle.

### e) Use of Estimates and Judgments

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

### Critical estimates and judgments in applying accounting policies

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

#### i) Property, Plant and Equipment

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

#### ii) Employee Benefit Plans

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

## B. Significant Accounting Policies:

### a) Property, Plant and Equipment

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

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

### b) Intangible Assets

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

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

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

### c) Leases

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet.

### d) Investments in Subsidiaries

Investments in subsidiaries are accounted at cost less impairment losses, if any. If the intention of the management is to dispose the investment in near future, it is classified as held for sale and measured at lower of its carrying amount and fair value less costs to sell.

### e) Financial Instruments

Financial instruments are classified as:

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

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

Subsequently, financial assets are measured as follows:

#### a) Amortised Cost

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

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

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

#### b) Fair Value Through Profit and Loss Account

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

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

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

### f) Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

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

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

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

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

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

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

#### (i) Fair value hedges

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

also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through statement of profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

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

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

### g) Impairment of Assets

#### a) Non-Financial Assets

The carrying amount of cash generating units is reviewed at each reporting date where there is any indication of impairment. An impairment loss is

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

recognised in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. Recoverable amount is the higher of cash-generating unit's fair value less costs of disposal and its value in use.

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

### b) Financial Assets

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

### h) Inventories

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

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

### i) Revenue Recognition

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

The Company recognises revenue in accordance with Ind AS115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognise revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Other income is comprised primarily of interest income, dividend income, gain/loss on investments and exchange

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

### j) Provisions

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

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

### k) Borrowing Costs

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

### l) Employee Benefits

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

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

Defined benefit costs are categorised as follows:

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

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

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

Other long-term employee benefits comprise of leave encashment which is provided for based on the actuarial

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

valuation carried out as at the end of the year. Liability is measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Re-measurements and other expenses related to long term benefit plans are recognised in statement of profit and loss.

### m) Foreign Currency Transactions and balances

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

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

### n) Earnings Per Share

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

### o) Statement of Cash Flows

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

### p) Taxes on Income

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

#### i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered

from or paid to the taxation authorities based on the taxable income for the period.

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

#### ii. Deferred income tax

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

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

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

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

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 2 PROPERTY, PLANT AND EQUIPMENT**

	Tangible Assets											Total	Intangible Assets	
	Freehold land	Buildings - Factory	Lease hold Building	Plant and equipment	Lab equipment	R & D equipment	Office equipment	Data Processing Equipment	Furniture and Fixtures	Vehicles	ROU-Vehicles		Computer Software	
<b>Cost</b>														
At April 01, 2021	1,079.55	9,866.13	357.23	41,308.34	176.95	354.69	242.64	85.95	199.50	609.32	-	54,280.29	17.07	
Additions	-	824.14	-	2,385.02	-	-	30.60	12.02	0.73	61.86	47.88	3,362.25	0.27	
Disposals/discard	-	(31.93)	-	(232.63)	(48.93)	(354.69)	(6.57)	(8.11)	(15.89)	(4.97)	-	(703.71)	-	
Reclassified to assets held for sale	(190.00)	-	-	-	-	-	-	-	-	-	-	(190.00)	-	
<b>March 31, 2022</b>	<b>889.55</b>	<b>10,658.34</b>	<b>357.23</b>	<b>43,460.73</b>	<b>128.02</b>	<b>-</b>	<b>266.68</b>	<b>89.87</b>	<b>184.34</b>	<b>666.20</b>	<b>47.88</b>	<b>56,748.82</b>	<b>17.34</b>	
Additions	-	315.17	9.96	1,812.66	-	-	50.60	14.40	19.90	40.79	-	2,263.49	0.82	
Disposals/discard	(5.00)	-	-	-	-	-	-	-	-	-	-	(5.00)	-	
Reclassified to assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>March 31, 2023</b>	<b>884.55</b>	<b>10,973.51</b>	<b>367.19</b>	<b>45,273.39</b>	<b>128.02</b>	<b>-</b>	<b>317.28</b>	<b>104.27</b>	<b>204.24</b>	<b>706.99</b>	<b>47.88</b>	<b>59,007.31</b>	<b>18.16</b>	
<b>Depreciation</b>														
At April 01, 2021	-	3,574.12	111.67	13,055.26	146.52	347.36	162.12	62.54	107.40	319.47	-	17,886.47	16.89	
Charge for the year	-	296.37	37.72	1,459.78	7.85	-	37.92	10.12	12.65	53.50	10.70	1,926.61	0.06	
Disposals/discard	-	(15.26)	-	(140.18)	(48.74)	(347.36)	(6.54)	(8.04)	(15.23)	(3.78)	-	(585.13)	-	
<b>March 31, 2022</b>	<b>-</b>	<b>3,855.23</b>	<b>149.39</b>	<b>14,374.86</b>	<b>105.63</b>	<b>-</b>	<b>193.50</b>	<b>64.62</b>	<b>104.82</b>	<b>369.19</b>	<b>10.70</b>	<b>19,227.95</b>	<b>16.95</b>	
Charge for the year	-	324.53	38.12	1,552.45	5.81	-	29.74	13.57	13.18	55.92	15.96	2,049.28	0.17	
Disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>March 31, 2023</b>	<b>-</b>	<b>4,179.76</b>	<b>187.51</b>	<b>15,927.31</b>	<b>111.44</b>	<b>-</b>	<b>223.24</b>	<b>78.19</b>	<b>118.00</b>	<b>425.11</b>	<b>26.66</b>	<b>21,277.23</b>	<b>17.12</b>	
<b>Net Block</b>														
At March 31, 2022	889.55	6,803.11	207.84	29,085.86	22.39	-	73.18	25.25	79.52	297.00	37.18	37,520.88	0.39	
At March 31, 2023	884.55	6,793.75	179.68	29,346.08	16.58	-	94.04	26.08	86.24	281.87	21.22	37,730.08	1.04	



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**Capital work in progress ageing**

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
<b>As on March 31, 2023</b>					
Projects in Process	397.33	57.23	-	-	454.56
Projects temporarily suspended	-	-	-	-	-
<b>As on March 31, 2022</b>					
Projects in Process	254.85	-	-	-	254.85
Projects temporarily suspended	-	-	-	-	-

**NOTE 3 NON CURRENT FINANCIAL ASSETS - INVESTMENTS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>1. Non Trade Investments - Unquoted (At Cost)</b>		
<b>Investment in Equity Instruments of Subsidiary Companies</b>		
a. 8,72,74,950 (8,72,74,950) Equity Shares of face value of ₹10/- each in Vishnu Barium Private Limited *	188.00	188.00
b. Amortisation Cost of Interest Free Advance given to Subsidiary	739.94	388.08
c. 45,100 (100) Equity Shares of 10 Rand /- each in Vishnu South Africa (Pty) Limited	20.58	0.05
<b>2. Non Trade Investments - Unquoted (At Fair Value)</b>		
a. Equity Shares in Koganti Power Limited 60,000 (60,000) Nos. each ₹10/- Fully paid up, acquired at a cost of ₹ 6,00,000 (₹ 6,00,000)-Net of impairment recognised.	0.00	0.00
b. Equity Shares in Sireen Drugs Private Limited 1,000 (1,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹10,000 (₹10,000) - Net of impairment recognised.	0.00	0.00
<b>3. Non Trade Investments - quoted (At Fair Value)</b>		
Equity Shares in Life Insurance Corporaton of India 94 (Nil) Equity Shares of face value of ₹5/- each	0.50	-
<b>4. Investments in Mutual Funds - Quoted (At fair value)</b>		
a. LMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,990 (49,990) Units, Cost ₹ 5,00,000 (₹ 5,00,000)	7.91	8.01
b. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹ 6,35,373 (₹ 6,35,373)	9.23	9.00
c. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units, Cost ₹ 1,99,900 (₹ 1,99,900)	2.68	2.64
d. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹ 2,00,000 (₹ 2,00,000)	2.95	2.84
	<b>971.79</b>	<b>598.62</b>

**Disclosures:**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Aggregate amount of quoted investments at cost	16.24	15.35
Aggregate amount of market value of quoted investments	23.27	22.49
Aggregate amount of unquoted investments *	948.52	576.13
Aggregate amount of impairment in value of investments	6.10	6.10

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**NOTE 4 NON CURRENT FINANCIAL ASSETS - LOANS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered Good:</b>		
Loan to Subsidiary (at amortised cost)	670.18	951.59
Loan to Subsidiary Interest bearing	1,440.00	-
	<b>2,110.18</b>	<b>951.59</b>

**NOTE 5 OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Capital Advances	612.24	337.80
b. Deposits	627.85	584.53
c. CSR Expenses - Excess spent	303.15	190.19
	<b>1,543.24</b>	<b>1,112.52</b>

**NOTE 6 INVENTORIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Valued at Cost or Net Realisable Value, whichever is lower</b>		
a. Raw Materials	3,640.51	2,891.17
b. Work-in-progress	3,621.47	2,649.79
c. Finished Goods	8,251.14	7,336.46
d. Stores, Spares & Packing	2,682.58	2,165.08
Provision for obsolescence of non-moving stores	(57.06)	(44.56)
	2,625.52	2,120.52
	<b>18,138.64</b>	<b>14,997.95</b>

**NOTE 7 CURRENT FINANCIAL ASSETS - INVESTMENTS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. UBI-Union Corporate Bond Fund Regular plan - Nil (8,02,715) Units, Cost ₹ Nil (₹ 1,00,00,000)	-	100.40
	-	<b>100.40</b>

**Disclosures:**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Aggregate amount of quoted investments at cost	-	100.00
Aggregate amount of market value of quoted investments	-	100.40

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 8 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Trade Receivables Considered Good; secured	-	-
b. Trade Receivables Considered Good; Unsecured	16,027.31	17,084.51
c. Trade Receivables which have significant increase in credit risk	-	-
d. Trade Receivables - Credit impaired	-	-
Less: Allowance for expected credit losses	-	-
	<b>16,027.31</b>	<b>17,084.51</b>

**Trade receivables ageing schedule as at March 31, 2023**

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months*	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Undisputed trade receivables						
a. Considered good	15,322.40	529.39	110.73	18.80	45.99	16,027.31
b. Which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

**Trade receivables ageing schedule as at March 31, 2022**

(₹ in Lakhs)

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

\*Includes amounts not yet due for payment

**NOTE 9 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Balances with Banks	3.49	7.12
b. Cash on Hand	4.67	4.22
	<b>8.16</b>	<b>11.34</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**NOTE 10 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Other Bank Balances</b>		
<b>1 Other Bank Balances</b>		
a. Margin Money Deposit in Banks against LCs & BGs	1,309.57	1,239.71
b. Unclaimed Dividend Accounts	8.61	10.00
	<b>1,318.18</b>	<b>1,249.71</b>

**NOTE 11 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Salary and other Advances recoverable in cash or kind	16.05	28.93
b. Interest Receivable	28.04	27.47
c. Derivative Financial Instruments - Asset	27.92	-
	<b>72.01</b>	<b>56.39</b>

**NOTE 12 OTHER CURRENT ASSETS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Advances to Suppliers	1,309.15	1,556.09
b. Advance to Subsidiary against Sales	40.79	-
c. Balances with Government Authorities	746.67	672.73
d. Prepaid Expenses	330.97	506.49
e. CSR Expenses - Excess spent	187.33	90.05
f. Deposits	1,860.31	-
	<b>4,475.22</b>	<b>2,825.36</b>

**NOTE 13 ASSETS CLASSIFIED AS HELD FOR SALE**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Assets classified as held for sale	-	190.00
	-	<b>190.00</b>

**Disclosures:**

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



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 14 EQUITY SHARE CAPITAL**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Authorised Share Capital</b>		
7,50,00,000 of equity shares of ₹2 par value (1,50,00,000 of equity shares of ₹10 par value in PY)	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>		
At the beginning of the year		
1,19,46,020 of equity shares of ₹10 par value	1,194.60	1,194.60
At the end of the year	-	-
5,97,30,100 of equity shares of ₹2 par value	1,194.60	1,194.60
	<b>1,194.60</b>	<b>1,194.60</b>

**Disclosures:**

- The Company has only one class of equity shares at a par value of ₹2 All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.
- During the year ended March 31, 2023, the equity shares of the Company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from January 13, 2023 (record date).
- Names of shareholders holding more than 5% of the Share capital and their shareholding.

**EQUITY SHARES**

S. No.	Name of shareholder	As at March 31, 2023	As at March 31, 2022
1	Mr. Ch. Krishna Murthy - No of Shares	3,10,98,950	62,19,790
	- % held	52.07	52.07
2	Mrs. Ch. Manjula - No of Shares	80,70,240	16,14,048
	- % held	13.51	13.51
3	Mr. Ch. Siddartha - No of Shares	56,28,340	11,25,668
	- % held	9.42	9.42

**4. Promoters' Shareholding**

Shares held by Promoters at the end of the year				% change during the year
S. No.	Name of the promoter	No of shares	% of total shares	
1	Mr. Ch. Krishna Murthy	3,10,98,950	52.07%	Nil
2	Mrs. Ch. Manjula	80,70,240	13.51%	Nil
3	Mr. Ch. Siddartha	56,28,340	9.42%	Nil

**NOTE 16 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>A. Secured:</b>		
1. Term Loans:		
From Banks	3,823.53	6,933.56
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	22.80	113.06
<b>B. Unsecured:</b>		
1. Loans and Advances from Related Parties:		
Loans from promoter directors (at amortised cost)	2,610.06	2,699.79
2. 7% Cumulative Redeemable Preference Shares	7,663.75	7,663.75
	<b>14,120.14</b>	<b>17,410.15</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**Disclosures:**
**A) Secured**
**(i) Term Loans from Banks**

S. No.	Name of the Lender	Period of maturity	Loan amount outstanding	No. of instalments outstanding	Rate of Interest	Overdue amount and period	Security
1	State Bank of India (TL-III)	Jun-2024	693.38	8	12.40%	-	Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, Indian Overseas Bank and Union Bank of India. Term Loans are secured by charge on the assets acquired out of the term loan and charge on entire existing movable/ immovable assets of the Company. The above loans are further secured by personal guarantee of promoter directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2	Union Bank of India (e-AB ) (TL-III)	Mar-2024	644.00	4	11.25%	-	
3	Union Bank of India (TL-III)	Nov-2023	173.44	3	11.40%	-	
4	Union Bank of India (TL-III-2)	Nov-2023	328.84	3	11.40%	-	
5	State Bank of India (ECLGS 2.0)	Dec-2025	1,031.25	33	9.25%	-	
6	State Bank of India (ECLGS 2.0 Ext)	Nov-2027	870.00	48	9.05%	-	
7	Union Bank of India (ECLGS 2.0)	Nov-2025	1,022.38	32	8.85%	-	
8	Union Bank of India (ECLGS 2.0 Ext)	Nov-2027	1,328.00	48	8.80%	-	
9	Indian Overseas Bank (ECLGS 2.0)	Dec-2025	326.56	33	8.45%	-	
10	Indian Overseas Bank (ECLGS 2.0 Ext)	Nov-2027	237.00	48	8.45%	-	

**(ii) Hire Purchase Loans**

The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on March 31, 2023 is ₹ 215.01 Lakhs (March 31, 2022: ₹ 229.66 Lakhs). The Company had capitalised the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

	As at March 31, 2023	As at March 31, 2022
(₹ in Lakhs)		
<b>Minimum Lease Payments outstanding</b>		
Within one Year	91.67	126.91
Later than one year and not later than five years	24.70	116.37
<b>Future Interest on outstanding Lease payments</b>		
Within one Year	3.71	15.76
Later than one year and not later than five years	1.90	3.31
<b>Present Value of Minimum Lease Payments</b>		
Within one Year	87.96	111.15
Later than one year and not later than five years	22.80	113.05

**B) Unsecured Loans:**
**Loans from Promoter Directors:**

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

**C) 7% 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. During the year, the company has obtained equity and preference shareholders approval for early redemption or early repayment to 7% cumulative redeemable preference shareholders on or anytime

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

before 31st March, 2038 in full or in part in one or more tranches. Also, a provision for preference dividend @ 4.5% has been provided amounting to ₹ 3,44,86,875/- and preference shareholders have given their consent to forego 2.5% preference dividend amounting to ₹ 1,91,59,375/- for the financial year 2022-23

S. No.	Name of shareholder		As at March 31, 2023	As at March 31, 2022
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 17 LEASE LIABILITIES

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Lease liabilities on ROU assets	5.88	22.04
	<b>5.88</b>	<b>22.04</b>

### NOTE 18 NON-CURRENT PROVISIONS

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits (Net of Fund Assets)	37.21	145.13
	<b>37.21</b>	<b>145.13</b>

### NOTE 19 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>1. Deferred Tax Liability</b>		
Property, Plant and Equipment	4,280.28	4,051.74
<b>2. Deferred Tax Assets</b>		
Provisions allowable on payment basis	16.77	60.84
Net Deferred Tax Liability	<b>4,263.51</b>	<b>3,990.90</b>

#### 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 31,2023 and March 31,2022 is as follows

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Net deferred tax liability at the beginning	3,990.90	3,670.62
b. Accelerated depreciation for the tax purposes	248.88	297.57
c. Provisions allowable on payment basis	16.77	36.47
d. Temporary differences on their comprehensive income	6.96	(13.76)
<b>g. Net deferred tax liability at the end</b>	<b>4,263.51</b>	<b>3,990.90</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 20 OTHER NON-CURRENT LIABILITIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Security Deposits	-	1,523.76
	-	<b>1,523.76</b>

**NOTE 21 CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>A. Secured:</b>		
a. Working capital - Cash Credit	7,773.77	10,584.20
<b>B. Unsecured:</b>		
a. Loans from Promoter Directors	11.13	6.13
b. Loan from Bajaj Finance Limited	1,254.89	-
c. Inter Corporate Loans	-	329.01
Current maturities of long term debt	2,830.67	2,844.37
Current maturities of finance lease obligations	87.96	111.15
	<b>11,958.42</b>	<b>13,874.86</b>

**Disclosures:**

**A) Secured Loans:**

- The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+2.50% to +3.00%. The rate of Interest on convertible FCNRB demand loan ranges from Libor+1.50% per annum.
- Interest rate for the Bill Discounting facility ranges from 6.65% to 8.10%
- Security:  
Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India, Indian Overseas Bank and Andhra Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the Company, and second pari passu charge on the fixed assets of the Company. The promoter directors have extended their personal assets as securities i.e. land, plots and buildings etc.
- Guarantees:  
All the above loans are guaranteed by the Promoter Directors.

**B) Unsecured Loans:**

- Loans from Promoter Directors disclosed here are short term in nature. There are no specified terms and conditions.
- The credit facilities with Bajaj Finance Limited against purchase bill discounting (PBD) for working capital requirement. The interest rate is MCLR 8.65%

**NOTE 22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Trade payables - Due to Micro Small and Medium Enterprises	-	0.18
Trade payables - Other than Micro Small and Medium Enterprises	15,221.78	14,250.02
Trade payables - Related parties	146.37	82.34
	<b>15,368.15</b>	<b>14,332.54</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

### Disclosures:

The principal amount remaining unpaid as at March 31, 2023 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ Nil (March 31, 2022 ₹ 0.09 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ Nil (March 31, 2022 ₹ 0.08 Lakhs)

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

### Trade Payables ageing schedule as at March 31, 2023

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade payables					
a. MSME	-	-	-	-	-
b. Others	15,239.98	128.17	-	-	15,368.15
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

### Trade Payables ageing schedule as at March 31, 2022

(₹ in Lakhs)

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

\*Includes amounts not yet due for payment

### NOTE 23 LEASE LIABILITIES

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Lease liabilities on ROU assets	16.82	15.96
	<b>16.82</b>	<b>15.96</b>

### NOTE 24 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Cumulative Unpaid Preference Dividend	344.87	76.64
Interest Payable to Subsidiary	-	356.93
Interest Payable to others	-	0.49
Unclaimed dividends	8.61	10.00
Derivative Liability	-	38.88
	<b>353.48</b>	<b>482.94</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**NOTE 25 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Advance from Customers	380.46	1,063.46
Advance from Subsidiary against Sales	-	196.87
Creditors for Capital Expenditure	143.53	200.24
Capital Advances Received (Against Sale of Assets)	-	410.00
Advance from others	4.48	3.52
Statutory dues Payable	212.93	215.67
	<b>741.40</b>	<b>2,089.76</b>

**NOTE 26 CURRENT PROVISIONS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits (Net of Fund Assets)	16.92	20.31
	<b>16.92</b>	<b>20.31</b>

**NOTE 27 CURRENT TAX LIABILITIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax		
Provision for Tax (Net of TDS)	1,359.19	1,429.68
	<b>1,359.19</b>	<b>1,429.68</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 28 REVENUE FROM OPERATIONS**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Sale of Products	1,21,877.67	90,446.40
2. Other Operating Revenues		
a. Sale of Scrap	276.75	158.22
b. Testing Charges	-	44.25
c. Export Incentives	31.19	19.83
	<b>307.94</b>	<b>222.30</b>
	<b>1,22,185.61</b>	<b>90,668.70</b>

**NOTE 29 OTHER INCOME**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Interest Income		
a. Interest Income on bank and other deposits	114.14	62.06
b. Amortised Interest on Deposits/Loans	82.46	201.93
2. Other Non-Operating Income		
a. Insurance Claim Received	14.96	17.53
b. Profit on Sale of Investments	0.61	3.64
c. Net Gain on Foreign Exchange fluctuations	869.55	243.79
d. Other Income	76.04	129.30
e. Fair value gain / (loss) on Investments	-	1.21
f. Profit on Sale of property, plant and equipment	392.84	0.50
	<b>1,550.60</b>	<b>659.96</b>

**NOTE 30 COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock	2,891.17	4,195.87
Add: Purchase	49,528.85	33,967.89
Total	<b>52,420.02</b>	<b>38,163.76</b>
Less: Closing Stock	3,640.51	2,891.17
	<b>48,779.51</b>	<b>35,272.59</b>

**NOTE 31 COST OF CONSUMABLES**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of Petcoke	2,695.17	2,971.32
Consumption of Furnace Oil	5,501.40	3,438.57
Consumption of Husk	1,171.35	655.12
Consumption of Coal	8,726.68	5,682.27
Consumption of LDO/Kerosene/Diesel	1,100.28	712.58
	<b>19,194.88</b>	<b>13,459.85</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**NOTE 32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Finished Goods		
a. Opening Stock	7,336.46	8,217.61
b. Closing Stock	8,251.14	7,336.46
	<b>(914.68)</b>	<b>881.15</b>
2. Work-in-progress		
a. Opening Stock	2,649.79	3,409.87
b. Closing Stock	3,621.47	2,649.79
	<b>(971.68)</b>	<b>760.08</b>
Total Decrease / (Increase)	<b>(1,886.36)</b>	<b>1,641.22</b>

**NOTE 33 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries & Wages	3,181.94	2,848.01
Contribution to Provident and Other Funds	204.01	178.58
Staff Welfare Expenses	205.26	171.78
	<b>3,591.21</b>	<b>3,198.37</b>

**NOTE 34 FINANCE COSTS**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expense	1,314.38	1,458.63
Interest on Others	175.78	235.14
Unwinding of Interest on Financial Instruments	200.10	343.58
Other Borrowing Costs	740.70	338.01
Preference Dividend	344.87	76.64
	<b>2,775.83</b>	<b>2,452.00</b>

**NOTE 35 POWER COST**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Power Charges	5,127.44	3,623.59
	<b>5,127.44</b>	<b>3,623.59</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 36 MANUFACTURING EXPENSES**

(₹ in Lakhs)

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Equipment Hire Charges	894.48	693.40
Consumption of Stores & Spares	2,266.81	1,642.86
Repairs & Maintenance - Buildings	283.61	221.36
Repairs & Maintenance - P & M	1,383.21	802.38
Lease Rentals - factory	1,753.91	-
Labour costs	1,791.02	1,416.06
Factory/Godown Maintenance	1,014.93	608.39
Effluent Disposal Expenses	2,832.51	2,061.48
Goods Movement Charges	528.27	691.44
	<b>12,748.75</b>	<b>8,137.37</b>

**NOTE 37 SELLING & ADMINISTRATIVE EXPENSES**

(₹ in Lakhs)

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Labour costs	48.24	43.22
Insurance	189.90	280.81
Packing Charges	2,665.30	2,362.38
Shipping & forwarding Charges	6,898.12	6,069.06
Other Selling Cost	551.20	360.03
Rent	771.16	719.32
Rates & Taxes	101.75	121.41
Bank charges	74.00	125.09
Travelling, Vehicle Maintenance & Conveyance	584.84	338.97
Professional & Consultancy Charges	431.91	284.58
Security Charges	98.89	89.11
Miscellaneous Expenses	415.45	367.35
	<b>12,830.76</b>	<b>11,161.32</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

### Disclosures:

Payment to statutory auditors

	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
The details of payment to statutory auditors included in Professional & Consultancy charges above, are given below		
a. As an auditor - Statutory audit fee	15.00	13.50
b. For taxation matters - Tax audit fee	4.15	4.25
c. For company law matters	-	-
d. For other services	4.93	3.60
e. For reimbursement of expenses	-	-
	<b>24.08</b>	<b>21.35</b>

### NOTE 38 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
CSR Expenses	87.82	43.27
	<b>87.82</b>	<b>43.27</b>
a. Gross amount required to be spent by the Company during the year	87.82	43.27
b. Amount Spent during the year on the above	87.82	43.27
c. Shortfall at the end of the year		
d. Total of previous year shortfall	-	
e. Reason for shortfall	Not Applicable	Not Applicable
f. Nature of CSR activities	* see note below	* see note below
g. Details of related party transactions		
Contribution to a trust controlled by the Company in relation to company	293.30	322.86
(i) Applicable for the current year	87.82	43.27
(ii) Excess amount contributed for future setoff	210.24	280.24
h. where a provision is made with respect to liability incurred-movement in the provision needs to be disclosed separately	-	-

#### \* Note:

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

### NOTE 39 TAX EXPENSES

	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Current tax	4,317.51	2,053.12
b. Tax pertaining to earlier period	0.90	(5.26)
c. Deferred tax	265.65	333.93
	<b>4,584.06</b>	<b>2,381.79</b>

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

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Contingent Liabilities:</b>		
a. Claims against company not acknowledged as debt		
i. Claims arising from disputes not acknowledged as debts-Sales Tax Act (against which Pre-deposit of ₹139.04 Lakhs made (P.Y. Pre-deposit ₹ 146.79 Lakhs)	<b>179.76</b>	187.51

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
II. Claims arising from disputes not acknowledged as debts-Service Tax (against which Pre-deposit of ₹ 17.55 Lakhs made (P.Y. Pre-deposit ₹ 17.55 Lakhs)	652.62	652.62
<b>Commitments:</b>		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	1,230.75	143.51

**NOTE 41 SEGMENT REPORTING:**

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

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

(₹ in Lakhs)

Geographic Location	2022-23	2021-22
Domestic	63,921.88	47,194.47
Overseas	57,955.79	43,251.93

**Details of Non-Current Assets**

(₹ in Lakhs)

Geographic Location	As at March 31, 2023	As at March 31, 2022
Domestic	39,728.92	38,888.64
Overseas	-	-

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

**NOTE 42 RELATED PARTY DISCLOSURES:**

**a) Details of Related Parties:**

SI No	Name of the Related Party	Nature of Relationship
1	Mr. Ch. Krishna Murthy	Chairman and Managing Director, Key Managerial Personnel
2	Mrs. Ch. Manjula	Non-Executive Director
3	Mr. Ch. Siddhartha	Joint Managing Director, Key Managerial Personnel
4	Late Mr. P. Anjaneyulu	Chief Financial Officer, Key Managerial Personnel (till January 21, 2023)
5	Mr. Mahesh Bhatler	Chief Financial Officer, Key Managerial Personnel (with effect from February 10, 2023)
6	Mr. Kishore Kathri	Company Secretary, Key Managerial Personnel (till June 15, 2022)
7	Ms. Vibha Shinde	Company Secretary, Key Managerial Personnel (with effect from August 06, 2022)
8	Mr. Pradip Saha	Independent Director (retired on November 09, 2021)
9	Mr. Tirthankar Mitra	Independent Director
10	Mr. Chetan Shah	Independent Director
11	Mrs. Sita Vanka	Independent Director (appointed on May 16, 2022)
12	Mr. V. Vimalanand	Independent Director (appointed on December 31, 2021)
13	M/s. Vasantha Transport Corporation	Concern in which Key Managerial Personnel is interested
14	M/s. K.M.S. Infrastructure Private Limited	Concern in which Key Managerial Personnel are interested
15	M/s. Vishnu Life Sciences Limited	Concern in which Key Managerial Personnel is interested
16	M/s. Vishnu Barium Private Limited	Wholly Owned Subsidiary
17	M/s. Vishnu South Africa (Pty) Limited	Wholly Owned Subsidiary
18	M/s. Krishna Foundation	Trust in which directors are Trustees and the Company is the settlor

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**b) Details of Transactions:**

(₹ in Lakhs)

Nature of Transaction	Key Managerial Personnel		Subsidiary		Concerns in which Key Managerial Personnel are Interested	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Particulars</b>						
<b>Expenses</b>						
Remuneration	292.52	189.48	-	-	-	-
Rent	76.46	72.24	-	-	-	10.00
Maintenance Charges	-	-	-	-	-	-
Transportation Charges	-	-	-	-	2886.45	1946.24
Purchases	-	-	1527.59	1006.24	195.68	225.82
Sales	-	-	275.96	129.56	10.43	111.73
Hire Charges	4.50	4.80	-	-	107.60	119.25
Interest Expense	-	-	-	46.96	-	-
Service Charges	-	-	-	-	94.20	-
<b>Income</b>						
Interest Income recognised on Loan given to Subsidiary (with interest bearing)	-	-	30.89	-	-	-
Interest Income recognised by way of amortisation on Loan given to Subsidiary	-	-	70.44	83.58	-	-
Rental Income	-	-	-	-	-	-
Management Services rendered	-	-	70.00	120.00	-	-
Investment in Equity	-	-	20.53	-	-	-
<b>Receipts &amp; Payments, Payables &amp; Receivables Outstanding at year end</b>						
Unsecured Loan from Promoter Directors during the year (net)	5.00	208.28	-	-	-	-
Unsecured Loans from Promoter Directors outstanding at year end	3020.13	3015.13	-	-	-	-
Loan to Subsidiary (at amortised cost)	-	-	670.18	951.59	-	-
Advances from Subsidiary against sales	-	-	40.79	196.87	-	-
Loan to Subsidiary (with interest bearing)	-	-	1440.00	-	-	-
Interest payable on Loan	-	-	-	356.93	-	-
Payables to KMP and Concerns in which KMP are interested.	24.32	16.31	-	-	126.21	66.04

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 Managerial Personnel is not ascertainable and, therefore, not included above.

During the year, the Company has paid directors sitting fees to non-executive director and independent directors as under:

Sl. No.	Director Name	2022-23	2021-22
1	Mrs. Ch. Manjula	2.00	1.00
2	Mr. Tirthankar Mitra	3.60	2.00
3	Mr. Chetan Shah	3.20	2.00
4	Mr. V. Vimalanand	3.60	0.60
5	Mrs. Sita Vanka	1.20	-
6	Mr. Pradip Saha	-	1.40
	<b>Total</b>	<b>13.60</b>	<b>7.00</b>

An amount of ₹ 293.30 Lakhs (Previous Year: ₹ 322.86 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

**NOTE 43** The paid-up share capital of the Company as on financial year ended March 31, 2023 is ₹ 8,858.35 Lakhs divided into 5,97,30,100 Equity Shares of ₹ 2/- each and financial year ended March 31, 2022 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, 2023 and as on March 31, 2022 is 25%.

The preference shareholders have given their consent to forego 2.5% preference dividend of the eligible 7% preference dividend amounting ₹ 191.59 Lakhs for the financial year 2022-23 and Preference shareholders have also foregone 6% preference dividend amounting ₹ 459.83 Lakhs for the financial year 2021-22

### NOTE 44 EMPLOYEE BENEFITS:

#### 1. Defined Contribution Plan:

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

(₹ in Lakhs)

Particulars	2022-23	2020-22
Contribution to Provident Fund	98.16	98.01
Contribution to Employee State Insurance	2.69	3.02

#### 2. Defined benefit plans as per actuarial valuation as on March 31, 2023

(₹ in Lakhs)

Particulars	Gratuity	Gratuity
	(Funded)	(Funded)
	2022-23	2021-22
<b>1 Assumptions</b>		
Discount Rate	7.17%	7.14%
Salary Escalation	3.00%	3.00%
<b>2 Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Present value of obligations at beginning of year	461.24	375.87
Interest Cost	31.66	23.85
Current Service Cost	41.89	35.57
Benefits Paid	(23.57)	(29.83)
Actuarial (gain)/ loss on obligation	(25.83)	55.79
Present Value of obligation at end of year	485.39	461.24
<b>3 Reconciliation of opening and closing balances of fair value of plan assets</b>		
Opening fair value of plan asset	240.44	118.12
Adjustment to opening Fair Value of Plan Asset	(1.83)	(1.91)
Return on Plan Assets excl. interest income	(5.94)	1.11
Interest Income	17.26	7.95
Contributions by Employer	170.00	145.00
Benefits paid	(23.57)	(29.83)
Fair Value of plan Assets at end	396.36	240.44
<b>4 Net defined benefit asset/ (liability) recognised in the balance sheet</b>		
Present value of defined benefit obligation	485.39	461.24
Fair Value of plan Assets at end of period	396.36	240.44
Net Asset/(liability) recognised in the balance sheet.	(89.03)	(220.80)
<b>5 Net defined benefit expense (recognised in the Statement of profit and loss for the year) and Loss</b>		
Current service cost	41.89	35.57
Net interest	14.40	15.89
Expense recognised in the statement of Profit and Loss	56.29	51.46
<b>6 Remeasurement (gain)/ loss recognised in other comprehensive income (OCI)</b>		
Actuarial (gain)/loss recognised for the period	(25.83)	55.79
Return on plan assets excluding net interest	5.94	(1.11)
Total actuarial (gain)/ loss recognised in OCI	(19.89)	54.68



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**Sensitivity Analysis:**

(₹ in Lakhs)

Particulars	March 31, 2023			
	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligations	455.62	518.77	518.26	455.56

**Categories of Plan Assets:**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity Fund managed by Life Insurance Corporation of India	396.36	240.44

**NOTE 45 EARNINGS PER SHARE (EPS)**

Particulars	2022-23	2021-22
Net Profit after Tax (₹ in Lakhs) (a)	12,934.47	6,523.90
Weighted Average no. of Shares-Basic & Diluted (b)	5,97,30,100	5,97,30,100
Nominal value of equity share (in ₹ per share)	2	2
Earnings per Share - Basic & Diluted (in ₹) (a)/(b)	21.65	10.92

During the year ended March 31, 2023, the equity shares of the Company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from January 13, 2023 (record date). The basic & diluted earnings per share (EPS) for the current, previous periods/year has been restated to give effect of the share split as per Ind AS 33.

**NOTE 46 DISCLOSURES PURSUANT TO SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186(4) OF THE COMPANIES ACT, 2013**

Loans and advances in the nature of loans to Subsidiaries:

(₹ in Lakhs)

Name of the Subsidiary Company	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2023	March 31, 2022	2022-23	2021-22
Vishnu Barium Private Limited (at amortised cost)	670.18	951.59	989.00	951.59
Vishnu Barium Private Limited Interest bearing	1,440.00	-	1,440.00	-

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

**NOTE 47 ADDITIONAL INFORMATION PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013**

Salient features of the financial statements of the subsidiaries:

S.No.	Particulars	March 31, 2023		March 31, 2022	
		Vishnu Barium Private Limited	Vishnu South Africa (Pty) Limited	Vishnu Barium Private Limited	Vishnu South Africa (Pty) Limited
1	Name of the Subsidiary				
2	Percentage of Shareholding	100%	100%	100%	100%
3	Reporting Currency of the Subsidiary	₹ in Lakhs	Rand	₹ in Lakhs	Rand
<b>Summary of the Financial Information:</b>					
1	Share Capital	8,727.49	451,000.00	8,727.49	1,000.00
2	Reserves & Surplus	(768.69)	(52,437.00)	(1,879.92)	(2000.00)
3	Total Assets	25,524.46	3,99,563.00	16,819.42	-
4	Total Liabilities	17,565.66	1,000.00	9,971.85	1,000.00
5	Total Revenue for the Year	18,858.96	-	17,533.61	-
6	Net Profit / (Loss) for the Year (including OCI)	724.25	(50,437.00)	1,599.87	(150.00)

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 48 UNHEDGED FOREIGN CURRENCY EXPOSURE**

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

(₹ in Lakhs)

Particulars	Currency	March 31, 2023		March 31, 2022	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade receivables	USD	1,31,12,770	10,774.76	1,52,74,266	11,576.75
Trade receivables	EURO	5,63,822	504.30	7,81,959	658.57
Trade payables	USD	(17,64,458)	(1,449.86)	(24,09,286)	(1,826.06)
Secured loans	USD	(26,46,861)	(2,174.93)	(1,05,64,569)	(8,007.15)

**NOTE 49 ANALYTICAL RATIOS**

Sl. No	Ratio	Numerator	Denominator	2023	2022	Variance	Remarks
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.34	1.13	18.58%	-
2	Debt-equity ratio (in times)	Total Debt	Shareholders Equity	0.75	1.45	(48.28%)	Decrease was primarily on account of increase in profits
3	Debt service coverage ratio (in times)	Earnings before Debt service = (Net profit after taxes + non Cash operating expenses + Interest + Other non cash adjustments (like loss on sale of fixed assets etc)	Debt service = Interest & lease payments + principle repayments	2.41	2.35	2.55%	-
4	Return on equity ratio (in %)	Profit for the year	Average total Equity	46.01%	35.08%	31.16%	Increase was Primarily on account of increase in profits
5	Inventory Turnover ratio (in times)	Revenue from operations	Average total inventory	7.37	5.54	33.03%	Increase was primarily on account of increase in revenue
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	7.38	6.59	11.99%	-
7	Trade payables turnover	Raw material purchases + Fuel purchase+Other expenses	Average trade payables	6.69	5.31	25.99%	Increase was primarily on account of increase in raw material and other related expenses with proportionate revenue than average trade payables
8	Net capital turnover ratio	Revenue from operations	Average working capital (ie., Total current assets less Total current liabilities)	16.86	29.44	(42.73%)	Decrease was Primarily on Account of increase in revenue and improvement in working capital

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

Sl. No	Ratio	Numerator	Denominator	2023	2022	Variance	Remarks
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	10.59%	7.20%	47.08%	Increase was primarily on account of increase in profits than increase in revenue
10	Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Debt + Deferred tax Liabilities	30.90%	19.08%	61.95%	Increase was primarily on account of increase in profits
11	Return on Investment	Income generated From invested Funds	Average invested funds in treasury investments	385.24%	859.20%	(55.16%)	Decrease was Primarily on account of Increase in Raw Material cost of the subsidiary

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

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

**Sd/-**  
**Trinadha Rao Marisetty**  
 Partner  
 Membership No. 207990

Place: Hyderabad  
 Date: May 03,2023

For and on behalf of the Board of Directors

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

**Sd/-**  
**Mahesh Bhatler**  
 Chief Financial Officer

Place: Hyderabad  
 Date: May 03,2023

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

**Sd/-**  
**Vibha Shinde**  
 Company Secretary & Compliance Officer  
 M. No.: FCS8466

# 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, 2023, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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:

The sanctity of Revenue recognition being the sine quo non for arriving at a true and fair presentation of the top line and bottom line in the Consolidated financial statements, it was determined as the key audit matter. In this context, attention is drawn to Note-1.B (h) (Significant Accounting Policies) and Note-27 (Revenue from operations) of the consolidated statements.

As is required, revenue is recognised by the company in the manner and methods that are in compliance with Ind AS. The core principle of the applicable Ind AS 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. The point at which recognition of revenue has to be made assumes significance in view of the continuous flow of goods or services.

Audit Measures adopted to validate KAM included the following:

- Appropriateness of the revenue recognition accounting policies adopted by the Group 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.

#### Emphasis of Matter

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing 2.5% of the eligible 7% dividend amounting to ₹191.59 Lakh receivable by them for the financial year 2022-23. The preference shareholders of the Company, who are also the promoters, have given their consent for payment of reduced rate of dividend @4.5% instead of 7% for FY 2022-23

Our Opinion is not modified in respect of this matter.

## INDEPENDENT AUDITORS' REPORT (CONTD.)

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, in doing so, consider whether the other information submitted with regard to unaudited financial statements of an overseas subsidiary is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a

going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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



## INDEPENDENT AUDITORS' REPORT (CONTD.)

related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

### Other Matters

We did not audit the financial statements / financial information of Vishnu South Africa (Pty) Limited, overseas subsidiary of the Holding Company, whose financial statements / financial information reflect total assets of ₹ 18.45 Lakhs as at 31st March, 2023, total revenues of NIL Lakh and net cash outflows amounting to ₹ 2.34 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding

## INDEPENDENT AUDITORS' REPORT (CONTD.)

Company, none of the directors of the Group companies is disqualified as on 31st March, 2023 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 Company did not have any material foreseeable losses on long-term contracts including derivative contracts
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. a. The respective managements of the parent company and its subsidiaries, those incorporated in India, whose financial statements were audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company or any such subsidiaries to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding

whether recorded in writing or not, that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the holding company or any such subsidiaries (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

- b. The respective managements of the parent company and its subsidiaries, those incorporated in India, whose financial statements were audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding company or any such subsidiaries from any person(s) or entities, including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or not, that the Holding company or any such subsidiaries shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding parties (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- c. Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis-statement.
- v. In our opinion Company has complied with section 123 of the Companies Act, 2013 with respect to dividend declared/paid during the year.

For **Jampani & Associates**  
Chartered Accountants  
(Firm Registration No. 0165815)

**Sd/-**  
**Trinadha Rao Marisetty**

Partner

(Membership No.207990)

UDIN: 23207990BGROMK1073

Place: Hyderabad

Date: 03 May, 2023

## 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, 2023 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, 2023, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-**  
**Trinadha Rao Marisetty**  
Partner

Place: Hyderabad  
Date: 03 May, 2023

(Membership No.207990)  
UDIN: 23207990BGROMK1073

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

Particulars	Note No.	(₹ in Lakhs)	
		As at March 31, 2023	As at March 31, 2022
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	46,464.42	46,324.58
(b) Capital work-in-progress	2	9,796.12	541.43
(c) Intangible Assets	2	1.04	0.39
		<b>56,261.58</b>	<b>46,866.40</b>
(d) Financial Assets			
Investments	3	23.27	22.49
(e) Other non-current assets	4	1,984.97	2,847.30
		<b>58,269.82</b>	<b>49,736.19</b>
<b>(2) Current assets</b>			
(a) Inventories	5	20,743.84	16,775.88
(b) Financial Assets			
(i) Investments	6	143.62	246.39
(ii) Trade Receivables	7	18,092.60	19,083.27
(iii) Cash and cash equivalents	8	65.63	33.52
(iv) Bank balances other than (iii) above	9	2,033.09	1,499.97
(v) Other financial assets	10	104.63	78.82
(c) Other current assets	11	5,640.07	3,847.84
(d) Assets classified as held for sale	12	-	190.00
		<b>46,823.48</b>	<b>41,755.69</b>
<b>Total Assets</b>		<b>1,05,093.30</b>	<b>91,491.88</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	13	1,194.60	1,194.60
(b) Other Equity	14	40,242.84	26,492.73
		<b>41,437.44</b>	<b>27,687.33</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	22,157.77	20,637.00
(ii) Lease liabilities	16	41.89	82.58
(b) Provisions	17	59.56	267.58
(c) Deferred tax liabilities (Net)	18	4,701.98	4,297.75
(d) Other Non-Current Liabilities	19	-	1,523.76
		<b>26,961.20</b>	<b>26,808.67</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	15,695.70	15,698.54
(ii) Trade payables			
- Due to MSME entities	21	54.08	28.59
- Other than MSME entities		17,616.09	17,121.33
(iii) Lease liabilities	22	44.27	62.66
(iv) Other financial liabilities	23	353.48	142.38
(b) Other current liabilities	24	1,550.08	2,202.31
(c) Provisions	25	20.56	44.95
(d) Current Tax Liabilities (Net)	26	1,360.40	1,695.12
		<b>36,694.66</b>	<b>36,995.88</b>
<b>Total Equity and Liabilities</b>		<b>1,05,093.30</b>	<b>91,491.88</b>

Accompanying Notes form an integral part of the Financial Statements

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

**Sd/-**  
**Trinadha Rao Marisetty**  
 Partner  
 Membership No. 207990

Place: Hyderabad  
 Date: May 03,2023

For and on behalf of the Board of Directors

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

**Sd/-**  
**Mahesh Bhatler**  
 Chief Financial Officer

Place: Hyderabad  
 Date: May 03,2023

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

**Sd/-**  
**Vibha Shinde**  
 Company Secretary & Compliance Officer  
 M. No.: FCS8466

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1 INCOME</b>			
a. Revenue from Operations	27	1,39,099.36	1,06,900.18
b. Other Income	28	1,520.95	575.75
<b>Total Income</b>		<b>1,40,620.31</b>	<b>1,07,475.93</b>
<b>2 EXPENSES</b>			
a. Cost of Materials Consumed	29	55,084.68	39,979.25
b. Purchase of stock in trade		919.71	1,506.72
c. Cost of Consumables	30	21,572.06	15,487.02
d. Changes in Inventories of Finished Goods and Work-in-Progress	31	(2,306.86)	1,458.58
e. Employee Benefit Expenses	32	4,603.71	4,149.70
f. Finance Costs	33	3,337.06	2,609.52
g. Depreciation and Amortisation Expense	2	2,646.32	2,298.44
h. Power Cost	34	6,317.12	4,541.94
i. Manufacturing Expenses	35	14,174.10	9,578.64
j. Selling & Administrative Expenses	36	15,611.11	14,566.27
k. Corporate Social Responsibility Expenses	37	116.42	66.52
<b>Total Expenses</b>		<b>1,22,075.43</b>	<b>96,242.60</b>
<b>3 Profit Before Tax</b>		<b>18,544.88</b>	<b>11,233.34</b>
<b>4 Tax Expense</b>			
a. Current Tax	38	4,478.55	2,458.55
b. Tax Pertaining to earlier years		24.49	(5.26)
c. Deferred Tax current year		385.46	640.78
		<b>4,888.50</b>	<b>3,094.07</b>
<b>5 Profit / (Loss) For the Period from Continuing Operations</b>		<b>13,656.38</b>	<b>8,139.27</b>
<b>6 Other Comprehensive Income/ (losses)</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement gains/(losses) on defined benefit plans		74.59	(70.19)
Tax on remeasurement of defined benefit plans		(18.77)	13.76
		<b>55.82</b>	<b>(56.43)</b>
<b>Items that will be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating the financial statements of foreign operations		0.27	-
<b>7 Other Comprehensive Income/ Expense (Net of Taxes)</b>		<b>56.08</b>	<b>(56.43)</b>
<b>8 Total Comprehensive Income for the Period (5+7)</b>		<b>13,712.46</b>	<b>8,082.84</b>
<b>9 Earnings Per Share</b>			
Basic & Diluted (in ₹)		22.86	13.63
		(Annualised)	(Annualised)

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date  
For **Jampani & Associates**  
Chartered Accountants  
Firm Registration No. 0165815  
**Sd/-**  
**Trinadha Rao Marisetty**  
Partner  
Membership No. 207990

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 03,2023

**Sd/-**  
**Mahesh Bhatler**  
Chief Financial Officer

**Sd/-**  
**Vibha Shinde**  
Company Secretary & Compliance Officer  
M. No.: FCS8466

Place: Hyderabad  
Date: May 03,2023



## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit before tax</b>	<b>18,544.87</b>	<b>11,233.34</b>
<b>Cash flows used in / from operating activities</b>		
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	2,646.32	2,298.44
Profit on sale of Investments	(0.84)	(3.64)
Profit on sale of Property Plant and Equipment	(392.84)	(0.50)
Interest income	(110.79)	(66.07)
Unwinding of Interest on Interest free Security deposits received from Suppliers	(0.30)	5.18
Interest expenses	2,780.24	2,189.30
Preference dividend expenses	344.87	76.64
Unwinding of interest expenses on Loan from Promoter Directors	186.84	220.05
Amortisation of Processing Fees of Long Term Loans	8.71	5.85
Fair value (Gain)/ Loss on investments (net)	(0.67)	(20.63)
Re-measurement of defined employee benefit plans	74.86	(70.19)
Assets written off/Discarded	58.31	-
Obsolete Stock provision	45.61	16.80
<b>Operating profit before working capital changes</b>	<b>24,185.20</b>	<b>15,884.56</b>
<b>Movement in working capital:</b>		
(Increase)/Decrease in inventories	(4,013.58)	2,282.26
(Increase)/Decrease in trade receivables	990.67	(7,514.12)
(Increase) / Decrease in Financial & Non Financial Assets	(955.70)	(2,618.04)
(Decrease)/ Increase in trade payables	520.25	3,448.94
Increase/(Decrease) in Financial & Non Financial Liabilities & Provisions	(2,463.83)	(1,008.39)
<b>Cash generated from operations</b>	<b>18,263.01</b>	<b>10,475.19</b>
Income tax paid	(4,837.76)	(1,039.06)
<b>Net cash flows used in / from operating activities (A)</b>	<b>13,425.25</b>	<b>9,436.12</b>
<b>Cash flows used in / from investing activities</b>		
Purchase of property, plant and equipment, including capital work in progress	(11,736.78)	(8,329.82)
Proceeds from Sale of Property Plant & Equipment	219.80	118.30
Investments in mutual funds	(48.42)	(182.10)
Proceeds from Sale of investments in mutual funds	151.92	212.57
Movement in Other Bank Balances	(533.12)	(463.47)
Interest received	110.79	66.07
<b>Net cash flows used in / from investing activities (B)</b>	<b>(11,835.82)</b>	<b>(8,578.43)</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Net cash flows used in / from financing activities</b>		
(Decrease)/Increase in Long Term Borrowings	2,528.47	3,372.89
(Decrease)/Increase in Short Term Borrowings	(929.52)	(815.33)
Payment to lease liabilities	(59.08)	145.23
Interest Paid	(2,780.24)	(2,265.94)
Dividend Paid	(316.95)	(1,293.45)
<b>Net cash flows used in/from financing activities (C)</b>	<b>(1,557.32)</b>	<b>(856.60)</b>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	32.11	1.10
Cash and cash equivalents at the beginning of the year	33.52	32.42
<b>Cash and cash equivalents at the year end</b>	<b>65.63</b>	<b>33.52</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	7.79	6.07
Balances with banks	57.84	27.45
<b>Total cash and cash equivalents</b>	<b>65.63</b>	<b>33.52</b>

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

**Sd/-**  
**Trinadha Rao Marisetty**  
Partner  
Membership No. 207990

Place: Hyderabad  
Date: May 03, 2023

For and on behalf of the Board of Directors

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

**Sd/-**  
**Mahesh Bhatler**  
Chief Financial Officer

Place: Hyderabad  
Date: May 03, 2023

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

**Sd/-**  
**Vibha Shinde**  
Company Secretary & Compliance Officer  
M. No.: FCS8466

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT MARCH 31, 2023

**Note:13**

**a. Equity Share Capital**

Equity shares of ₹ 2 each issued, subscribed and fully paid-up*	Number of shares*		₹ in Lakhs	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
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	5,97,30,100	1,19,46,020	1,194.60	1,194.60

\* During the year ended March 31, 2023, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from January 13, 2023 (record date).

**Note:14**

**b. Other Equity**

For the year ended March 31, 2023

	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortisation of Interest free loans from Promoter Directors	Foreign Currency Translation Reserve	Remeasurement of Net Defined Benefit Plans	
<b>Balance as at April 01, 2022</b>	<b>982.88</b>	<b>659.07</b>	<b>23,769.69</b>	<b>1,146.81</b>	-	<b>(65.72)</b>	<b>26,492.73</b>
Add/(less) Profit for the year (Net of Taxes)			13,656.37				13,656.37
Add/(less) Changes during the year (net)			-	276.57			276.57
Add/(less) Other Comprehensive Income for the year (net of taxes)					0.27	55.82	56.09
Less: Dividend			238.92				238.92
<b>Balance as at March 31, 2023</b>	<b>982.88</b>	<b>659.07</b>	<b>37,187.14</b>	<b>1,423.38</b>	<b>0.27</b>	<b>(9.90)</b>	<b>40,242.84</b>

For the year ended March 31, 2022

	Reserves and surplus				Items of Other Comprehensive Income		Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortisation of Interest free loans from Promoter Directors	Foreign Currency Translation Reserve	Remeasurement of Net Defined Benefit Plans	
<b>Balance as at April 01, 2021</b>	<b>982.88</b>	<b>659.07</b>	<b>15,749.88</b>	<b>1,036.87</b>	-	<b>(9.19)</b>	<b>18,419.52</b>
Add/(less) Profit for the year			8,139.27				8,139.27
Add/(less) Changes during the year (net)			-	109.93			109.93
Add/(less) Other Comprehensive Income for the year (net of taxes)						(56.53)	(56.53)
Less: Dividend			119.46				119.46
<b>Balance as at March 31, 2022</b>	<b>982.88</b>	<b>659.07</b>	<b>23,769.69</b>	<b>1,146.81</b>	-	<b>(65.72)</b>	<b>26,492.73</b>

As per our report of even date

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

**Sd/-**  
**Trinadha Rao Marisetty**  
 Partner  
 Membership No. 207990

Place: Hyderabad  
 Date: May 03,2023

For and on behalf of the Board of Directors

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

**Sd/-**  
**Mahesh Bhatler**  
 Chief Financial Officer

Place: Hyderabad  
 Date: May 03,2023

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

**Sd/-**  
**Vibha Shinde**  
 Company Secretary & Compliance Officer  
 M. No.: FCS8466

# 1. 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'),

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Vishnu Barium Private Limited	India	Subsidiary	Subsidiary	100%	100%
Vishnu South Africa (Pty) Limited	South Africa	Subsidiary	Subsidiary	100%	100%

As required under Consolidation of Financial Statements standards, the financial statements of the Group have been prepared in accordance with Ind AS, Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

### c) Basis of Preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by 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, 2023 and March 31, 2022.

its subsidiaries and step-down subsidiary (collectively, the 'Group') for the year ended March 31, 2023. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at:

Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 096

The consolidated financial statements were authorised for publication in accordance with a resolution of the directors on May 03, 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

### d) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

### e) Use of Estimates and Judgments

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

#### Critical estimates and judgments in applying accounting policies

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

### i) Property, Plant and Equipment

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

### ii) Employee Benefit Plans

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

## B. Significant Accounting Policies

### a) Property, Plant and Equipment

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

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

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

### b) Intangible Assets

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

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

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

### c) Leases

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet.

### d) Financial Instruments

Financial instruments are classified as:

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

All financial instruments are recognised initially at fair value.

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

Subsequently, financial assets are measured as follows:

#### a) Amortised Cost

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

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

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

#### b) Fair Value Through Profit and Loss Account

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

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

#### e) Derivative financial instruments and hedge accounting

##### Initial recognition and subsequent measurement

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

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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

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

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

### (i) Fair value hedges

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

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

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

### (ii) Cash flow hedges

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

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

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

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

### 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 recognised in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. Recoverable amount is the higher of cash-generating unit's fair value less costs of disposal and its value in use.

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

#### 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 realisable value. Inventories comprise of raw materials, stores, spares & consumables and finished goods. Cost of Inventories comprises all cost of purchase (net of reimbursable taxes), cost of conversion

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

and other cost incurred in bringing the inventories to their present location and condition.

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

### h) Revenue Recognition

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

The Group recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognise revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

### i) Provisions

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

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

### j) Borrowing Costs

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

### k) Employee Benefits

The Group's contribution to Provident and Pension fund for the employees is covered under defined contribution plan and is recognised as employee benefit expense in statement

of profit and loss in the periods during which services are rendered by employees.

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

Defined benefit costs are categorised as follows:

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

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

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

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

### l) Foreign Currency Transactions and balances

The Group's consolidated financial statements are presented in Indian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

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

#### **i. Current income tax**

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

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

period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realise the asset and liability simultaneously.

#### **ii. Deferred income tax**

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

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

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 2 PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

	Tangible Assets											Intangible Assets			
	Freehold land	Leasehold Land	Buildings - Factory	Buildings - Residential	Lease hold Building	Plant and equipment	Lab equipment	R & D equipment	Office equipment	Data Processing Equipment	Furniture and Fixtures	Vehicles	ROU - Vehicles	Total	Computer Software
<b>Cost</b>															
At April 01, 2021	1,127.40	-	10,664.47	49.96	357.23	47,446.55	176.95	354.69	269.64	108.16	216.75	803.66	-	61,575.46	17.07
Additions	262.99	-	1,452.20	-	-	8,033.79	-	-	32.11	19.57	0.73	199.51	184.45	10,185.35	0.27
Disposals/discard	-	-	(31.93)	-	-	(232.63)	(48.93)	(354.69)	(6.57)	(8.11)	(15.89)	(4.97)	-	(703.72)	-
Reclassified to assets held for sale	(190.00)	-	-	-	-	-	-	-	-	-	-	-	-	(190.00)	-
<b>March 31, 2022</b>	<b>1,200.39</b>	<b>-</b>	<b>12,084.74</b>	<b>49.96</b>	<b>357.23</b>	<b>55,247.71</b>	<b>128.02</b>	<b>-</b>	<b>295.18</b>	<b>119.62</b>	<b>201.59</b>	<b>998.20</b>	<b>184.45</b>	<b>70,867.08</b>	<b>17.34</b>
Additions	18.92	490.05	315.17	-	9.96	1,871.32	-	-	62.67	18.53	21.89	40.79	-	2,849.31	0.82
Disposals/discard	(5.00)	-	-	-	-	(163.07)	-	-	(5.89)	(12.00)	(2.35)	(0.60)	-	(188.91)	-
Reclassified to assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>March 31, 2023</b>	<b>1,214.31</b>	<b>490.05</b>	<b>12,399.91</b>	<b>49.96</b>	<b>367.19</b>	<b>56,955.96</b>	<b>128.02</b>	<b>-</b>	<b>351.96</b>	<b>126.15</b>	<b>221.13</b>	<b>1,038.39</b>	<b>184.45</b>	<b>73,527.48</b>	<b>18.16</b>
<b>Depreciation</b>															
At April 01, 2021	-	-	4,068.43	2.01	111.67	17,388.38	146.52	347.36	180.00	81.97	118.96	383.95	-	22,829.25	16.89
Charge for the year	-	-	325.82	0.79	37.72	1,727.05	7.85	-	40.15	12.53	13.50	90.40	42.57	2,298.38	0.06
Disposals/discard	-	-	(15.26)	-	-	(140.18)	(48.74)	(347.36)	(6.54)	(8.04)	(15.23)	(3.78)	-	(585.13)	-
<b>March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>4,378.99</b>	<b>2.81</b>	<b>149.39</b>	<b>18,975.25</b>	<b>105.63</b>	<b>-</b>	<b>213.61</b>	<b>86.46</b>	<b>117.23</b>	<b>470.56</b>	<b>42.57</b>	<b>24,542.49</b>	<b>16.95</b>
Charge for the year	-	-	382.32	0.83	38.12	1,995.28	5.81	-	33.41	17.82	14.15	96.92	61.48	2,646.14	0.17
Disposals/discard	-	-	-	-	-	(105.01)	-	-	(5.89)	(12.00)	(2.35)	(0.35)	-	(125.60)	-
<b>March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>4,761.31</b>	<b>3.64</b>	<b>187.51</b>	<b>20,865.52</b>	<b>111.44</b>	<b>-</b>	<b>241.13</b>	<b>92.28</b>	<b>129.03</b>	<b>567.13</b>	<b>104.05</b>	<b>27,063.05</b>	<b>17.12</b>
<b>Net Block</b>															
At March 31, 2022	1,200.39	-	7,705.76	47.15	207.84	36,272.46	22.39	-	81.57	33.16	84.36	527.64	141.88	46,324.58	0.39
At March 31, 2023	1,214.31	490.05	7,638.60	46.32	179.68	36,090.44	16.58	-	110.83	33.87	92.10	471.26	80.40	46,464.42	1.04



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**Capital work in progress ageing**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(₹ in Lakhs)					
<b>As on March 31, 2023</b>					
Projects in Process	9,475.19	320.93	-	-	9,796.12
Projects temporarily suspended	-	-	-	-	-
<b>As on March 31, 2022</b>					
Projects in Process	541.43	-	-	-	541.43
Projects temporarily suspended	-	-	-	-	-

**NOTE 3 NON CURRENT FINANCIAL ASSETS - INVESTMENTS**

	As at March 31, 2023	As at March 31, 2022
(₹ in Lakhs)		
<b>1. Non Trade Investments - Unquoted (At Fair Value)</b>		
<b>Investment in Equity Instruments of other Companies</b>		
a. Equity Shares in Koganti Power Limited 60,000 (60,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 6,00,000 (₹ 6,00,000)-Net of impairment recognised.	0.00	0.00
b. Equity Shares in Sireen Drugs Private Limited 1,000 (1,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 10,000 (₹ 10,000) - Net of impairment recognised.	0.00	0.00
<b>2. Non Trade Investments - quoted (At Fair Value)</b>		
Equity Shares in Life Insurance Corporaton of India 94 (Nil) Equity Shares of face value of ₹ 5/- each	0.50	-
<b>3. Investments in Mutual Funds - Quoted (At fair value)</b>		
a. LMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,990 (49,990) Units, Cost ₹ 5,00,000 (₹ 5,00,000)	7.91	8.01
b. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹ 6,35,373 (₹ 6,35,373)	9.23	9.00
c. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units, Cost ₹ 1,99,900 (₹ 1,99,900)	2.68	2.64
d. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹ 2,00,000 (₹ 2,00,000)	2.95	2.84
	<b>23.27</b>	<b>22.49</b>

**Disclosures:**

	As at March 31, 2023	As at March 31, 2022
(₹ in Lakhs)		
Aggregate amount of Cost of Quoted Investments	16.24	15.35
Aggregate amount of market value of quoted investments	23.27	22.49
	6.10	6.10

**NOTE 4 OTHER NON-CURRENT ASSETS**

	As at March 31, 2023	As at March 31, 2022
(₹ in Lakhs)		
<b>Unsecured, Considered Good:</b>		
a. Capital Advances	838.24	1,374.10
b. Deposits	843.59	770.53
c. CSR Expenses - Excess spent	303.15	190.19
d. Other Long Term Advances	-	512.48
	<b>1,984.98</b>	<b>2,847.30</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 5 INVENTORIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Valued at Cost or Net Realisable Value, whichever is lower</b>		
a. Raw Materials	3,915.29	3,264.61
b. Work-in-progress	4,203.75	2,988.37
c. Finished Goods	8,577.25	7,456.43
d. Stock-in-trade (goods acquired for trading)	259.23	288.57
e. Stores, Spares & Packing	3,875.81	2,849.13
f. Provision for obsolescence of non-moving stores	(87.49)	(71.23)
	<b>3,788.32</b>	<b>2,777.90</b>
	<b>20,743.84</b>	<b>16,775.88</b>

**NOTE 6 CURRENT FINANCIAL ASSETS - INVESTMENTS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Valued at Cost or Net Realisable Value, whichever is lower</b>		
a. UBI Union Dynamic Bond Fund- Growth at fair value 1,35,521.388 units ( PY 1,35,521.388 units) - Cost ₹ 22,00,000/- (PY ₹ 22,00,000/-)	26.75	26.06
b. UBI Union Small Cap Fund Regular plan- Growth at fair value 1,76,120.314 units ( PY 1,76,120.314 units) - Cost ₹ 23,33,906.58/- (PY ₹ 23,33,906.58/-)	49.33	51.07
c. UBI Union Flexi Cap Fund Growth plan- Growth at fair value 48,645.340 units ( PY 35,029.634 Units) - Cost ₹ 11,99,875/- (PY ₹ 7,99,900/-)	14.73	15.96
d. UBI Union Large Cap Fund Regular plan- Growth at fair value 1,876.173 units ( PY 1,876.173 units) - Cost ₹20,000/- (PY ₹20,000/-)	0.30	0.30
e. UBI Union Corporate Bond Fund Regular Plan Growth at fair Value 4,20,412.194 Units (PY NIL) - Cost ₹ 51,03,344/- (PY ₹ NIL)	52.50	52.59
f. UBI-Union Corporate Bond Fund Regular plan Nil (8,02,715) Units, Cost ₹ Ni (1,00,00,000)	-	100.40
	<b>143.62</b>	<b>246.39</b>

**Disclosures:**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Aggregate amount of Cost of Quoted Investments	106.54	208.57
Aggregate amount of market value of quoted investments	143.62	246.39

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

**NOTE 7 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Unsecured, Considered Good	18,092.60	19,083.27
	<b>18,092.60</b>	<b>19,083.27</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**Trade receivables ageing schedule as at March 31, 2023**

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months*	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Undisputed trade receivables						
a. Considered good	17,387.06	530.02	110.73	18.80	45.99	18,092.60
b. Which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

**Trade receivables ageing schedule as at March 31, 2022**

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months*	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Undisputed trade receivables						
a. Considered good	18,866.11	81.10	79.94	-	56.12	19,083.27
b. Which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

\*includes amounts not yet due for payment

**NOTE 8 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Cash on Hand	7.79	6.07
b. Balances with Banks	57.84	27.45
	<b>65.63</b>	<b>33.52</b>

**NOTE 9 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Margin Money Deposit in Banks against LCs & BGs	2,024.48	1,489.96
b. Unpaid Dividend Accounts	8.61	10.01
	<b>2,033.09</b>	<b>1,499.97</b>

**NOTE 10 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Salary and other Advances recoverable in cash or kind	26.04	39.90
b. Interest Receivable	42.00	28.88
c. Derivative Financial Instruments - Asset	27.92	-
d. TDS Receivable from NBFCS	8.67	10.04
	<b>104.63</b>	<b>78.82</b>

**NOTE 11 OTHER CURRENT ASSETS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Advances to Suppliers	1,758.23	2,034.50
b. Balances with Government Authorities	1,289.82	1,140.83
c. Prepaid Expenses	442.08	539.22
d. CSR Expenses - Excess spent	289.63	133.29
e. Deposits	1,860.31	-
	<b>5,640.07</b>	<b>3,847.84</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 12 ASSETS CLASSIFIED AS HELD FOR SALE**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Assets classified as held for sale	-	190.00
	-	<b>190.00</b>

**Disclosures:**

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

**NOTE 14 EQUITY SHARE CAPITAL**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Authorised Share Capital</b>		
7,50,00,000 of equity shares of ₹ 2 par value	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>		
At the beginning of the year		
1,19,46,020 of equity shares of ₹10 par value	1,194.60	1,194.60
At the end of the year		
5,97,30,100 of equity shares of ₹2 par value	1,194.60	1,194.60
	<b>1,194.60</b>	<b>1,194.60</b>

**Disclosures:**

- The Company has only one class of equity shares at a par value of ₹ 2 All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.
- During the year ended March 31, 2023, the equity shares of the Company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from January 13, 2023 (record date).
- Names of shareholders holding more than 5% of the Share capital and their shareholding.

**EQUITY SHARES**

S. No.	Name of shareholder		As at March 31, 2023	As at March 31, 2022
1	Mr. Ch. Krishna Murthy	- No of Shares	3,10,98,950	62,19,790
		- % held	52.07	52.07
2	Mrs. Ch. Manjula	- No of Shares	80,70,240	16,14,048
		- % held	13.51	13.51
3	Mr. Ch. Siddartha	- No of Shares	56,28,340	11,25,668
		- % held	9.42	9.42

**4. Promoters' Shareholding**

Shares held by Promoters at the end of the year				% change during the year
S. No.	Name of the promoter	No of shares	% of total shares	
1	Mr. Ch. Krishna Murthy	3,10,98,950	52.07%	Nil
2	Mrs. Ch. Manjula	80,70,240	13.51%	Nil
3	Mr. Ch. Siddartha	56,28,340	9.42%	Nil

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**NOTE 15 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>A. Secured:</b>		
1. Term Loans:		
From Banks	10,096.73	10,031.15
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	86.45	196.34
<b>B. Unsecured:</b>		
1. Business Loans		
From Banks	66.67	3.10
From NBFC'S	260.64	42.87
<b>Loans and Advances from Related Parties:</b>		
2. Loans from promoter directors (at amortised cost)	2,610.06	2,699.79
3. Cumulative Redeemable Preference Shares	7,663.75	7,663.75
4. Security Deposits	1,373.46	-
	<b>22,157.77</b>	<b>20,637.00</b>

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

S. No.	Name of the Lender	Period of maturity	Loan amount outstanding	No. of instalments outstanding	Rate of Interest	Overdue amount and period	Security
1	State Bank of India (TL-III)	Jun-2024	693.38	8	12.40%	-	Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, Indian Overseas Bank and Union Bank of India. Term Loans are secured by charge on the assets acquired out of the term loan and charge on entire existing movable/ immovable assets of the Company. The above loans are further secured by personal guarantee of promoter directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2	Union Bank of India (e-AB) (TL-III)	Mar-2024	644.00	4	11.25%	-	
3	Union Bank of India (TL-III)	Nov-2023	173.44	3	11.40%	-	
4	Union Bank of India (TL-III-2)	Nov-2023	328.84	3	11.40%	-	
5	State Bank of India (ECLGS 2.0)	Dec-2025	1,031.25	33	9.25%	-	
6	State Bank of India (ECLGS 2.0 Ext)	Nov-2027	870.00	48	9.05%	-	
7	Union Bank of India (ECLGS 2.0)	Nov-2025	1,022.38	32	8.85%	-	
8	Union Bank of India (ECLGS 2.0 Ext)	Nov-2027	1,328.00	48	8.80%	-	
9	Indian Overseas Bank (ECLGS 2.0)	Dec-2025	326.56	33	8.45%	-	
10	Indian Overseas Bank (ECLGS 2.0 Ext)	Nov-2027	237.00	48	8.45%	-	

**(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 March 31, 2023 is ₹ 321.22 Lakhs (March 31, 2022: ₹ 352.04 Lakhs). The Company had capitalised the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Minimum Lease Payments outstanding</b>		
Within one Year	122.51	157.74
Later than one year and not later than five years	103.09	225.61
<b>Future Interest on outstanding Lease payments</b>		
Within one Year	16.01	25.14
Later than one year and not later than five years	16.63	29.26
<b>Present Value of Minimum Lease Payments</b>		
Within one Year	106.50	132.60
Later than one year and not later than five years	86.46	196.35

**B) Unsecured Loans:****Loans from Promoter Directors:**

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

**C) Cumulative Redeemable Preference Shares**

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. During the year, the company has obtained equity and preference shareholders approval for early redemption or early repayment to 7% cumulative redeemable preference shareholders on or any time before March 31, 2038 in full or in part in one or more tranches. Also, a provision for preference dividend @ 4.5% has been provided amounting to ₹ 3,44,86,875/- and preference shareholders have given their consent to forego 2.5% preference dividend amounting to ₹ 1,91,59,375/- for the financial year 2022-23.

S. No.	Name of shareholder		As at March 31, 2023	As at March 31, 2022
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:**

S. No.	Name of the Lender	Period of maturity	Loan amount outstanding	No. of installments outstanding	Rate of Interest	Overdue amount and period	Security
1	Union Bank of India (TL-₹)	Dec-2028	1,305.25	23	1 Year MCLR Plus 2.75%	-	The above loans are secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture & fittings of the Company and the loan has been guaranteed by personal guarantees of Mr. Ch. Siddartha, Managing Director and Mrs. Ch. Manjula, Executive Director of the Company and Mr. Ch. Krishna Murthy, Director of the holding Company-Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 17,20,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.
2	Union Bank of India (TL-₹)	Dec-2028	1,983.75	23	1 Year MCLR Plus 2.75%	-	
3	Union Bank of India (TL-₹)	Jun-2029	3,537.99	24	1 Year MCLR Plus 2.75%	-	
4	Union Bank of India WCTL under UGECL 1.0	Aug-2027	527.00	36	7.50%	-	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**B. Unsecured loans:**
**i) Business loans:**

- (i) The above unsecured business loans from various NBFC's, carries interest rate ranging from 16.00% to 19.50% p.a. The loans are repayable in 18/24 monthly equal installments and the last installment of loan is in the month of May 2025. The aggregate amount of installments outstanding (including current maturities presented in Note 20 below) as on March 31, 2023 is ₹ 610.97 Lakhs (March 31, 2022 ₹ 193.54 Lakhs). There are no overdue installments or interest payable.
- (ii) The above unsecured business loans from HDFC bank, Karur Vysya Bank, and Unity Small Finance bank, carry interest rate of 14.50%, 16.00% and 16.50% p.a. The loans are repayable in 18/36 monthly equal installments and the last installment of respective loans fall due in the month of September 2024 and March 2026. The aggregate amount of installments outstanding (including current maturities presented in Note 20 below) as on March 31, 2023 is ₹ 150.00 Lakhs (March 31, 2022 ₹ 66.88 Lakhs). There are no overdue installments or interest payable.

**NOTE 16 LEASE LIABILITIES**

	As at March 31, 2023	As at March 31, 2022
a. Lease liabilities on ROU assets	41.89	82.58
	<b>41.89</b>	<b>82.58</b>

(₹ in Lakhs)

**NOTE 17 NON-CURRENT PROVISIONS**

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits (Net of Fund Assets)	59.56	267.58
	<b>59.56</b>	<b>267.58</b>

(₹ in Lakhs)

**NOTE 18 DEFERRED TAX LIABILITIES (NET)**

	As at March 31, 2023	As at March 31, 2022
<b>1. Deferred Tax Liability</b>		
Property, Plant and Equipment	4,735.85	4,358.59
<b>2. Deferred Tax Assets</b>		
Provisions allowable on payment basis	33.87	60.84
Net Deferred Tax Liability	<b>4,701.98</b>	<b>4,297.75</b>

(₹ in Lakhs)

**Disclosures:**

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Income Taxes" (Ind AS 12) issued by the institute of Chartered Accountants of India.

The gross movement in the deferred income tax account for the financial years ended March 31, 2023 and March 31, 2022, is as follows

	As at March 31, 2023	As at March 31, 2022
a. Net deferred tax liability at the beginning	4,297.75	3,670.62
b. Accelerated depreciation for tax purposes	345.33	656.69
c. Provisions allowable on payment basis	51.94	(15.80)
d. Temporary differences on Other Comprehensive Income	6.96	(13.76)
e. Net deferred tax liability at the end	<b>4,701.98</b>	<b>4,297.75</b>

(₹ in Lakhs)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 19 OTHER NON-CURRENT LIABILITIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Security Deposits	-	1,523.76
	-	<b>1,523.76</b>

**NOTE 20 CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>A. Secured:</b>		
Loans repayable on demand		
From Banks		
a. Working capital - Cash Credit	10,038.26	11,981.98
<b>B. Unsecured:</b>		
a. Loans from Promoter Directors	11.13	6.13
b. Loan from bajaj finance limited	1,338.21	-
c. Inter Corporate Deposits	-	329.01
Current maturities of long term debt	3,868.17	3,034.36
Current maturities of finance lease obligations	439.92	347.05
	<b>15,695.70</b>	<b>15,698.54</b>

**Disclosures:**

**I. Loans of Holding Company:**

**A) Secured Loans:**

- The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+2.50% to +3.00%. The rate of Interest on convertible FCNRB demand loan ranges from Libor+1.50% per annum.
- Interest rate for the Bill Discounting facility ranges from 6.65% to 8.10%
- Security:**

Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India, Indian Overseas Bank and Andhra Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the Company, and second pari passu charge on the fixed assets of the Company. The directors have extended their personal assets as securities i.e. land, plots and buildings 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.
- The credit facilities with Bajaj Finance Limited against purchase bill discounting (PBD) for working capital requirement. The interest rate is MCLR 8.65%

**II. Loans of Subsidiary Company**

**A. Secured loans:**

**Cash Credit:**

- The above cash credit from Union Bank of India is repayable on demand and carries interest rate of 1 year MCLR+2.50%, currently @ 10.90%.
- The cash credit is secured by hypothecation of all stocks and book debts of the Company and the loan has been guaranteed by personal guarantee of Mr. Ch. Siddartha, Managing Director and Mrs. Ch. Manujula, Executive Director of Vishnu Barium Private Limited and Mr. Ch. Krishna Murthy Director of the holding Company Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 17,20,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishna Murthy.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**NOTE 21 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Trade payables - Due to Micro Small and Medium Enterprises	54.08	28.59
Trade payables - Other parties	17,190.76	17,023.27
Trade payables - Related parties	425.33	98.06
	<b>17,670.17</b>	<b>17,149.92</b>

**Disclosures:**

The principal amount remaining unpaid as at March 31, 2023 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 53.32 Lakhs (March 31, 2022 ₹ 28.39 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 0.76 Lakhs (March 31, 2022 ₹ 0.20 Lakhs)

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

**Trade Payables ageing schedule as at March 31, 2023**

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1 year to 2 years	2 year to 3 years	More than 3 years	Total
Undisputed trade receivables					
a. MSME	54.08	-	-	-	54.08
b. Others	17,487.92	128.17	0.00	-	17,616.09
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

**Trade Payables ageing schedule as at March 31, 2022**

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1 year to 2 years	2 year to 3 years	More than 3 years	Total
Undisputed trade receivables					
a. MSME	28.42	-	0.18	-	28.60
b. Others	16,571.43	542.18	7.71	-	17,121.32
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

\*Includes amounts not yet due for payment

**NOTE 22 LEASE LIABILITIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. Lease liabilities on ROU assets	44.27	62.66
	<b>44.27</b>	<b>62.66</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 23 OTHER CURRENT FINANCIAL LIABILITIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Cumulative Unpaid Preference Dividend	344.87	76.64
Interest Payable to others	-	0.49
Unclaimed dividends	8.61	10.00
Derivative Financial Instruments - Liability	-	55.25
	<b>353.48</b>	<b>142.38</b>

**NOTE 24 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Advance from Customers	376.93	1,186.69
Creditors for Capital Expenditure	911.94	338.99
Advances received against sale of Capital Assets	-	410.00
Advance from others	7.95	6.99
Statutory dues Payable	253.25	259.63
	<b>1,550.08</b>	<b>2,202.31</b>

**NOTE 25 CURRENT PROVISIONS**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits (Net of Fund Assets)	20.56	44.95
	<b>20.56</b>	<b>44.95</b>

**NOTE 26 CURRENT TAX LIABILITIES**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (Net of TDS)	1,360.40	1,695.12
	<b>1,360.40</b>	<b>1,695.12</b>

**NOTE 27 REVENUE FROM OPERATIONS**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Sale of Products	1,38,765.58	1,06,587.61
2. Other Operating Revenues		
a. Sale of Scrap	196.54	158.22
b. Testing Charges	-	44.25
c. Export Incentives	137.24	110.10
	333.78	312.57
	<b>1,39,099.36</b>	<b>1,06,900.18</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**NOTE 28 OTHER INCOME**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Interest Income		
a. Interest Income on bank and other deposits	110.79	66.08
b. Amortised Interest on Deposits/Loans	20.05	118.36
2. Other Non-Operating Income		
a. Insurance Claim Received	14.96	17.79
b. Profit on Sale of Investments	0.84	3.64
c. Net Gain on Foreign Currency Translation and Transactions	974.25	348.19
d. Other Income	6.04	0.56
e. Fair value gain on Investments (net)	1.18	20.63
f. Profit on Sale of property, plant and equipment	392.84	0.50
	<b>1,520.95</b>	<b>575.75</b>

**NOTE 29 COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock	3,264.61	4,351.03
Add: Purchase	55,735.36	38,892.83
<b>Total</b>	<b>58,999.97</b>	<b>43,243.85</b>
Less: Closing Stock	3,915.29	3,264.61
	<b>55,084.68</b>	<b>39,979.25</b>

**NOTE 30 COST OF CONSUMABLES**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of Petcoke	3,097.90	3,561.25
Consumption of Furnace Oil	5,882.77	3,638.85
Consumption of Husk	1,175.22	655.28
Consumption of Coal	10,160.25	6,802.98
Consumption of LDO/Kerosene	1,255.92	828.66
	<b>21,572.06</b>	<b>15,487.02</b>

**NOTE 31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1. Finished Goods</b>		
a. Opening Stock	7,456.43	8,288.18
b. Closing Stock	8,577.25	7,456.43
	<b>(1,120.82)</b>	<b>831.75</b>
<b>2. Work-in-progress</b>		
a. Opening Stock	2,988.37	3,615.19
b. Closing Stock	4,203.75	2,988.37
	<b>(1,215.38)</b>	<b>626.83</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>3 Stock-in-Trade</b>		
a. Opening Stock	288.57	288.57
b. Closing Stock	259.23	288.57
	<b>29.34</b>	<b>-</b>
Total Decrease / (Increase)	<b>(2,306.86)</b>	<b>1,458.58</b>

**NOTE 32 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries & Wages	4,056.12	3,683.08
Contribution to Provident and Other Funds	283.07	252.45
Staff Welfare Expenses	264.52	214.17
	<b>4,603.71</b>	<b>4,149.70</b>

**NOTE 33 FINANCE COSTS**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expense	1,887.15	1,641.81
Interest on Others	152.39	208.92
Unwinding of Interest/Discount on Financial Instruments	211.95	343.58
Other Borrowing Costs	740.70	338.57
Preference Dividend	344.87	76.64
	<b>3,337.06</b>	<b>2,609.52</b>

**NOTE 34 POWER COST**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Power Charges	6,317.12	4,541.94
	<b>6,317.12</b>	<b>4,541.94</b>

**NOTE 35 MANUFACTURING EXPENSES**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Equipment Hire Charges	1,047.74	777.69
Consumption of Stores & Spares	3,007.77	2,495.19
Repairs & Maintenance - Buildings	301.84	237.78
Repairs & Maintenance - P & M	1,441.60	836.92
Lease Rentals - Factory	1,753.91	-
Labour costs	2,168.95	1,821.10
Factory/Godown Maintenance	1,045.02	616.01
Effluent Disposal Expenses	2,832.51	2,061.48
Goods Movement Charges	574.76	732.47
	<b>14,174.10</b>	<b>9,578.64</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**
**NOTE 36 SELLING & ADMINISTRATIVE EXPENSES**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Labour costs	48.24	43.22
Insurance	258.21	352.83
Packing Charges	2,958.52	2,596.44
Shipping & forwarding Charges	8,753.75	8,719.25
Other Selling Cost	638.75	464.47
Rent	841.82	787.60
Rates & Taxes	144.97	144.59
Bank charges	127.38	192.24
Travelling, Vehicle Maintenance & Conveyance	663.75	406.45
Professional & Consultancy Charges	514.75	331.13
Security Charges	123.57	112.99
Miscellaneous Expenses	479.09	415.06
Impairment loss on fixed assets	58.31	-
	<b>15,611.11</b>	<b>14,566.27</b>

**Disclosures:**

Payment to statutory auditors

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
The details of payment to statutory auditors included in Professional & Consultancy charges above, are given below		
a. As an auditor - Statutory audit fee	19.00	16.50
b. For taxation matters - Tax audit fee	5.15	5.25
c. For company law matters	-	-
d. For other services	6.01	4.60
e. For reimbursement of expenses	-	-
	<b>30.16</b>	<b>26.35</b>

**NOTE 37 CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
CSR Expenses	116.42	66.52
	<b>116.42</b>	<b>66.52</b>
a. Gross amount required to be spent by the Company during the year	116.42	66.52
b. Amount Spent during the year on the above	116.42	66.52
c. Shortfall at the end of the year	-	-
d. Total of previous year shortfall	Not Applicable	Not Applicable
e. Nature of activity	* see note below	* see note below
f. Details of related party transactions		
g. Details of related party transactions		
Contribution to a trust controlled by the Company in relation to Company	378.30	389.36
(i) Applicable for the current year	116.42	66.52
(ii) Excess amount contributed for future set-off	269.29	323.48
h. where a provision is made with respect to liability incurred-movement in the provision needs to be disclosed separately	-	-

\* Note:

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 38 TAX EXPENSE**

(₹ in Lakhs)

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Current Tax	4,478.55	2,458.55
Tax Pertaining to earlier years	24.49	(5.26)
Deferred Tax current year	385.46	640.78
	<b>4,888.50</b>	<b>3,094.07</b>

**NOTE 39 GROUP:**

Vishnu Chemicals Limited has two 100% wholly owned subsidiaries – Vishnu Barium Private Limited in India and Vishnu South Africa (Pty) Limited in South Africa. Vishnu South Africa (Pty) Limited, incorporated in financial year 2017-18 is yet to commence operations.

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

(₹ in Lakhs)

<b>S. No.</b>	<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
1	<b>Contingent Liabilities:</b>		
	Claims against the Group not acknowledged as debt		
a.	Claims arising from disputes not acknowledged as debts-Sales Tax (against which Pre-deposit of ₹146.79 Lakhs made (P.Y. Pre-deposit ₹146.79 Lakhs)	179.76	204.52
b.	Claims arising from disputes not acknowledged as debts-Service Tax (against which Pre-deposit of ₹17.55 Lakhs made (P.Y. Pre-deposit ₹ 17.55 Lakhs)	652.62	652.62
c.	Fuel surcharge adjustment expense pertaining to the period from April, 2008 to March, 2010 was not recognised as the collection of the same was stayed by Honorable High Court of Andhra Pradesh, which is still pending for disposal.	27.38	27.38
d.	The Recovery Officer, Employee State Insurance Corporation, has raised a demand to pay arrears along with interest. A writ petition was filed against the same in the Honorable High court of Andhra Pradesh and is contesting the aforesaid matter.  Based on internal assessment and legal advice, the Management strongly believes that matter will be decided in its favour.	21.48	21.48
e.	The Assistant Commissioner (CT), LTU, Chittoor Division, Andhra Pradesh has raised a demand of ₹ 7.51 Lakhs for the period June 2017 towards excess Input Tax Credit availed and an equivalent amount towards penalty (against which pre-deposit of ₹ 0.94 Lakhs made)	-	15.02
f.	Guarantees excluding financial guarantees	88.19	66.48
2	<b>Commitments:</b>		
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	2,054.00	2,241.55

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)

### NOTE 41 SEGMENT REPORTING:

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

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

Geographic Location	(₹ in Lakhs)	
	2022-23	2021-22
	Revenue	Revenue
Domestic	70,841.70	52,079.70
Overseas	67,923.88	54,507.91

Details of Non-Current Assets\*

Geographic Location	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Domestic	58,246.55	49,713.70
Overseas	-	-

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

### NOTE 42 RELATED PARTY DISCLOSURES:

#### a) Details of Related Parties:

SI No	Name of the Related Party	Nature of Relationship
1	Mr. Ch. Krishna Murthy	Chairman and Managing Director, Key Managerial Personnel
2	Mrs.Ch. Manjula	Non-Executive Director (Executive Director in Subsidiary Vishnu Barium Private Limited)
3	Mr. Ch. Siddartha	Joint Managing Director, Key Managerial Personnel
4	Late Mr. P. Anjaneyulu	Chief Financial Officer, Key Managerial Personnel (till January 21, 2023)
5	Mr. Mahesh Bhatler	Chief Financial Officer, Key Managerial Personnel (with effect from February 10, 2023)
6	Mr. Kishore Kathri	Company Secretary, Key Managerial Personnel (till June 15, 2022)
7	Ms. Vibha Shinde	Company Secretary, Key Managerial Personnel (with effect from August 06, 2022)
8	Mr. Pradip Saha	Independent Director (retired on November 09, 2021)
9	Mr. Tirthankar Mitra	Independent Director (Non-executive Director in Subsidiary Vishnu Barium Private Limited)
10	Mr. Chetan Shah	Independent Director (appointed on February 12, 2021)
11	Mr. V. Vimalanand	Independent Director (appointed on December 31, 2021)
12	Mr. Santanu Mukherjee	Independent Director (retired on October 08, 2021 in Subsidiary Vishnu Barium Private Limited)
13	Mrs. Sita Vanka	Independent Director (appointed on May 16, 2022)
14	M/s. Vasantha Transport Corporation	Concern in which Key Managerial Personnel is interested
15	M/s. K.M.S. Infrastructure Private Limited	Concern in which Key Managerial Personnel are interested
16	M/s. Vishnu Life Sciences Limited	Concern in which Key Managerial Personnel is interested
17	M/s. Vishnu Barium Private Limited	Wholly Owned Subsidiary
18	M/s. Vishnu South Africa (Pty) Limited	Wholly Owned Subsidiary
19	M/s. Krishna Foundation	Trust in which directors are Trustees and the Company is the settlor

#### b) Details of Transactions:

Nature of Transaction	(₹ in Lakhs)			
	Key Managerial Personnel		Concerns in which Key Managerial Personnel are Interested	
	2022-23	2021-22	2022-23	2021-22
<b>Expenses</b>				
Remuneration	394.52	286.83		
Rent Expenses	76.46	72.24	-	10.00
Transportation, CHA services and hire charges			3,466.62	2,394.75
Purchases			195.68	225.82



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

(₹ in Lakhs)

Nature of Transaction	Key Managerial Personnel		Concerns in which Key Managerial Personnel are Interested	
	2022-23	2021-22	2022-23	2021-22
Sales			10.43	111.73
Hire Charges	4.50	4.80	107.60	119.25
Service Charges			94.20	-
<b>Receipts &amp; Payments, Payables &amp; Receivables Outstanding at year end</b>				
Unsecured Loan from Promoter Directors during the year	5.00	208.28	-	-
Unsecured Loans from Promoter Directors outstanding at year end	3,020.13	3015.13	-	-
Payables to KMP and Concerns in which KMP are interested	30.12	22.21	399.37	75.85

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

As post-employment benefits are actuarially determined on overall basis, the amount pertaining to the Key Managerial Personnel is not ascertainable and, therefore, not included above.

During the year, the Group has paid directors sitting fees to non-executive director and independent directors as under:

Sl. No.	Director Name	2022-23	2021-22
1	Mrs. Ch. Manjula	2.00	1.00
2	Mr. Tirthankar Mitra	4.60	2.80
3	Mr. Chetan Shah	3.20	2.00
4	Mr. Vimalanand	3.60	0.60
5	Mrs. Sita Vanka	1.20	-
6	Mr. Pradip Saha	-	1.40
7	Mr. Santanu Mukherjee	-	0.60
	<b>Total</b>	<b>14.60</b>	<b>8.40</b>

An amount of ₹ 378.30 Lakhs (Previous Year: ₹ 389.36 Lakhs) has been contributed to Krishna Foundation during the year towards Corporate Social Responsibility.

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

**NOTE 43** The paid-up share capital of the Company as on financial year ended March 31, 2023 is ₹ 8,858.35 Lakhs divided into 5,97,30,100 Equity Shares of ₹ 2/- each and financial year ended March 31, 2022 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, 2023 and as on March 31, 2022 is 25%.

The preference shareholders have given their consent to forego 2.5% preference dividend of the eligible 7% preference dividend amounting ₹ 191.59 Lakhs for the financial year 2022-23 and the preference shareholders have given their consent to forego 6% preference dividend amounting ₹ 459.83 Lakhs for the 2021-22.

**NOTE 44 EMPLOYEE BENEFITS:**

**1. Defined Contribution Plan:**

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

(₹ in Lakhs)

Particulars	2022-23	2021-22
Contribution to Provident Fund	133.79	132.96
Contribution to Employee State Insurance	3.77	4.73

**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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

of present value of obligation, fair value of plan assets, expense recognised in Statement of Profit & Loss and Other Comprehensive Income are given below:

		(₹ in Lakhs)	
Particulars	Gratuity	Gratuity	
	(Funded)	(Funded)	
	2022-23	2021-22	
<b>1 Assumptions:</b>			
Discount Rate	7.17%-7.21%	7.14%-7.36%	
Escalation	3%-5.50%	3%-5.50%	
<b>2 Reconciliation of opening and closing balances of Defined Benefit obligation</b>			
Present value of obligations at beginning of year	639.24	526.10	
Interest Cost	44.17	33.84	
Current Service Cost	57.30	49.08	
Benefits Paid	(38.02)	(37.16)	
Actuarial (gain)/ loss on obligation	(47.84)	67.38	
Present Value of obligation at end of year	654.85	639.24	
<b>3 Reconciliation of opening and closing balances of fair value of plan assets</b>			
Opening fair value of plan asset	315.24	149.80	
Adjustment to opening Fair Value of Plan Asset	0.85	(1.15)	
Return on Plan Assets excl. interest income	(0.70)	(1.37)	
Interest Income	22.42	10.46	
Contributions by Employer	282.18	194.66	
Benefits paid	(38.02)	(37.16)	
Fair Value of plan Assets at end	581.97	315.24	
<b>4 Net defined benefit asset/ (liability) recognised in the balance sheet</b>			
Present value of defined benefit obligation	654.87	639.24	
Fair Value of plan Assets at end of period	581.97	315.23	
Net Asset/(liability) recognised in the balance sheet.	(72.90)	(324.01)	
<b>5 Expenses recognised in the statement of Profit and Loss:</b>			
Current service cost	57.30	49.08	
Net interest	21.74	23.37	
Expense recognised in the statement of Profit and Loss	79.04	72.45	
<b>6 Other Comprehensive Income (OCI):</b>			
Actuarial gain/(loss) recognised for the period	(47.84)	67.38	
Return on plan assets excluding net interest	0.70	1.37	
Total actuarial (gain)/ loss recognised in OCI	(47.14)	68.75	

**Sensitivity Analysis:**

Particulars	(₹ in Lakhs)			
	March 31, 2023			
	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligation	609.04	706.81	706.38	608.65

**Categories of Plan Assets:**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Gratuity Fund managed by Life Insurance Corporation of India	581.97	315.23

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

**NOTE 45 EARNINGS PER SHARE:**

Particulars	2022-23	2021-22
Net Profit after Tax (₹ in Lakhs) (a)	13,656.37	8,139.27
Weighted Average no. of Shares - Basic & Diluted (b)	5,97,30,100	5,97,30,100
Nominal value of equity share (in ₹ per share)	2	2
Earnings per Share - Basic & Diluted (₹) (a)/(b)	22.86	13.63

During the year ended March 31, 2023, the equity shares of the company were split/sub divided such that equity share having face value of ₹10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from January 13, 2023 (record date). The basic & diluted earnings per share (EPS) for the current, previous periods/year has been restated to give effect of the share split as per Ind AS 33.

**NOTE 46 UN-HEDGED FOREIGN CURRENCY EXPOSURE:**

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

(₹ in Lakhs)

Particulars	Currency	March 31, 2023		March 31, 2022	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign currency	Amount in Indian Rupees
Trade receivables	USD	1,50,10,502	12,334.13	1,69,36,654	12,836.72
Trade receivables	EURO	5,63,822	504.30	9,87,591	831.75
Trade payables	USD	(17,64,458)	(1,449.86)	(24,09,286)	(1,826.06)
Secured loans	USD	(29,65,561)	(2,436.81)	(1,19,18,882)	(9,033.62)
Secured loans	EURO	-	-	(8,27,400)	(696.84)

**NOTE 47 ANALYTICAL RATIOS:**

Sl. No	Ratio	Numerator	Denominator	2023	2022	Variance	Remarks
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.28	1.13	13.27%	-
2	Debt-equity ratio (in times)	Total Debt	Shareholders Equity	0.92	1.32	(30.30%)	Decrease was primarily on account of increase in profits
3	Debt service coverage ratio (in times)	Earnings before Debt service = Net profit after taxes + non Cash operating expenses + Interest + Other non cash adjustments (like loss on sale of fixed assets etc)	Debt service = Interest & lease payments + principle repayments	2.30	2.54	(9.45%)	-
4	Return on equity ratio (in %)	Profit for the year	Average total Equity	39.51%	34.41%	14.82%	-
5	Inventory Turnover ratio (in times)	Revenue from operations	Average total inventory	7.41	5.96	24.33%	-
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	7.48	6.97	7.32%	-
7	Trade payables turnover	Raw material purchases + Fuel purchase+Other expenses	Average trade payables	6.30	5.35	17.76%	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

Sl. No	Ratio	Numerator	Denominator	2023	2022	Variance	Remarks
8	Net capital turnover ratio	Revenue from operations	Average working capital (ie., Total current assets less Total current liabilities)	18.69%	31.01%	(39.73%)	Decrease was primarily on account of increase in profits
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	9.82%	7.61%	29.04%	Increase was primarily on account of increase in profits than increase in revenue
10	Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Debt + Deferred tax Liabilities	20.21%	25.26%	(19.99%)	-
11	Return on Investment	Income generated From invested Funds	Average invested funds in treasury investments	385.24%	859.20%	(55.16%)	Decrease was primarily on account of increase in raw material cost of the subsidiary

**NOTE 48 ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 2 OF DIVISION II OF SCHEDULE III TO THE COMPANIES ACT, 2013-'GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS':**
**March 31, 2023**

(₹ 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	<b>Holding Company</b>								
	Vishnu Chemicals Limited	83.52%	34,609.29	94.71%	12,934.47	36.89%	20.69	94.48%	12,955.16
2	<b>Subsidiaries:</b>								
	<b>Indian Subsidiary</b>								
	Vishnu Barium Private Limited	19.21%	7,958.80	5.30%	724.24	62.65%	35.13	5.54%	759.37
	<b>Foreign Subsidiary</b>								
	Vishnu South Africa (Pty) Limited	0.04%	18.41	(0.01%)	(2.34)	0.46%	0.26	(0.02%)	(2.07)
	Less: Consolidation Adjustments	(2.77%)	(1,149.05)	0.00%	-	0.00%	-	0.00%	-
	<b>TOTAL</b>	<b>100.00%</b>	<b>41,437.45</b>	<b>100.00%</b>	<b>13,656.37</b>	<b>100.00%</b>	<b>56.08</b>	<b>100.00%</b>	<b>13,712.46</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (CONTD.)**

March 31, 2022

(₹ in Lakhs)

S. No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	<b>Holding Company</b>								
	Vishnu Chemicals Limited	78.07%	21,616.48	80.15%	6,523.90	72.51%	40.92	80.21%	6,482.98
2	<b>Subsidiaries:</b>								
	<b>Indian Subsidiary</b>								
	Vishnu Barium Private Limited	24.73%	6,847.57	19.85%	1,615.38	27.49%	15.51	19.79%	1,599.87
	<b>Foreign Subsidiary</b>								
	Vishnu South Africa (Pty) Limited	0.00%	(0.04)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
	Less: Consolidation Adjustments	(2.80%)	(777.67)	0.00%	-	0.00%	-	0.00%	-
	<b>TOTAL</b>	<b>100.00%</b>	<b>27,687.34</b>	<b>100.00%</b>	<b>8,139.27</b>	<b>100.00%</b>	<b>56.43</b>	<b>100.00%</b>	<b>8,082.84</b>

**NOTE 49** Previous year's figures are regrouped and reclassified wherever considered necessary to conform to the classification/presentation of the current year.

As per our report of even date  
For **Jampani & Associates**  
Chartered Accountants  
Firm Registration No. 016581S  
**Sd/-**  
**Trinadha Rao Marisetty**  
Partner  
Membership No. 207990

Place: Hyderabad  
Date: May 03,2023

For and on behalf of the Board of Directors

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

**Sd/-**  
**Mahesh Bhatler**  
Chief Financial Officer

Place: Hyderabad  
Date: May 03,2023

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

**Sd/-**  
**Vibha Shinde**  
Company Secretary & Compliance Officer  
M. No.: FCS8466





CIN: L85200TG1993PLC046359

Regd. Off: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 096

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

Website: www.vishnuchemicals.com; Email id: vishnu@vishnuchemicals.com

## NOTICE OF THIRTIETH (30<sup>TH</sup>) ANNUAL GENERAL MEETING OF VISHNU CHEMICALS LIMITED

**NOTICE** is hereby given that the Thirtieth (30<sup>th</sup>) Annual General Meeting (AGM) of the members of Vishnu Chemicals Limited ('VCL') will be held on Friday, August 11, 2023 at 11:00 AM IST via two-way video conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following business:

### ORDINARY BUSINESS:

- a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, 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, 2023, together with the Report of the Auditors thereon.**
- To declare dividend of ₹ 0.40/- per equity share of ₹ 2/- each (i.e. 20%) for the financial year ended March 31, 2023.**
- To appoint a Director in place of Mr. Ch. Siddartha (DIN: 01250728), who retires by rotation and being eligible, offers himself for re-appointment.**

### SPECIAL BUSINESS:

- To approve re-appointment of Mr. Veeramachaneni Vimalanand (DIN: 02693721) as an Independent Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 25(2A) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Veeramachaneni Vimalanand

(DIN: 02693721), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for reappointment, be and is hereby reappointed as an Independent Director of the Company to hold office for second term of two (2) consecutive years with effect from December 31, 2023 till December 30, 2025 (both days inclusive) and whose office shall not be liable to retire by rotation.

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

- To ratify payment of remuneration to the Cost Auditors for the financial year 2023-24.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof], the Company hereby ratifies the maximum remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus taxes, travel and out-of-pocket expenses incurred in connection with the cost audit payable to M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118), Hyderabad, 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, 2024.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to vary and /or revise the remuneration of the Cost Auditors within limits as approved by the aforesaid resolution and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution."

**NOTICE (CONTD.)****NOTES:**

1. The Ministry of Corporate Affairs ("MCA") vide its Circular nos. 14/2020 and 17/2020 dated April 08, 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 05, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular nos. 02/2021, 21/2021, 02/2022 and 10/2022 dated January 13, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue; in line with the MCA Circulars, Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/POD-2/P/CIR/2023/4 dated January 05, 2023 (collectively referred to as "SEBI Circulars") relaxed the requirement of sending physical copies of annual report to shareholders under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of the AGM venue are not annexed to this notice.
3. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 4 and 5 of the Notice is annexed hereto. The relevant details pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of Director seeking appointment/reappointment at this AGM are also annexed. Mr. Ch. Krishna Murthy, Mrs. Ch. Manjula and Mr. Ch. Siddartha are relatives of each other as defined under Section 2(77) of the Companies Act, 2013.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before 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 at least 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The detailed instructions for joining the Meeting through VC/OAVM forms part of this notes.
5. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorisation etc., authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorisation shall be sent to the Scrutiniser by e-mail on their 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 ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. In line with aforementioned MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2022-23 is being sent only through e-mail, to those Members whose e-mail addresses are registered with the Company/ Registrar & Share Transfer Agent (RTA)/ Depository Participant/ Depositories as at the end of the day on Friday, July 14, 2023. The Notice convening the 30th AGM has been uploaded on the website of the Company at [www.vishnuchemicals.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
8. **Process for registering/ updating e-mail address and mobile number:**  
The following procedure shall be followed in case shares are held in physical form:
  - a) Visit the link: <https://www.bigshareonline.com/InvestorRegistration.aspx>

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- b) Select the Company name from the drop down box
- c) Enter your name as per the share certificate, physical folio number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member to enter one of the share certificate numbers; and the above system also provides a facility to the Members holding shares in physical form to upload a self-attested copy of their PAN Card, if the PAN details are not updated in accordance with the requirements prescribed by SEBI.
- d) Also enter your valid e-mail address and mobile number and click on generate OTP, an OTP shall be sent to mobile number for verification. Once OTP is validated, the details can be submitted by verifying the declaration.
- e) The system will then confirm the successful registration of email id and mobile number.

The above submitted email id and mobile number shall be used for sending notices, annual report and all other correspondence from time to time to the shareholders including for participating in e-voting of this AGM.

In case of shares held in electronic/demat form, the shareholders are requested to update/ register their email id and mobile no. with their respective depository participants. However, for the limited purpose of receiving the Company's 30th Annual Report and notice of 30th 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 2022-23. In case of any queries, members may write to [bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com) or [investors@vishnuchemicals.com](mailto: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](mailto:bsshyd1@bigshareonline.com) or to [investors@vishnuchemicals.com](mailto:investors@vishnuchemicals.com) along with the following documents for registration of e-mail addresses for e-voting for the resolutions set out in this 30th AGM Notice:**

- In case where 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 where 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 30th AGM.

### 9. Record Date, Book Closure and Dividend:

- a) The Company has fixed **Friday, August 4, 2023** as the '**Record Date**' for determining entitlement of members to dividend for the financial year ended March 31, 2023, if approved at the AGM.
  - b) The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, August 5, 2023 to Friday, August 11, 2023 (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 dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Friday, August 4, 2023.
    - 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, August 4, 2023.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 01, 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 02, 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 dematerialised form.

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Members can contact the Company or Company's Registrars and Share Transfer Agents, M/s. Bigshare Services Private Limited (BSPL), 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad – 500082, India, Email Id: [bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com), [www.bigshareonline.com](http://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 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the Depository Participant (if shares held in electronic form) and Company / RTA (if shares held in physical form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mailing to [investors@vishnuchemicals.com](mailto:investors@vishnuchemicals.com)/[bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com) by 11:59 p.m. IST on July 27, 2023. 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](mailto:investors@vishnuchemicals.com)/[bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 27, 2023. For further details and formats of declaration, please refer to FAQs on Taxation of Dividend Distribution available on the Company's website at **'Communication on Tax Deduction on Dividend'**.
12. The Members holding shares in physical form are informed that as per SEBI circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 and SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated November 03, 2021, December 14, 2021, March 16, 2023 respectively, SEBI has notified simplified norms for processing investor's service request by RTA and

mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities.

In this regard, it is mandatory for all the physical shareholders to furnish the following documents/ details with the Company/ RTA and the non updation of the same on or before October 01, 2023 shall result into freezing of folios:

- a. Form ISR-1 (Request for registering PAN, KYC details)
- b. Form ISR-2 (Confirmation of Signature of securities holder by the Banker)
- c. Either,
  - SH-13 (Nomination Form)/ SH-14 (Cancellation or variation in nomination); or
  - Form ISR-3 (Declaration to opt-out Nomination)

Further, the the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

The physical shareholders are requested to furnish the above documents on or before September 30, 2023 so as to avoid freezing of folios. The shareholders can download the relevant forms from the website of the Company at Investor Relations> Investor Information> Forms or from the website of RTA <https://www.bigshareonline.com/Resources.aspx>.

13. Members are also requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to Registrar/respective DPs as may be applicable.
14. Updation of bank mandate for receiving dividends directly in bank account through Electronic Clearing System or any other electronic means in a timely manner:

**Shares held in physical form:** Members are requested to send a scanned copy of the following details/ documents at [bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com)/[investors@vishnuchemicals.com](mailto:investors@vishnuchemicals.com) latest by July 27, 2023:

- 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;

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- 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.

- 15. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other electronic means, due to non-registration of the Electronic Bank Mandate or other technical reasons like change in IFSC, inactive account etc., the Company shall dispatch the dividend warrant/ bankers' cheque/demand draft to such members through postal or courier services to their registered address.
- 16. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, shall, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). **Further, shares on which the dividends remain unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.** Hence, members who have not claimed/ encashed their dividend warrant for respective financial years are requested to write to the Company/Registrar and Share Transfer Agent (RTA) at least a month before the due dates mentioned hereunder:

S.No.	Dividend Accounts	Date of declaration	Date on which unclaimed dividend become due to be transferred to IEPF
1	Unpaid Dividend Account 2017-18	September 24, 2018	October 29, 2025
2	Unpaid Dividend Account 2018-19	June 27, 2019	August 07, 2026
3	Unpaid Dividend Account 2019-20	August 14, 2020	September 22, 2027
4	Unpaid Dividend Account 2020-21	July 12, 2021	August 20, 2028
5	Unpaid Dividend Account 2021-22	July 15, 2022	August 21, 2029

- 17. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before August 1, 2023 through e-mail on investors@vishnuchemicals.com. The same will be replied by the Company suitably.
- 18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
- 19. Details of Unclaimed Shares: The Company doesn't have any shares remaining unclaimed in the unclaimed suspense account.

**20. INTRUCTIONS FOR REMOTE E-VOTING & E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/ OAVM ARE AS UNDER:**

**A. VOTING THORUGH ELETRONIC MEANS:**

- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 30th AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a Member using remote e-voting system as well as e-voting during the AGM will be provided by CDSL.
- ii. **The remote e-voting period commences on Monday, August 7, 2023 at 9.00 a.m. (IST) and ends on Thursday, August 10, 2023 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



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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, August 4, 2023.

- iii. Members of the Company holding shares either in physical form or in electronic form **as of the close of business hours on Friday, August 4, 2023 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, August 4, 2023, may obtain a copy of AGM Notice by sending a request to [bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com) or can also be downloaded from the Company's website [www.vishnuchemicals.com](http://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](http://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](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

- Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; [investors@vishnuchemicals.com](mailto:investors@vishnuchemicals.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.
- v. The Members who have cast their vote by remote e-voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- vi. M/s. L.D.Reddy & Co., Company Secretaries, Hyderabad has been appointed as the Scrutiniser(s) to scrutinise the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.

The details of the process and manner for remote e-voting are explained herein below:

**I) 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 09, 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.

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<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasitoken/Home/Login">https://web.cdslindia.com/myeasitoken/Home/Login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-voting service providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Home/Login">https://web.cdslindia.com/myeasitoken/Home/Login</a></li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or by clicking on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	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.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

## NOTICE (CONTD.)

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 or 1800 22 44 30

### II) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode & shareholders holding securities in physical mode:

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://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"> <li>● 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.</li> </ul>
Dividend Bank Details <b>OR</b> 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"> <li>● 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.</li> </ul>

- 7) After entering these details appropriately, click on "SUBMIT" tab.
 

take utmost care to keep your password confidential.
- 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
  - 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.

## NOTICE (CONTD.)

- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutiniser for verification.

### **B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- 1) The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 2) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- 3) Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM except on the resolutions which couldn't be voted during the remote e-voting.
- 4) Members may join the Meeting through laptops, smartphones, tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed/ band to avoid buffering/ disconnections during the Meeting. Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience

audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

- 5) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@vishnuchemicals.com](mailto: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](mailto: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](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurax, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.



## NOTICE (CONTD.)

### Other instructions:

1. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast 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 Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutiniser's Report shall be placed on the Company's website [www.vishnuchemicals.com](http://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/-

**Vibha Shinde**

**Company Secretary &  
Compliance Officer  
FCS - 8466**

Hyderabad  
May 03, 2023

**Registered Office:**

Plot No. C-23, Road No. 8,  
Film Nagar, Jubilee Hills, Hyderabad – 500 096  
Tel: 040-23396817, 23327723/ 29;  
Email ID: [vishnu@vishnuchemicals.com](mailto:vishnu@vishnuchemicals.com)  
Website: [www.vishnuchemicals.com](http://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. 4-5 of the accompanying Notice of AGM.

### Item No. 4:

Mr. Veeramachaneni Vimalananand was appointed as an Independent Director of the Company by the members at the 29th Annual General Meeting of the Company held on July 15, 2022 for a term of two (2) consecutive years from December 31, 2021 to December 30, 2023.

Based on recommendation of Nomination and Remuneration Committee (NRC) and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Act and Regulation 25(2A) of the Listing Regulations, Mr. Veeramachaneni Vimalananand, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be reappointed as an Independent Director for second term of two (2) consecutive years from December 31, 2023 till December 30, 2025.

The Company has received a declaration from Mr. Veeramachaneni Vimalananand on being eligible for re-appointment as Independent Director. Further, he has provided consent in writing to continue to act as Independent Director of the Company, if so appointed by the members. The Company has also received a declaration from him confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(1)(b) of the Listing Regulations, as amended from time to time. Mr. Veeramachaneni Vimalananand is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. In opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 & Listing Regulations for his re-appointment as Independent Director of the Company and is independent of the management.

The Board considered that his continued association would be of immense benefit to the Company and it is desirable to continue the services of Mr. Veeramachaneni Vimalananand as an Independent Director of the Company and accordingly the Board at its meeting held on May 03, 2023 recommended for his re-appointment.

The names of companies and the committees in which the director is a director/member, the letter of appointment and terms and conditions of the appointment are available for inspection at the registered office of the Company during normal business hours (9.30 am to 5.00 pm) on any working day, except Saturday, 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 Mr. Veeramachaneni Vimalananand (including relatives) being re-appointed in terms of the said resolution, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, either financially or otherwise, in the resolution at Item No. 4 of the accompanying Notice.

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

### Item No. 5:

The Members are informed that on the recommendations of the Audit Committee, the Board, at its meeting held on May 03, 2023, re-appointed M/s. Sagar and Associates, Cost Accountants (FRN: 000118), Hyderabad as Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the financial year 2023-24 at a remuneration not exceeding ₹ 1.00 Lakh (Rupees One Lakh Only) (excluding all applicable taxes and reimbursement of out of pocket expenses).

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration paid to the Cost Auditor of the Company shall be approved by the members of the Company by way of ratification. Accordingly, approval of the members is being sought by way of ratification for payment of remuneration of ₹ 1.00 Lakh (Rupees One Lakh Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) to M/s. Sagar and Associates, Cost Accountants (FRN: 000118), Hyderabad for the financial year 2023-24.

None of the Directors and/or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, either financially or otherwise, in the resolution at Item No. 5 of the accompanying Notice.

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

**By Order of the Board**

Sd/-

**Vibha Shinde**

**Company Secretary &**

**Compliance Officer**

**FCS - 8466**

Hyderabad  
May 03, 2023

## NOTICE (CONTD.)

**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:**

<b>Name of the Director</b>	<b>Mr. Ch. Siddartha</b>	<b>Mr. V Vimalanand</b>
<b>Nationality</b>	Indian	Indian
<b>Date of birth</b>	May 12, 1985	April 03, 1965
<b>Age</b>	38 years	58 years
<b>Qualification</b>	He holds MS in Biotechnology from Northumbria University & MBA from Saginaw University.	Graduate in Commerce and Law
<b>Experience (including expertise in specific functional area)/ Brief Resume</b>	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.	Mr. V. Vimalanand is one of the leading advocates in State of Telangana with over three decades of experience in the field of Civil and Criminal Law matters. With vast experience in dealing with corporate suits, arbitration and other legal cases under Civil & Criminal Law, he acts as an advisory to several corporate houses & individuals.
<b>Skills and capabilities required for the role and the manner in which the proposed person meets such requirements</b>	He holds MS in Biotechnology from Northumbria University & MBA from Saginaw University.	His experience & expertise in the field of law as an advocate meets the requirement of the Company to assess and have a check on regulatory/ legal concerns of the Company.
<b>Date of first Appointment on the Board of the Company</b>	January 02, 2006	December 31, 2021
<b>Shareholding in the Company</b>	56,28,340 equity shares of ₹ 2/- each (9.42%) & 2,44,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (0.32%)	Nil
<b>List of Directorship held in other companies</b>	a. Vishnu Barium Private Limited b. Vishnu Life Sciences Limited	a. Sarvotham Care Limited
<b>Membership /Chairmanship in Committees of other companies as on date*</b>	Nil	Member of Audit Committee
<b>Listed entities from which he/ she has resigned in the past three years</b>	Nil	Nil
<b>Relationships between Directors inter-se</b>	Relative of Mr. Ch. Krishna Murthy, Chairman & Managing Director and Mrs. Ch. Manjula, Non-Executive Director of the Company.	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.

**NOTES**

Dotted lines for taking notes.



## NOTES

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CIN: L85200TG1993PLC046359

Regd. Off: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills,  
Hyderabad - 500 096, Telangana

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

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