

July 20, 2020

BSE Limited Email : corp.relations@bseindia.com Through: BSE Listing Center Scrip Code: 516072	National Stock Exchange of India Limited Email : compliance@nse.co.in , takeover@nse.co.in Through: NEAPS Scrip Symbol: VISHNU
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Sub: Annual Report for the FY 2019-20 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir,

This is in furtherance to our letter dated June 2, 2020 and July 17, 2020, wherein the Company had informed that the 27th Annual General Meeting ('AGM') of the Company will be held on Friday, 14th August, 2020 at 11.00 a.m. (IST) via two-way Video Conference / Other Audio Visual Means only, in accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020.

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Integrated Annual Report of the Company along with the Notice of the 27th AGM and other Statutory Reports for the Financial Year 2019-20, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/Depositories.

The same is also available on the website of the Company at <https://www.vishnuchemicals.com/wp-content/uploads/2020/07/VCL-AR-2019-20-Final.pdf>

Kindly take the same on record and disseminate.

Thanking You.

Yours faithfully,

For Vishnu Chemicals Limited



**Company Secretary &
Compliance Officer**

Encl: As above



27th
ANNUAL
REPORT 2019-20

MANUFACTURE | SPECIALISE | EXCEL

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MANUFACTURE

Since the inception, in manufacturing our foremost accomplishment is changing the then prevailing skepticism on specialty chemicals manufacturing to safe and sustainable manufacturing. We achieved this through BETTERING our processes, efficiencies and technology to the BEST.

With 3 decades of experience and 4 world class manufacturing facilities we are striving to be one among the world leaders in specializing the Chemistry.

4

World class
manufacturing facilities

SPECIALIZE

Specialization with the right adoption of technology and processes across our functions is the key differentiator at Vishnu Chemicals.

We specialize in developing differentiated products through chemical research. We focus on developing stable and quality products matching with the customer expectations.

8

Products

14

User Industries



EXCEL

Excelling in all that what we do is our goal. Sustainable product development with six specialized variants in specialty chemical compounds, our product types have critical applications across 14 major industry sectors our product excellence has been accepted in over 57 countries. Company brand loyalty has enabled the company to be the preferred supplier.

57
Countries

ABOUT VISHNU

Established in 1989, Vishnu Chemicals Ltd (VCL) is one of the global manufacturers and suppliers of Specialty & Fine Chemicals. Since the inception the Company has growth through its green field as well as brown field projects. Today VCL has a global reach in over 57 countries backed by its research driven manufacturing facilities.

Over the years the Company has changed the perception on Specialty Chemical manufacturing as a hazardous – environment unfriendly manufacturing to sustainable and safe manufacturing.

Our Vision

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

Our Values

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



Credentials

One of the leading manufacturers and suppliers of Specialty Chemicals.

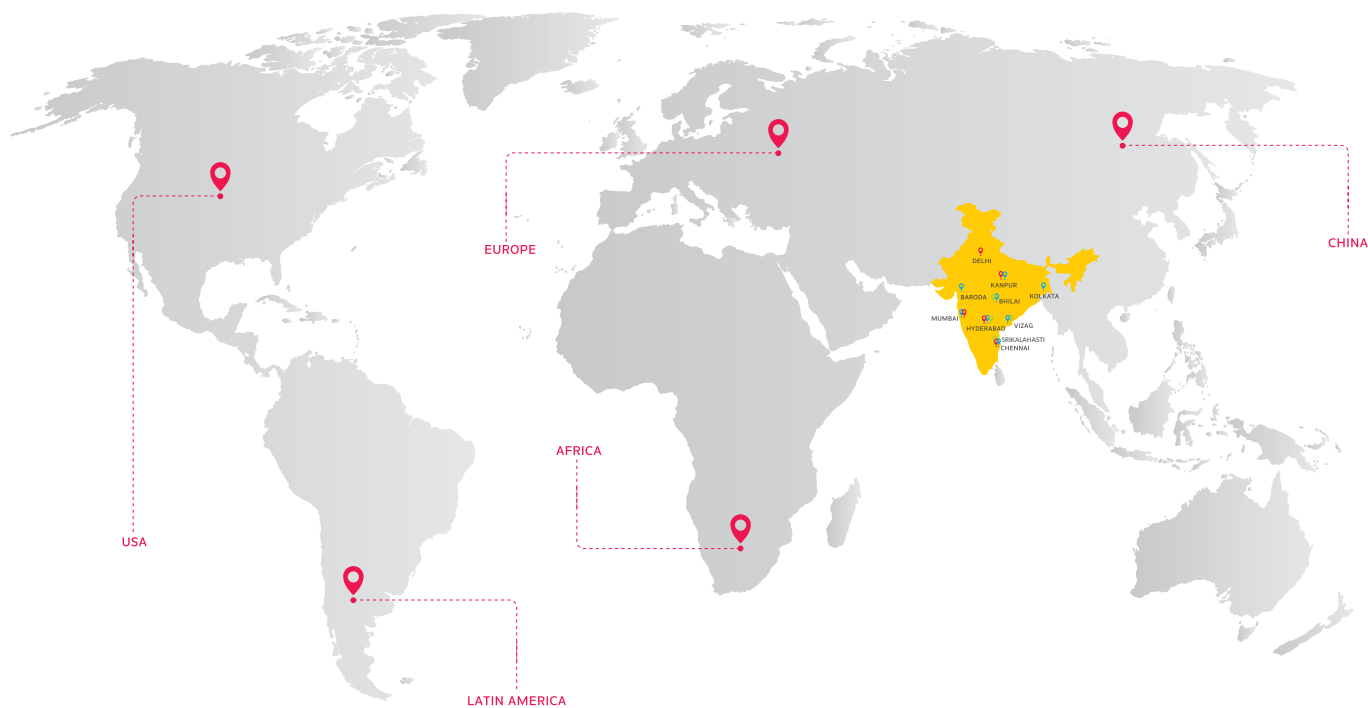
Trusted Supplier in over 57 countries.

Research Driven Product Development in State of the Art R&D Lab.

Proven track record in custom synthesis, contract research and contract manufacturing.

Quality Assurance Systems.

GLOBAL FOOT PRINTS



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

📍 MARKETING & SALES
 📍 WAREHOUSING
 📍 MANUFACTURING

₹ **67,672**

Consolidated Revenue in lakhs

₹ **2,223**

Consolidated PAT in lakhs

4

Overseas offices

6

Offices in India

430

Employees

CHAIRMAN'S LETTER

Dear Shareholders

At the outset I hope you and your family are staying safe. My earnest request to all of you is to adhere to the requisite safety and hygiene measures. My deepest sympathies to all those who lost their dear ones in the battle against the virus which has spread viciously across the world and also to those who lost their lives in standoff that took place at the border of the nation in protecting sovereignty of the Country.

At Vishnu Chemicals our utmost priority will be the health and safety of our team, we will continue to strive for zero harm at our operations.

As most of you are aware we are striving to be one among global manufacturers of specialty chemicals with worldwide foot prints. In the recent years, our Company featuring in all chrome chemical related global studies, news and analysis is a clear indication of our global brand equity.

FY20 has been a challenging year for Vishnu Chemicals. Tailspins of the global economic slowdown in FY19 and the resulted price corrections in the product price impacted our top line. However during the year we reduced our financial costs and expenses which resulted in marginal increase in our PAT by 9% on standalone basis. Accordingly EPS increased from 10.20 to 11.07

year on year. Our operational and financial capabilities are intact despite the adverse developments in the external environment.

During hard times the business focus shifts to resilience, inherent capabilities of the business to tide over the situation, long term prospects and strategic initiatives to keep the business agile. At Vishnu our value chain is intact and we have financial, manufacturing and operational capabilities to overcome this ongoing adverse patch. We are focused on manufacturing, specialising and excelling in all that we do.

Going forward our focus will be, reaching out to our customers across the globe and being a strong value chain partner during the hard times. We have adopted a lean approach across our functions to reduce fixed and variable costs. Business analysts predicts the pandemic-induced global contraction of manufacturing output of 7.6% during 2020. This is not as severe as the 8.6% contraction experienced in 2009, but the impact will be visible across all sectors.

We are keeping a close watch on the situation.

On behalf of the Board of Directors, I take this opportunity to thank all our customers, employees, suppliers, banks and investors and government agencies for their continued support and guidance.

Regards

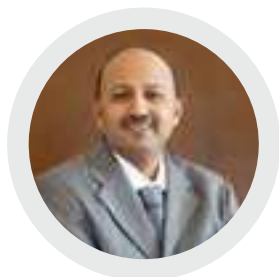
Stay Safe

Ch. Krishna Murthy
Chairman & Managing Director



At Vishnu our value chain is intact and we have financial, manufacturing and operational capabilities to overcome this ongoing adverse patch. We are focused on manufacturing, specialising and excelling in all that we do.

BOARD OF DIRECTORS



CH. KRISHNA MURTHY

Chairman and Managing Director

Mr. Murthy is one of the key architects in envisioning the growth and expansion of the Company since inception. Over the past three decades, he has been instrumental in transforming the company from a single product becoming one of the leaders in the specialty and fine chemicals. His visionary leadership has helped the Company to consolidate its position in the global markets, and helped it steer towards manufacturing excellence. Mr. Murthy holds a postgraduate degree in Management.



Mrs. CH. MANJULA

Non-Executive Director

Mrs. Manjula Cherukuri is one of the promoters of the Company and she has been a guide and support to the organization for last three decades with her rich organization skills in various fields. She plays a pivotal role in welfare policies of the Company. She keenly believes in serving the community and made a significant contribution in spheres of education, health and rural development through a philanthropic trust "Krishna Foundation" where she is one of the founder trustees.



CH. SIDDARtha

Joint Managing Director

Mr. Siddartha leads strategy and international marketing efforts of the Company. He works closely with sales and supply chain teams to ensure growth is in line with goals of the Company. Siddartha holds a bachelors degree in Industrial Biotechnology and has a masters in business management from the United States.



CA PRADIP SAHA

Independent Director

Mr. Pradip Saha has more than 40 years of experience in fields of accounts, finance and taxation at reputed companies including Colgate Palmolive India Ltd, Hindustan Unilever, Union Carbide India Ltd and Shaw Wallace & Co Ltd. He also held the position of Director at Genelec Ltd, Henkel India Ltd and Calcutta Chemicals Co. Ltd, Detergents India Ltd, Camelot Investment Company Ltd, etc.

Mr. Saha is a Fellow Member at the Institute of Chartered Accountants of India and The Institute of Company Secretaries of India.



SESHADRI SARANATHAN

Independent Director

Mr. Seshadri Saranathan aged 64 years, had around four decades of working experience in accounts and finance domain in private manufacturing sector and worked at different capacities. During his tenure he was able to build a strong relationship with C – level executives of several renowned financial institutions; through his acumen in finance domain he has been able to serve the industry in meeting their capital/ finance requirements; further, since 2014, he has been a consultant to various organization providing guidance on project finance and other working capital requirements and he is successful in achieving the career ladder.

OUR ENVIRONMENT RESPONSIBILITY

Vishnu Chemicals is committed to the conservation of the environment, health and safety of its employees and all stakeholders. The Company's growth plans are in line with environment, health and safety policy.

Awareness programs and training to all the staff and workers on safety and environment is a continuous activity. Continual improvement is the key factor in achieving highest standards sustainable growth.

Environmental Management efforts are:

- Installation of air emission control equipment for controlling particle and air quality
- Effluent wastewater treatment facility with tertiary treatment including reverse osmosis
- Stabilisation of waste residue, using an automated treatment plant and disposal as per the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016
- Development of "Green Belt" on the perimeter of the entire facility
- Conservation of natural resources: minerals, water and energy to maximum levels. Operations are engineered in a closed loop system. All water is treated and reused to achieve zero discharge.
- Compliance to all Local, State and Central Government Legislation and Standards.



CORPORATE SOCIAL RESPONSIBILITY

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

Krishna Foundation: In pursuance of our leadership's beliefs and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone, a Philanthropic Public Trust namely "Krishna Foundation" was set up to pursue long term philanthropic & humanitarian activities for the benefit of general public.

KEY AREAS OF SOCIAL INTERVENTION IN FY2020

Setting up & maintenance of old age homes for senior citizens:

Krishna Foundation has undertaken its first project of construction of old-age homes to provide accommodation facility to senior citizens/ elderly aged with amenities for meals, gatherings, recreation activities, health and hospital care. During the year allocated ₹ 144.66 lakhs as part of the on-going construction of the old age home.

Plantation Activities

By Joining with the initiatives of Smart Andhra Pradesh Foundation **Vishnu Chemicals Ltd** is a key partner for developing **Perisepalli Village** in Krishna Dist, AP. The company has been undertaking Plantation activities at Perisepalli village, under the programme Green Vishaka Project. During the year the company allocated an amount of ₹ 5.53 Lakhs towards plantation activities.

Maintenance of water treatment plant installed at Vizag, AP & Bhilai, Chhattisgarh

The company had made provision of drinking water by installation of a water treatment plant and preservation of water resources at Vizag & Bhilai to provide improved quality of drinking water in previous years. For maintenance of these installations the company spent ₹ 1.04 lakhs during the year.



₹ **146.57** lakhs
CSR Outlay during FY20

CORPORATE INFORMATION

Board of Directors

Mr. Ch. Krishna Murthy
Chairman & Managing Director

Mrs. Ch. Manjula
Non-Executive Director

Mr. Ch. Siddartha
Joint Managing Director

Mr. T. S. Appa Rao
Independent Director

Mr. Pradip Saha
Independent Director

Mr. Seshadri Saranathan
Independent Director *(w.e.f. February 3, 2020)*

Mr. Santanu Mukherjee
Independent Director
(w.e.f. May 6, 2019 till November 8, 2019)

Mr. U. Dileep Kumar
Independent Director *(till June 27, 2019)*

Chief Financial Officer

Mr. P Anjaneyulu

Company Secretary

Mr. Kishore Kathri

Registered Office

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

Auditors

M/s. Jampani & Associates
Chartered Accountants, Hyderabad

Secretarial Auditors

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

Cost Auditors

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

Bankers

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

Registrar and Share Transfer Agents

Bigshare Services Pvt. Ltd
306, Right Wing, 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

Jeedimetla Plant:

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

Bhilai Plant:

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

Vishnu Barium Plant:

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



CIN: L85200TG1993PLC046359

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

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

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

NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING OF VISHNU CHEMICALS LIMITED

NOTICE is hereby given that the Twenty Seventh (27th) Annual General Meeting of the members of Vishnu Chemicals Limited (VCL) will be held on Friday, August 14, 2020 at 11.00 a.m. (IST) via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.**
2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.**
3. **To declare dividend on the Equity Shares for the financial year ended March 31, 2020.**
4. **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

5. **To re-appoint Mr. Ch. Krishna Murthy (DIN: 00030274) as a Managing Director of the Company for a further term of five years.**

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded for the re-appointment of Mr. Ch. Krishna Murthy (DIN 00030274) as a Managing Director of the Company for a further term of five (5) years with effect from January 2, 2021 till January 1, 2026 at a remuneration as detailed below:

I. Salary

Salary shall not be less than ₹ 66,00,000/- (Rupees Sixty Six Lakhs only) per annum and the said salary, subject to recommendations of Nomination and Remuneration

Committee and approval of the Board, may progressively go up based on his performance and industry trends to ₹ 96,00,000/- (Rupees Ninety Six Lakh only), which may be exceeding the limits prescribed under section 197 and all other applicable provisions, if any, of the Companies Act, 2013 including the limits prescribed under Schedule V of the Companies Act, 2013 and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

II. Perquisites

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

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

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

6. **To appoint Mr. Seshadri Saranathan (DIN: 01498670) as an Independent Director of the Company.**

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

"RESOLVED THAT Mr. Seshadri Saranathan (DIN: 01498670) who was appointed as an Additional Director of the Company with effect from February 3, 2020 by the Board of Directors

and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act'), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof], the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the appointment of Mr. Seshadri Saranathan (DIN: 01498670), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of 1 (one) year commencing from February 3, 2020 to February 2, 2021 (both days inclusive), be and is hereby approved."

7. Ratification of Remuneration of Cost Auditors.

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof], and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the maximum remuneration of ₹ 60,000/- plus taxes, travel and out-of-pocket expenses incurred in connection with the cost audit payable to Mr. N.V.S.Kapardhi, Cost Accountant, Hyderabad (Registration No. 100231), who are 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, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

NOTES:

- In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted holding of the Annual General Meeting ('AGM' or 'Meeting') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue.
- Further, the Securities and Exchange Board of India ('SEBI') vide its Circular dated May 12, 2020 ('SEBI Circular') has also granted certain relaxations in line with the MCA Circulars. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 27th AGM of the Company is being held through VC/ OAVM on Friday, August 14, 2020 at 11.00 a.m. (IST). The deemed venue for the 27th AGM will be Registered Office of the Company situated at Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 033.
- 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 CIRCULAR, 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.**
- The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 7 of the Notice is annexed hereto. The relevant details pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of Directors seeking appointment/re-appointment at this AGM are also annexed. Mr. Ch. Krishna Murthy, Mrs. Ch. Manjula and Mr. Ch. Siddhartha are relatives of each other as defined under Section 2(77) of the Companies Act, 2013.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the Central Depository Services (India) Limited ("CDSL") e-Voting website at <https://www.evotingindia.com>. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. However, 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. 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.
- Institutional Investors, who are Members of the Company, are encouraged to attend the 27th AGM through VC/OAVM mode and vote electronically. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the

AGM through VC/OAVM or to vote through remote e-voting, are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at ldreddy2016@gmail.com with a copy marked to cs@vishnuchemicals.net.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Registrar & Share Transfer Agent (RTA)/ Depositories as at the end of the day on Friday, July 17, 2020. The Notice convening the 27th AGM has been uploaded on the website of the Company at www.vishnuchemicals.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice is also available on the website of CDSL at www.evotingindia.com.

8. Book Closure and Dividend:

i. **The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, August 8, 2020 to Friday, August 14, 2020 (both days inclusive).**

ii. The dividend of ₹ 1/- per equity share of ₹ 10 each (i.e. 10%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS') on or after Thursday, August 20, 2020 as under:

For shares held in electronic form: to all the Beneficial Owners as at the end of the day on **Friday, August 7, 2020** as per the list of beneficial owners to be furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited ('CDSL') and;

For shares held in physical form: to all the Members after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/ RTA as of the close of business hours on **Friday, August 7, 2020.**

iii. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/ RTA by sending documents through e-mail by Friday, July 31, 2020. For the detailed process, please click here: '**Communication on Tax Deduction on Dividend**'.

iv. Updation of 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 latest by Friday, July 31, 2020:

- a. a signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
 - i) Bank Name and Branch of Bank, Bank Account type and 11 digit IFSC Code;
 - ii) Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
- b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. self-attested scanned copy of the PAN Card; and
- d. self-attested scanned copy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Shares held in electronic form: Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participants (DP).

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

- v. 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, the Company shall dispatch the dividend warrant/ Bankers' cheque/demand draft to such Members, upon normalisation of postal services and other activities.
- vi. 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. Since, members who have not claimed/ encashed their dividend warrant for respective financial years are

requested to write to the Company/Registrar and Share Transfer Agent (RTA) at least a month before the due dates mentioned as under:

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

9. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent, M/s. Bigshare Services Pvt. Ltd, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp.Yashoda Hospital, Somajiguda, Raj bhavan Road, Hyderabad – 500082, India, Email Id: bsshyd1@bigshareonline.com, www.bigshareonline.com ("RTA" or "Registrar") for assistance in this regard. Members may also refer to Frequently Asked Questions ('FAQs') on the Company's website at <https://www.vishnuchemicals.com/investors/#1571313077497-a1a918a7-6e88>
10. 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/their DPs. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
11. Nomination facility: As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14 through their registered email id. The said forms can be downloaded from the Company's website at <https://www.vishnuchemicals.com/investors/#1571313077497-a1a918a7-6e88>. Members are requested to submit the said form to their respective DPs in case the shares are held in electronic form and to the Registrar at bsshyd1@bigshareonline.com in case the shares are held in physical form, quoting your folio no.
12. Consolidation of Physical Share Certificates: Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to cs@vishnuchemicals.net from their registered e-mail id by mentioning their DP ID & Client ID/Physical Folio Number.
14. 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.
15. Details of Unclaimed Shares: The company doesn't have any shares remaining unclaimed in the unclaimed suspense account.
- 16. Process for registering/ updating e-mail address and mobile number:**
- In case of shares held in physical form,** the following procedure shall be followed:
- Visit the link: <https://bigshareonline.com/InvestorRegistration.aspx#AdvdTrack#>
 - Select the company name from the drop down box
 - 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.
 - Also enter your valid e-mail address and mobile number and click on generate OTP, a OTP shall be sent to mobile no. for verification. Once OTP is validated, the details can be submitted by verifying the declaration.
 - 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 evoting of this AGM.
- In case of shares held in electronic/demat form,** the shareholders are requested to update/ register their mail id and mobile no. with their respective depository

participants. However, for the limited purpose of receiving the company's 27th Annual Report and notice of 27th Annual General Meeting and to participate in e-voting, the Company enabled the process of updating/modifying and changing their email id and mobile no. on temporary basis by following the above procedure as provided to physical shareholders.

After successful submission of the e-mail address, on request from the shareholder, RTA will e-mail a copy of this AGM Notice and Annual Report for FY 2019-20. In case of any queries, Members may write to bsshyd1@bigshareonline.com or cs@vishnuchemicals.net.

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 DPs/RTA to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.

Alternatively, Members may also send an e-mail request to bsshyd1@bigshareonline.com or to cs@vishnuchemicals.net along with the following documents for registration of e-mail addresses for e-voting for the resolutions set out in this 27th AGM Notice:

- In case shares are held in physical form, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
- In case shares are held in demat form, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), name, client master or copy of consolidated account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card. Please note that the registration of email id and mobile no. for shareholders holding shares in Demat will be used only for limited purpose of 27th AGM.

17. Remote e-Voting before/during the AGM:

- 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 AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by CDSL.
- ii. Members of the Company holding shares either in physical form or in electronic form **as of the close of business hours on Friday, August 7, 2020 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 remote 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 holding shares as on the cut-off date i.e. as of the close of business hours on Friday, August 7, 2020, may obtain a copy of AGM Notice by sending a request to bsshyd1@bigshareonline.com or can also be downloaded from the Company's website www.vishnuchemicals.com and participate in remote e-voting or e-voting at AGM by following the instructions provided herein.

- iii. **The remote e-Voting period commences on Tuesday, August 11, 2020 at 9.00 a.m. (IST) and ends on Thursday, August 13, 2020 at 5.00 p.m. (IST).** The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. as of the close of business hours on Friday, August 7, 2020.
 - iv. Members will be provided with the facility for voting through electronic voting system during the VC/ OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
 - v. The remote e-Voting module on the day of the AGM shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting.
18. M/s. L.D.Reddy & Co., Company Secretaries, Hyderabad have been appointed as the Scrutinizer(s) to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
 19. The Scrutiniser will submit his report to the Chairperson or to any other person authorised by the Chairperson after completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges on which the Company's shares are listed and will also be displayed on the Company's website at www.vishnuchemicals.com.

20. Instructions for attending the AGM through VC/OAVM:

- a. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of the Company is displayed.
- b. 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 to avoid any disturbance 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.
- c. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at cs@vishnuchemicals.net before 3.00 p.m. (IST) on Tuesday, August 11, 2020. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- d. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 27th AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at cs@vishnuchemicals.net before 3.00 p.m. (IST) on Tuesday, August 11, 2020. Such questions by the Members shall be suitably replied by the Company.
- e. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- h. If you are a first time user follow the steps given below:

21. Instructions for remote e-voting before/during the AGM:

A. Instructions of remote e-voting before AGM are as under:

- a. The voting period **begins on Tuesday, August 11, 2020 at 9.00 a.m. (IST) and ends on Thursday, August 13, 2020 at 5.00 p.m. (IST)**. The e-voting module shall be disabled by CDSL for voting thereafter. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off i.e. **as of the close of business hours on Friday, August 7, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c. The shareholders should log on to the e-voting website www.evotingindia.com.
- d. Click on "Shareholders" module.
- e. Now enter your User ID:
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company; or

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- f. Next enter the Image Verification as displayed and Click on Login.
- g. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

For Shareholders holding shares in Demat Form 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). However, Shareholders who have not updated their PAN with the Company/Depository Participant are requested to contact Company/RTA at bsshyd1@bigshareonline.com or cs@vishnuchemicals.net to get the sequence no. which can be entered instead of PAN.
Dividend Bank Details (or) Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (e) above.

- i. After entering these details appropriately, click on "SUBMIT" tab.
 - j. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - k. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - l. Click on the EVSN of Vishnu Chemicals Limited.
 - m. 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.
 - n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - o. 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.
 - p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - r. 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.
 - s. Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- c. 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.
 - d. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

22. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@vishnuchemicals.net, if they wish to vote from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

23. 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.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

B. Instructions for shareholders for e-voting during the AGM are as under:

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- b. 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.

Hyderabad
June 2, 2020

By Order of the Board

Sd/-
Kishore Kathri
Company Secretary

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

As required under Section 102 of the Companies Act, 2013 (hereinafter referred to as "the Act") the following explanatory statement set out all material facts relating to the business mentioned under Item nos. 5 - 7 of the accompanying Notice of AGM.

Item No. 5: Re-Appointment of Mr. Ch. Krishna Murthy as a Managing Director of the company for further term of 5 years

Mr. Ch. Krishna Murthy was originally appointed as a Director & Managing Director on June 2, 2006 subsequently he was re-appointed as a Managing Director from time to time and his last re-appointment was for a term of five years from January 2, 2016 till January 1, 2021 by the Board of Directors of the Company and the same was approved by the shareholders of the Company at their 22nd Annual General Meeting held on September 28, 2016 and his current term will end on January 1, 2021.

In view of the above, based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, the Board at its meeting held on June 2, 2020 approved re-appointment of Mr. Ch. Krishna Murthy as a Managing Director of the Company for a further term of five (5) years w.e.f. January 2, 2021 up to January 1, 2026 on such terms and conditions as detailed in the resolution including remuneration as approved by the Board based on the recommendations of the Nomination and Remuneration Committee of the Board.

Mr. Ch. Krishna Murthy is not disqualified from being reappointed as a Managing Director in terms of Section 164 read with Schedule V of the of the Act and has given his consent to act as a Managing Director of the Company. Mr. Ch. Krishna Murthy satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

It is proposed to seek the members' approval for the reappointment of Mr. Ch. Krishna Murthy as a Managing Director of the Company, at such terms and conditions as detailed in the resolution set out in AGM Notice in terms of the applicable provisions of the Act and the relevant Rules made thereunder by way of special resolution. This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. Murthy as a Managing Director of the Company. Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except Mr. Ch. Krishna Murthy and Mr. Ch. Siddartah, Joint Managing Director and Mrs. Ch. Manjula, Non-executive Director and their relatives, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested either financially or otherwise in the Resolution at Item No. 5 of the accompanying Notice.

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

Item Nos. 6: To appoint Mr. Seshadri Saranathan (DIN: 01498670) as an Independent Director of the Company

Mr. S. Saranathan was appointed as an Additional Director (for Independent Director category) by the Board of Directors with effect from February 3, 2020 pursuant to section 161 (1) of the Companies Act, 2013 and is entitled to hold office upto the date of 27th Annual General Meeting.

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

In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from member proposing the candidacy of Mr. S. Saranathan to be appointed as an Independent Director of the Company as per the provisions of the Companies Act, 2013 along with a deposit of ₹ 1,00,000/- (Rupees One Lakh only) as required under the aforesaid section. The names of companies and the committees in which the director is a director/member, the letter of appointment and terms and conditions of the appointment are available for inspection at the registered office of the company during normal business hours (9:30 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company. Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except the director (including relatives) being appointed in terms of the said resolution, none of the Directors and/or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, either financially or otherwise, in the Resolution at Item Nos. 6 of the accompanying Notice.

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

Item No. 7: Ratification of Remuneration to be paid to the Cost Auditors for the financial year 2020-21

The Board of Directors at its Meeting held on June 2, 2020, upon the recommendation of the Audit Committee, approved the appointment of Mr. N.V.S.Kapardhi, Cost Accountant, (Registration No. 100231), Hyderabad, to conduct the audit of the cost records of the Company on a remuneration not exceeding ₹ 60,000/- (Rupees Sixty Thousand Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) for the financial year ending March 31, 2021.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

None of the Directors and/or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, either financially or otherwise, in the Resolution at Item Nos. 7 of the accompanying Notice.

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

By Order of the Board

Hyderabad
June 2, 2020

Sd/-
Kishore Kathri
Company Secretary

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

Name of the Director	Mr. Ch. Siddartha	Mr. Ch. Krishna Murthy	Mr. S. Saranathan
Directors Identification Number (DIN)	01250728	00030274	01498670
Nationality	Indian	Indian	Indian
Date of birth	May 12, 1985	July 1, 1957	August 16, 1956
Age	35 years	64 years	65 years
Qualification	He is graduate in Industrial Biotechnology and has a masters in business management from the United States.	He is a Master of Business and Administration (MBA)	He is a graduate in Commerce from Madurai Kamaraj University.
Experience (including expertise in specific functional area)/ Brief Resume	Mr. Siddartha leads strategy and international marketing efforts of Vishnu Chemicals Limited. Also he works closely with sales and supply chain teams to ensure growth is in line with goal of the company.	Mr. Murthy is a first generation entrepreneur and is a founder, promoter and one of the key architects in developing & transforming the organization from single product to multi products manufacturing unit with overall annual turnover of around ₹ 800 Crores through his excellence and insight in the specialty chemical industry. He is a Master of Business and Administration (MBA) specialized in Marketing with three decades of rich experience in specialty chemicals and logistic industries.	Mr. Saranathan had around four decades of working experience in accounts and finance domain in private manufacturing sector and worked at different capacities. During his tenure he was able to build a strong relationship with C - level executives of several renowned financial institutions; through his acumen in finance domain he has been able to serve the industry in meeting their capital/ finance requirements.
Date of first Appointment on the Board of the Company	January 2, 2006	January 2, 2006	February 3, 2020
Shareholding in the Company	1125668 equity shares of ₹ 10/- each (9.42%) 244500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (0.32%)	6219790 equity shares of ₹ 10/- each (52.07%) 71121750 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (92.80%)	He holds 41,300 equity shares of ₹ 10/- each (0.35%) through his spouse.
List of Directorship held in other companies	a. Vishnu Barium Private Limited b. Vishnu Renewable Energy Private Limited c. Vishnu Lifesciences Limited	1. K.M.S. Infrastructure Limited 2. Vishnu Renewable Energy Private Limited	NIL
Membership / Chairmanship in Committees of other companies as on date*	Nil	Nil	Nil
Relationships between Directors inter-se	Relative of Mr. Ch. Krishna Murthy, Chairman & Managing Director and Mrs. Ch. Manjula, Non-Executive Director of the company.	Relative of Mrs. Ch. Manjula, Non-Executive Director and Mr. Ch. Siddartha, Joint Managing 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.

BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Company's Twenty Seventh Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2020.

Financial Results

The Company's financial performance for the year ended March 31, 2020, is summarised below:

₹ in lakhs

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	57407.15	66752.99	67672.51	76938.64
Other income	861.99	432.79	733.75	307.80
Total Revenue	58269.14	67185.78	68406.26	77246.44
Earnings before finance cost, depreciation & amortization and taxes (EBITDA)	7242.18	8434.39	8626.69	10224.40
Finance Cost	3409.75	4115.29	3577.00	4388.91
Earnings before depreciation & amortization and taxes (EBTDA)	3832.43	4319.10	5049.69	5835.49
Less: Depreciation and Amortization	1702.56	1788.11	2019.01	2086.72
Profit Before Taxation	2129.87	2530.99	3030.68	3748.78
Less: Current Tax	554.50	741.03	554.50	741.03
Tax pertaining to earlier years	59.38	157.06	59.38	157.06
MAT Credit entitlement	(141.94)	(19.50)	(141.94)	(19.50)
Deferred	335.81	433.74	335.81	433.74
Profit After Taxation	1322.10	1218.66	2222.91	2436.44
Other comprehensive income/ (expenses) (net of taxes)	56.24	(70.66)	54.75	(89.79)
Total comprehensive income for the year	1378.35	1148.00	2277.66	2346.65
EPS (of ₹ 10/- each)				
Basic	11.07	10.20	18.61	20.40
Diluted	11.07	10.20	18.61	20.40

Performance Review & Company's State of Affairs

Standalone

The Standalone revenue from operations for the FY 2019-20 is ₹ 57407.15 lakhs as against ₹ 66752.99 lakhs of previous year. Earnings before interest, tax, depreciation and amortization ('EBITDA') for the FY 2019-20 are ₹ 7242.18 lakhs. During FY 19-20, Profit before tax stood at ₹ 2129.87 lakhs compared to ₹ 2530.99 lakhs of previous year. However, during the year finance cost has reduced by 17% to ₹ 3409.75 lakhs as against ₹ 4115.29 lakhs of previous year.

Net profit for the FY 2019-20 has increased by 9% to ₹ 1322.10 lakhs as against ₹ 1218.66 of previous year. Total comprehensive income stood at ₹ 1378.35 lakhs for FY 2019-20 compared to ₹ 1148 lakhs during the previous FY 2018-19.

Consolidated

The consolidated revenue from operations for the financial year 2019-20 is ₹ 67672.51 lakhs compared to ₹ 76938.64 lakhs of previous year. Earnings before interest, tax, depreciation and amortization ('EBITDA') are at ₹ 8626.69 lakhs during the year compared to ₹ 10224.40 lakhs of previous FY 2018-19.

During FY 2019-20, Profit before tax stood at ₹ 3030.68 lakhs compared to ₹ 3748.78 lakhs of previous year. However, finance cost has reduced by over 18% to ₹ 3577 lakhs as compared to ₹ 4388.91 lakhs of previous year.

Net profit for the FY 2019-20 stood at ₹ 2222.91 lakhs compared to ₹ 2436.44 lakhs during FY 2018-19. Total comprehensive income is ₹ 2277.65 lakhs for FY 2019-20 as against ₹ 2346.66 lakhs of previous year.

Geography-wise performance:

Particulars	Standalone				Consolidated					
	2019-20		2018-19		%	2019-20		2018-19		%
Domestic	31107.04	54.92%	35225.48	53.43%	1.49	34,648.98	51.94%	39,192.66	51.63%	0.31
Overseas	25535.25	45.08%	30704.93	46.57%	(1.49)	32,059.17	48.06%	36,712.78	48.37%	(0.31)
Total	56642.28	100	65930.41	100		66,708.16	100	75,905.44	100	

From the above summary, we elucidate that there is a marginal drop in revenue due to overall corrections in product pricing among various applications in India and around the world. Also, unusual lower business cycle within the industries which we serve. Thereafter outbreak of novel virus Covid 19, caused all our efforts to salvage our position at the end of the year. Nevertheless, we are assessing the impact of global pandemic on all our application industries and reasonably certain about V-shape recovery soon as all the governments are taking various measures to boost the manufacturing activity and bring back the supply chain intact. Further, the Company is concentrating more on export market in order to utilize its full production capacities and accelerate the margins.

Covid-19 Pandemic

The Covid-19 pandemic is the defining global health crisis of our time and is spreading very fast across the continents. But it is much more than a health crisis and is having an unprecedented impact on people and economies worldwide. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. Though the long-term directional priorities of the Company remain firm, in light of Covid-19 and its expected impact on the operating environment, the key priorities of the Company would be to closely monitor supply chain, conserve cash and control fixed costs, while continuing our commitment towards our customers by improving our production efficiencies.

The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19. Towards the end of the quarter ended March 2020, the supply chain of operations was disrupted at manufacturing facilities of the Company. However, the manufacturing operations of the Company were scaled down temporarily. In spite of such scale down, the Company took efforts to ensure normalcy in the production and movements of our products.

The Company has taken initiatives towards community support in the fight against Covid-19 pandemic by providing financial assistance to the Police Dept of State of Andhra Pradesh who stood hand in hand helping general public during the testing times. In addition to this, Company also undertook timely and essential measures to ensure the safety and well-being of all its employees at all its plant locations, various branch offices and the head office. The Company observed all the government advisories and guidelines thoroughly and in good faith. Team Vishnu has exhibited very good teamwork to maintain and accelerate operations during these toughest days. There was no significant impact on the production activity of the company however there will be considerable impact on overall operations of the company due to uncertainties in supply chain.

Nevertheless, we are reasonably certain about V-shape recovery soon with the Govt' taking various measures to boost the economic activity and create ease in business environment.

Outlook

The same is covered in Management Discussion and Analysis

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, 2020.

Dividend

The Board at its meeting held on June 2, 2020 has recommended Dividend of ₹ 1.00 (i.e. 10%) per equity share (last year ₹ 1/- per equity share i.e. 10%) on the equity share of ₹ 10/- each for the financial year 2019-20, amounting to ₹ 119.46 Lakhs. The dividend pay-out is subject to the approval of the shareholders at ensuing Annual General Meeting. The dividend will be paid to the members whose names appear in register of members as on book closure date.

As per as Preference Dividend is concerned, on request of the Company, the preference shareholders holding 100% preference share capital i.e. 7,66,37,500 (Seven Crore Sixty Six Lakh Thirty Seven Thousand Five Hundred only) 7 % Cumulative Redeemable Preference Shares (CRPS) of ₹ 10/- (Rupees Ten only) each, consented vide their letter dated May 23, 2020 to forgo preference dividend for the FY 2019-20.

Transfer to reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2019-20 in the Retained Earnings.

Share capital

During the year under review there were no changes in authorized and paid-up share capital of the Company. The authorised share capital of the Company is ₹ 95,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹10/- each and 8,00,00,000 Preference Shares of ₹ 10/- each; and total paid-up share capital of the Company as on financial year ended March 31, 2020 is ₹ 88,58,35,200/- divided into 1,19,46,020 Equity Shares of ₹ 10/- each and 7,66,37,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each.

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, 2020:

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

Change in the nature of the business, if any

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

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

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report i.e. between March 31, 2020 to June 2, 2020.

Fixed deposits

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

Listing at Stock Exchanges

The equity shares of 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 2019-20 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 following wholly-owned subsidiaries (WOS) namely: (i) Vishnu Barium Private Limited (VBPL) is a material subsidiary w.e.f. April 1, 2019, as per the amended definition given under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listed 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) VBPL, in turn, holds one Wholly-owned Subsidiary namely Vishnu Renewable Energy Private Limited (VREPL) which was incorporated on 11th April, 2019 to undertake renewable business activities; (iii) Vishnu South Africa (Pty) Limited (VSAL) which is yet to commence its operations. The Company doesn't have any joint ventures or associate companies.

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

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 subsidiary for the FY 2019-20 in compliance with the provisions of Section 129(3) of the Companies Act, 2013 and as stipulated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as well as in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries as approved by the respective Board of Directors. The audited CFS together with the Auditor's Report thereon forms part of this Annual Report.

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

Particulars of loans, guarantees or investments

Particulars of loans, guarantees, security and investments covered under section 186 of the Companies Act, 2013 forms part of the notes to the financial statements (please refer Note No.s 2,3 & 39).

Directors and Key Managerial Personnel

Directors

The Board received a declaration from all the directors under section 164 and other applicable provisions, if any, of the Companies Act, 2013 that none of the directors of the company is disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

i. Appointment

Pursuant section 161(1) of the Act read with Articles of Association, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors appointed Mr. Seshadri Saranathan (DIN: 01498670) as an additional director of the Company with effect from February 3, 2020. He holds office upto the date of the forthcoming AGM and a notice under Section 160(1) of the Act has been received from a Member signifying the intention to propose his appointment as a Director. Further, based on the recommendations of NRC, the Board also appointed Mr. Seshadri Saranathan as an Independent Director of the Company for a period of one year i.e. from February 3, 2020 till February 2, 2021 subject to approval of the Members at the ensuing 27th AGM.

The Board recommends the appointment of Mr. Seshadri Saranathan (DIN: 01498670) as an Independent Director of the Company by way of an Ordinary Resolution.

ii. Re-appointment

During the year under review, the Members, at their 26th AGM held on June 27, 2019 re-appointed Mr. Pradip Saha as an Independent Director of the Company for a second term of two years from November 10, 2019 to November 9, 2021 by passing a Special Resolution.

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

Pursuant to the recommendations of Nomination and Remuneration Committee (NRC) the Board at its meeting held on June 2, 2020 approved re-appointment of Mr. Ch. Krishna Murthy as a Managing Director of the Company for further term of five (5) years i.e. from 02.01.2021 till 01.01.2026 as his current term is going to end on 01.01.2021. Further, the said re-appointment and terms & conditions thereof shall be approved by the members at ensuing AGM as per the provisions of the Act and Listing Regulations. Accordingly, a resolution is being proposed in the notice of 27th AGM and detailed terms & conditions of Mr. Murthy's appointment are enumerated in the said notice along with explanatory statement thereof, for approval of the members of the company by passing a special resolution.

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

iii. Cessation

During the year Mr. Santanu Mukherjee, who was appointed as an independent director on May 6, 2019, resigned on November 8, 2019 due to the reason that he has been pre-occupied as a Director of various other companies and was unable to devote sufficient time to the Company. Further, Mr. T.S. Appa Rao, Independent Director, completes his 5 years term on June 28, 2020 and ceases to be a Director of the Company; and during the FY 2019-20, Mr. U. Dileep Kumar, Independent Director completed his five years term on conclusion of 26th AGM held on June 27, 2019. The Board places on record its appreciation for their invaluable contribution and guidance during their tenure as Independent Directors.

Independent Directors

In terms of Section 149 of the Act, Mr. T S Appa Rao, Mr. Pradip Saha and Mr. S Saranathan are the Independent Directors of the Company. The Company has received a 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.

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 have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Familiarization Programme for Independent Directors

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

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

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

Committees of the Board

The Board of Directors have the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Grievances Committee
- Corporate Social Responsibility Committee
- Management Committee of Directors

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

Key Managerial Personnel

Mr. Ch. Krishna Murthy, Chairman & Managing Director; Mr. Ch. Siddhartha, Joint Managing Director; Mr. P. Anjaneyulu, CFO and Mr. Kishore Kathri, Company Secretary are Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51), and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There has been no change in the Key Managerial Personnel (KMP) during the financial year.

Board Meetings

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

Procedure for Nomination & Appointment of Directors and Remuneration Policy

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

During FY 2019-20, the Board had also identified the list of core skills, expertise and competencies of the Board of Directors as are required in the context of the business and sector applicable to the Company and those actually available with the Board. The Company has also mapped each of the skills, expertise and competencies against the names of the Board Members possessing the same.

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

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

A copy of the Nomination & Remuneration Policy is available on the website of the company <https://www.vishnuchemicals.com/investors/#Policies>

Board Evaluation

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

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

In a separate meeting held on February 3, 2020, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive 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 was also discussed.

Code of Conduct for Board of Directors and Senior Management Personnel

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

Particulars of Employees and Remuneration

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

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary at cs@vishnuchemicals.net

Internal Financial Controls

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

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

Directors' responsibility statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial

controls over financial reporting and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

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, 2020:

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

Auditors

i. Statutory Audit

M/s. Jampani & Associates, Chartered Accountants, Hyderabad (Registration No.0165815) were appointed as Auditors of the Company to hold office from the conclusion of the 23rd Annual General Meeting of the Company until the conclusion of the 28th Annual General Meeting held in year 2021, at such remuneration as may be agreed upon between the Auditors and the Board of Directors, in addition to actual out-of-pocket expenses incurred by them for the purpose of audit and the applicable taxes.

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

Auditor's Observations:

The Statutory Auditors have mentioned in their report at point no. (iii) of Annexure – 'B' to the Independent Auditors Report regarding interest free unsecured loans of ₹ 989 Lakhs (with a value at amortised cost of ₹ 791.76 lakhs) to wholly-owned subsidiary (WOS) i.e. Vishnu Barium Pvt Ltd (VBPL). Further, they also mentioned in their report at point no. (a) & (b) of (vii) of Annexure – 'B' that the company has generally been irregular in depositing undisputed statutory dues and

₹ 1,021.22 lakhs payable towards income tax and interest thereon under the Income Tax Act, 1961 for the periods AY 2014-15 to AY 2018-19 which are yet to be paid, respectively.

Management Replies:

The above said interest-free unsecured loan was infused by the Company in WOS Company i.e. VBPL, to comply with the conditions stipulated by the Banker for sanction of term loan and working capital facilities to VBPL and such infusion of unsecured loan is for the ultimate benefit of the Company; Delay in deposit of undisputed statutory dues & income tax is due to paucity of funds. However, all possible steps are being taken to deposit all statutory dues in time.

ii. Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly it has made and maintained such cost accounts and records.

The Board on the recommendation of the Audit Committee has appointed Mr. K.V.S. Kapardhi, Cost Accountant, Hyderabad (Firm Reg. No. 100231) as the Cost Auditors of the Company for FY 2020-21 under Section 148 and all other applicable provisions of the Act.

Mr. K.V.S. Kapardhi, Cost Accountant, Hyderabad (Firm Reg. No. 100231) has confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3) (g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution for seeking Members' ratification for the remuneration payable to Mr. K.V.S. Kapardhi, Cost Accountant, Hyderabad (Firm Reg. No. 100231) is included at Item No. 7 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 2019-20. The Secretarial Audit Report of FY 2019-20 is annexed herewith as 'Annexure C'.

There has been no other qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report except the concern about delay in deposit of some of the tax dues. In this regard, the management assured that all possible steps are being taken to deposit all tax dues in time.

Secretarial Standards

The Board has devised proper systems and processes for complying with the requirements of applicable Secretarial

Standards issued by the Institute of Company Secretaries of India (ICSI) and that such systems were adequate and operating effectively.

Energy conservation, technology absorption and foreign exchange earnings and outgo

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

Related Party Transactions

The Company has formulated a Policy on Related Party Transactions and manner of dealing with related party transactions which is available on the Company's website at the link: <https://www.vishnuchemicals.com/investors/#Policies>. All related party transactions entered into during FY 2019-20 were on an arm's length basis and in the ordinary course of business. No material related party transactions were entered into during the financial year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2019-20.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the internal audit team. Thereafter, a statement giving details of all related party transactions, entered pursuant to omnibus approval so granted, is placed before the Audit Committee on a quarterly basis for its review.

Details of the transactions with Related Parties during the FY 2019-20 are provided in the accompanying financial statements.

Corporate Social responsibility (CSR) initiatives

In compliance with section 135 of the Companies Act, 2013 and other applicable provisions, the Company has constituted Corporate Social Responsibility Committee consisting of Mr. Pradip Saha, Chairman of the Committee w.e.f June 28, 2019 (Independent Director), Mr. Ch. Krishna Murthy (Chairman & Managing Director) and Mrs. Ch. Manjula (Non-executive Director) as the other Members of the Committee. The Committee met twice during the year and reviewed the policy on Corporate Social Responsibility stating therein the objectives, implementation and other issues pertaining to the achievement of the CSR objectives of the Company. The CSR Policy of the Company is displayed on the website of the Company and web link of the same is <https://www.vishnuchemicals.com/investors/#Policies>.

To further our efforts to have long term impact on large community/ society in general, the company focused towards long term objective and spent majority portion of its CSR spending of the year 2019-20 along with accumulated CSR liability of previous years, through "Krishna Foundation",

which is registered public charitable trust under Indian Trust Act, 1882, for undertaking construction of old-age home to provide housing facility to elderly group and such facility includes meals, gatherings, recreation activities, and some form of health or hospice care etc.,.

During the financial year, the Company spent ₹ 146.57 lakhs out of which ₹ 1.91 lakhs spent directly and ₹ 144.66 lakhs spent through Krishna Foundation, registered public charitable trust under Indian Trust Act, 1882, which is excess by ₹ 20.97 lakhs then our total CSR liability of ₹ 125.60 lakhs (includes ₹ 92.47 pertaining to previous years) as on March 31, 2020. Details of spending are provided in annual report on CSR activities annexed to this report as 'Annexure E'.

Whistle blower policy & Vigil mechanism

In terms of the requirements of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any, including reporting instances of leak of UPSI or suspected leak of UPSI by employees 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.

Environment, health and safety

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

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

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.

Extract of annual return

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

Corporate governance

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

Significant and material orders passed by the regulators or courts

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

Acknowledgements

The Directors wish to place on record their appreciation for the continued support and co-operation by Financial Institutions, Banks, 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/-	Sd/-
Ch. Krishna Murthy	Ch. Manjula
Chairman & Managing Director	Director
DIN: 00030274	DIN: 01546339

Hyderabad,
June 02, 2020

CAUTIONARY STATEMENT

Statements in this Board's Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factor.

Annexure 'A'

FORM AOC. 1

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

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

(i) Part "A": Subsidiaries

₹ in lakhs

S.No.	Particulars	Vishnu Barium Private Limited, WOS Company	Vishnu South Africa (Pty) Ltd	Vishnu Renewable Energy Pvt Ltd
1	Reporting period	March 31, 2020	March 31, 2020	March 31, 2020
2	Reporting currency and Exchange rate of subsidiaries	INR in lakhs	Rand	INR in lakhs
3	Share capital	8727.49	1000	1.00
4	Reserves & surplus	(4649.27)	(880)	(23,269)
5	Total assets	9314.23	1120	99882
6	Total Liabilities (Excl. share capital and R&S)	5236.01	1000	23151
7	Investments	1.00	-	-
8	Turnover	11003.31	-	-
9	Profit before taxation	901.08	-	-
10	Provision for taxation	Nil	-	-
11	Profit after taxation	901.08	-	-
12	Proposed Dividend		-	-
	- Equity	Nil	Nil	Nil
	- Preference	NA	NA	NA
13	% of shareholding	100%	100%	100%

Note: Vishnu South Africa (Pty) Ltd, wholly owned subsidiary and Vishnu Renewable Energy Private Limited, Step-down Subsidiary are 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, 2020.

For and on behalf of the Board of Directors

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

Sd/-
P. Anjaneyulu
Chief Financial Officer

Sd/-
Ch. Manjula
Director
DIN:01546339

Sd/-
Kishore Kathri
Company Secretary

Hyderabad
June 2, 2020

Annexure 'B'

Disclosure of Managerial Remuneration

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

S.No.	Requirements	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year.	Name of the Director
		Ratio (in x times)
		Mr.Ch. Krishna Murthy
		20.30 times
		Mr. Ch. Siddartha
		14.76 times
		Mrs. Ch. Manjula*
		-
Mr. T.S. Appa Rao*		
-		
Mr. Pradip Saha*		
-		
Mr. S Saranathan*		
-		
Mr. Santanu Mukharjee*		
-		
Mr. U. Dileep Kumar*		
-		
*Non-executive Directors are not paid any remuneration or commission except sitting fee.		
**The median remuneration of all the employees of the Company was ₹ 3.25 Lakhs p.a.		
2	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name
		% increase in Remuneration
		Mr.Ch. Krishna Murthy
		Nil
		Mr. Ch. Siddartha
Nil		
Mr. P. Anjaneyulu		
Nil		
Mr. Kishore Kathri		
16%		
3	the percentage increase in the median remuneration of employees in the financial year;	During FY 2019-20, the percentage increase in the median remuneration of employees is Nil.
4	The number of permanent employees on the rolls of company;	There were 430 employees as on March 31, 2020
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There was no increase in remuneration paid to employees and managerial personnel during the FY 2019-20 expect as mentioned above.
6.	Affirmation: It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.	

For and on behalf of the Board of Directors

Hyderabad
June 2, 2020

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

Sd/-
Ch. Manjula
Director
DIN:01546339

Annexure 'C'

Secretarial Audit Report

For the Period from 01.04.2019 to 31.03.2020

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from 01.04.2019 to 31.03.2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Vishnu Chemicals Limited ("The Company")** for the period from 01.04.2019 to 31.03.2020 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the company during audit period)
 - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the audit period**)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the audit period**).
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the audit period**).
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - vi. The Payment of Wages Act, 1936
 - vii. Minimum Wages Act, 1948
 - viii. Employees Provident Fund and Misc. Provisions Act, 1952
 - ix. Employees State Insurance Act, 1948
 - x. Payment of Gratuity Act, 1972
 - xi. Employee's Compensation Act, 1923
 - xii. Contract Labour (Regulation & Abolition) Act, 1970
 - xiii. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 - xiv. Income Tax Act, 1961
 - xv. GST Acts and Rules made thereunder
 - xvi. The Insurance Act, 1938, as amended
 - xvii. The Factories Act, 1948 and Andhra Pradesh Factories Rules, 1980.
 - xviii. Water (Prevention & Control of Pollution) Act 1974 and rules there under
 - xix. Air (Prevention & Control of Pollution) Act 1981 and rules there under
 - xx. The Environment (Protection) Act, 1986
 - xxi. Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016.

- xxii. Customs Act, 1962
- xxiii. Newspaper Publications
- xxiv. The Boilers Act, 1923 and Indian Boilers Regulations - 1950
- xxv. The Petroleum Act, 1934 and Petroleum Rules, 2002
- xxvi. HMC Act, 1955
- We have also examined compliance with the applicable clauses of
- xxvii. Secretarial Standards issued by The Institute of Company Secretaries of India.
- xxviii. the Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
2. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- Closure of the Register of Members.
 - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
 - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditor.
 - Borrowings and registration, modification and satisfaction of charges wherever applicable;
 - Investment of the Company's funds including investments and loans to others;
 - Format of Balance Sheet and statement of profit and loss is as per Schedule III of the Companies Act, 2013.
 - Report of the Board of Directors;
 - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code

of Business Conduct & Ethics for Directors and Senior Management;

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

3. We Further Report That:

- The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936.
 - The Company has obtained consent of Telangana State Pollution Control Board, as per the provision of Water (Prevention & Control of Pollution) Act, 1974 and;
 - The company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
 - The Company has filed return as per the Factories Act, 1948.
 - The company is regular in publishing Audited and Unaudited Financial Results.
 - The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948.
 - The Company has filed return under Employment Exchange Act/Rules.
 - The Company has renewed the Policy with LIC for Gratuity under Payment of Gratuity Act, 1972.
4. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. We further Report that during the audit Period we notice that the company has to comply with the below.
- *Certain portion of tax dues are deposited with some delay.*
6. We further Report that during the audit Period the Company has
- No Public /Right/Preferential Issue of Shares/Debentures/ Sweat Equity etc.,
 - No Redemption/Buy-back of Securities;
 - No major decision taken by the members in pursuance of Section 180 of the companies Act, 2013;
 - No Merger/Amalgamation/Reconstruction, etc.,
 - No Foreign Technical Collaborations;

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

Sd/-
L. Dhanamjay Reddy
(Proprietor)

Place: Hyderabad
Date: 19.06.2020

CP. No.3752
UDIN: A013104B000358185

'Annexure'

To
The Members
Vishnu Chemicals Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The 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)
CP. No.3752
UDIN: A013104B000358185

Place: Hyderabad
Date: 19.06.2020

Annexure 'D'

Conservation of energy, technology absorption and foreign exchange earnings and outgo

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

A. Conservation of energy

i. Steps taken or impact on conservation of energy:

- During the year the company replaced all its incandescent light bulbs with LED bulbs at all locations to conserve the energy.
- Also in the purification process of our products calcium oxide has been replaced with milk of lime to avoid consumption of excess CO_2 .

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

During the year more focus was on cogeneration efficiency by using good quality of coal. The company is exploring the possibility of installing solar power as a green energy.

iii. The capital investment on energy conservation equipments:

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

B. Technology absorption

(i) The efforts made towards technology absorption:

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

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

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

- the details of technology imported;
- the year of import;
- whether the technology been fully absorbed;
- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

}

Not applicable as there was no import of technology during the last three years

iv) Expenditure on R&D:

During the year the company has not made any expenditure on research & development. However, during the year, through intensive R&D, purification process has been upgraded from Sodium Carbonate to CO_2 to improve the quality of intermediates.

C. Foreign exchange earnings & outgo

₹ In Lakhs

	2019-20	2018-19
Total Foreign Exchange used and earned in terms of actual inflows and actual outflow		
Used / Outflow	4489.15	14657.98
Earned / Inflow	27821.62	30326.38

For and on behalf of the Board of Directors

Hyderabad
June 2, 2020

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

Sd/-
Ch. Manjula
Director
DIN: 01546339

Annexure 'E'

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended March 31, 2020

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

1 A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs	The Company endorses the idea of leadership Shri. Ch. Krishna Murthy, that improving the quality of life of the communities it serves, through long term stakeholder value creation. The Company believes in positively impacting the environment and supporting the communities it operates in, focusing on sustainability of our programmes and empowerment of our communities. The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website and the weblink https://www.vishnuchemicals.com/investors/#Policies
2 The Composition of the CSR Committee	1. Mr. Pradip Saha (Chairman)* 2. Mr. Ch. Krishna Murthy (Member) 3. Mrs. Ch. Manjula (Member) 4. Mr. U Dileep Kumar**
3 Average net profit of the Company for last three financial years	₹ 1656.76 lakhs
4 Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 33.13 lakhs
5 Details of CSR spent for the financial year	<p>a) Total amount to be spent for the financial year ₹ 33.13 lakhs of FY 2019-20 and ₹ 92.46 pertaining to previous financial years.</p> <p>b) Amount unspent, if any NIL</p> <p>c) Manner in which the amount spent during the financial year Details given below.</p>
6 In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report	Not applicable as the company has spent entire accumulated previous year's CSR liability ₹ 92.46 lakhs along with CSR liability of the financial year 2019-20, during the year.
7 A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Details of amount spent on CSR activities during the financial year 2019-20

₹ in lakhs

Sl.No.	CSR project/ activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads	Cumulative expenditure upto to the reporting period	Amount spent : (Direct or through implementing agency)*
					Direct expenditure on projects or programs/ Overheads^		
1	Setting up & maintenance of old age homes for senior citizens	Setting up & maintenance of old age homes	Persipalli Village, Krishna Dist., Andhra Pradesh	140.00	140.00	170.50	Through Krishna Foundation, Registered Trust of the Company
2	Plantation activities	Ensuring environmental sustainability	Persipalli Village, Krishna Dist., Andhra Pradesh	4.66	4.66	4.66	Direct
3	Plantation activities	Ensuring environmental sustainability	Vishakapatnam, Andhra Pradesh	0.87	0.87	0.87	Direct
4	Maintenance of water treatment plant installed at Parsipalli	Making available safe drinking water	Vishakapatnam, Andhra Pradesh	0.62	0.62	0.62	Direct
5	Maintenance of water treatment plant installed at Parsipalli	Making available safe drinking water	Survey No.18-26, Nandini Road, Bhilai, Chattishgarh - 490026	0.41	0.41	0.41	Direct
				146.57	146.57	177.06	

* Mr. Saha is member of the Committee w.e.f. May 6, 2019 and Chairman w.e.f. June 28, 2019.

** Mr. U Dileep Kumar ceased to be the Chairman & Member of the Committee w.e.f. June 27, 2019 due to completion of his term as an independent director of the Company.

^ During the year the data on overheads is not separately accounted.

For and on behalf of the Board of Directors

Hyderabad
June 2, 2020

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

Sd/-
Ch. Manjula
Director
DIN: 01546339

Annexure 'F'

Form no. MGT.9

Extract of Annual Return

as on the financial year ended on March 31, 2020

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

I. Registration and other details

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

II. Principal Business Activities of the Company

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

Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
Specialty Chemicals	20119	99%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl.No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Vishnu Barium Private Limited Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad, Telangana 500033	U24120TG2001PTC036807	Subsidiary Company	100%	2(87)(ii)
2	Vishnu South Africa (Pty) Limited 18 Turnberry Avenue, Dainfern, Johannesburg, Gauteng - 2055	2017/179393/07	Subsidiary Company	100%	2(87)(ii)
3	Vishnu Renewable Energy Private Limited Survey No. 27/1A, Urandur (Village), Maddiledu (P.O.), Srikalahasthi, Chittoor, Andhra Pradesh - 517641	U40106AP2019PTC111778	Step-down Subsidiary	100%	2(87)(ii)

IV. Shareholding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	8959506	-	8959506	75.00	8959506	-	8959506	75.00	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	8959506	-	8959506	75.00	8959506	-	8959506	75.00	0
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	8959506	-	8959506	75.00	8959506	-	8959506	75.00	0
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	2900	0	2900	0.02	2900	-	2900	0.02	0
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs/ FPIs	54982	0	54982	0.46	0	0	0	0	(0.46)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	57882	0	57882	0.48	2900	-	2900	0.02	(0.46)
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	229020	1375	230395	1.93	244675	1375	246050	2.06	0.13
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1330239	155544	1485783	12.44	1395871	151969	1547840	12.96	0.52
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1004018	0	1004018	8.40	969131	0	969131	8.11	(0.29)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Others (specify)									
IEPF suspense account	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Non-Resident Indians	1231	40865	42096	0.35	17979	40865	58844	0.49	0.14
Non-Resident Indians (Repat)	102633	0	102633	0.86	101537	-	101537	0.85	(0.01)
Non-Resident Indians (Non-Repat)	32576	0	32576	0.27	31168	0	31168	0.26	(0.01)
Clearing Members	31131	0	31131	0.26	29044	0	29044	0.24	(0.02)
Trusts	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	2730848	197784	2928632	24.52	2789405	194209	2983614	24.98	0.46
Total Public Shareholding (B)=(B)(1)+(B)(2)	2788730	197784	2986514	25.00	2792305	194209	2986514	25.00	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11748236	197784	11946020	100	11751811	194209	11946020	100	0

ii) Shareholding of Promoters:

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Ch. Krishna Murthy	6219790	52.07	34.14	6219790	52.07	30.79	3.35
2	Mrs. Ch. Manjula	1614048	13.51	0.18	1614048	13.51	0.18	-
3	Mr. Ch. Siddartha	1125668	9.42	-	1125668	9.42	-	-

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

Particulars	Shareholding at the beginning of the year		Increase / Decrease in shareholding during the year				Cumulative shareholding during the year	
	No. of Shares	% of holding	Date	Reason	No. of shares	%	No. of Shares	% of holding
Mr. Ch. Siddartha	1125668	9.42	29.11.2019	Sale	65	0	1125603	9.42
			06.02.2020	Purchase	65	0	1125668	9.42

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

S.No.	Name of the shareholder	No. of Shares at the beginning/end of the year	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
1	Ashish Kacholia	588,793	30-Mar-19	0	-	588,793	4.93
		588,793	31-Mar-20	0	-	588,793	4.93
2	Prakash Chand	76,000	30-Mar-19	0	-	76,000	0.64
		16,202	2-Aug-19	-59798	Transfer	16,202	0.14
		16,202	31-Mar-20	0	-	16,202	0.14
3	Harry Hassomal Mohinani	70,000	30-Mar-19	0	-	70,000	0.59
		70,000	31-Mar-20	0	-	70,000	0.59
4	Kuber India Fund	54,982	30-Mar-19	0	-	54,982	0.46
		53,532	5-Apr-19	-1450	Transfer	53,532	0.45
		52,398	12-Apr-19	-1134	Transfer	52,398	0.44
		51,200	3-May-19	-1198	Transfer	51,200	0.43
		50,874	24-May-19	-326	Transfer	50,874	0.43
		32,061	31-May-19	-18813	Transfer	32,061	0.27
		31,195	13-Jun-19	-866	Transfer	31,195	0.26
		31,042	27-Jun-19	-153	Transfer	31,042	0.26
		4,858	5-Jul-19	-26184	Transfer	4,858	0.04
		0	2-Aug-19	-4858	Transfer	0	0.00
		0	31-Mar-20	0	-	0	0.00
5	Thermo Pads Private Limited	18,461	30-Mar-19	0	-	18,461	0.15
		19,716	19-Apr-19	1255	Transfer	19,716	0.17
		20,639	26-Apr-19	923	Transfer	20,639	0.17
		21,368	10-May-19	729	Transfer	21,368	0.18
		26,550	17-May-19	5182	Transfer	26,550	0.22
		27,414	24-May-19	864	Transfer	27,414	0.23
		22,261	31-May-19	-5153	Transfer	22,261	0.19
		23,333	13-Jun-19	1072	Transfer	23,333	0.20
		26,056	14-Jun-19	2723	Transfer	26,056	0.22
		30,665	20-Jun-19	4609	Transfer	30,665	0.26
		33,797	21-Jun-19	3132	Transfer	33,797	0.28
		40,605	27-Jun-19	6808	Transfer	40,605	0.34
		43,689	5-Jul-19	3084	Transfer	43,689	0.37
		52,689	12-Jul-19	9000	Transfer	52,689	0.44
53,809	26-Jul-19	1120	Transfer	53,809	0.45		
55,296	9-Aug-19	1487	Transfer	55,296	0.46		
54,782	16-Aug-19	-514	Transfer	54,782	0.46		
52,782	13-Sep-19	-2000	Transfer	52,782	0.44		
51,780	25-Oct-19	-1002	Transfer	51,780	0.43		
51,177	15-Nov-19	-603	Transfer	51,177	0.43		
54,177	29-Nov-19	3000	Transfer	54,177	0.45		

S.No.	Name of the shareholder	No. of Shares at the begining/end of the year	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
			31-Dec-19	-9000	Transfer	45,177	0.38
			3-Jan-20	-3000	Transfer	42,177	0.35
			10-Jan-20	2580	Transfer	44,757	0.37
			17-Jan-20	-3000	Transfer	41,757	0.35
			24-Jan-20	-3000	Transfer	38,757	0.32
			31-Jan-20	3737	Transfer	42,494	0.36
			7-Feb-20	5680	Transfer	48,174	0.40
			28-Feb-20	3831	Transfer	52,005	0.44
			6-Mar-20	6000	Transfer	58,005	0.49
			13-Mar-20	13000	Transfer	71,005	0.59
			20-Mar-20	5000	Transfer	76,005	0.64
			27-Mar-20	3111	Transfer	79,116	0.66
		79,116	31-Mar-20	0	-	79,116	0.66
6	Rajalakshmi S	38,618	30-Mar-19	0	-	38,618	0.32
			5-Apr-19	1521	Transfer	40,139	0.34
			12-Apr-19	1161	Transfer	41,300	0.35
		41,300	31-Mar-20	0	-	41,300	0.35
7	Martin And Harris Laboratories Limited	28,539	30-Mar-19	0	-	28,539	0.24
		28,539	31-Mar-20	0	-	28,539	0.24
8	Vamsidhar Patibandla	22,450	30-Mar-19	0	-	22,450	0.19
			19-Apr-19	234	Transfer	22,684	0.19
			26-Apr-19	316	Transfer	23,000	0.19
			21-Jun-19	700	Transfer	23,700	0.20
			26-Jul-19	800	Transfer	24,500	0.21
			2-Aug-19	800	Transfer	25,300	0.21
		25,300	31-Mar-20	0	-	25,300	0.21
9	Ayyagari Roja Ramani	24,737	30-Mar-19	0	-	24,737	0.21
		24,737	31-Mar-20	0	-	24,737	0.21
10	Metroglobal Limited	0	30-Mar-19		-	0	0.00
			14-Feb-20	8000	Transfer	8,000	0.07
			28-Feb-20	2935	Transfer	10,935	0.09
			6-Mar-20	8729	Transfer	19,664	0.16
			13-Mar-20	13677	Transfer	33,341	0.28
			20-Mar-20	11394	Transfer	44,735	0.37
			27-Mar-20	1000	Transfer	45,735	0.38
		45,735	31-Mar-20	0	-	45,735	0.38
11	Praveen Kumar Saboo	18,201	30-Mar-19	0	-	18,201	0.15

S.No.	Name of the shareholder	No. of Shares at the beginning/end of the year	Date	Increase/Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
			26-Jul-19	1319	Transfer	19,520	0.16
			2-Aug-19	860	Transfer	20,380	0.17
			9-Aug-19	242	Transfer	20,622	0.17
			16-Aug-19	50	Transfer	20,672	0.17
			18-Oct-19	265	Transfer	20,937	0.18
			25-Oct-19	173	Transfer	21,110	0.18
			13-Mar-20	90	Transfer	21,200	0.18
			20-Mar-20	400	Transfer	21,600	0.18
			27-Mar-20	1600	Transfer	23,200	0.19
		23,200	31-Mar-20	0	-	23,200	0.19
12	Manish Kumar Gilada	23,000	30-Mar-19	0	-	23,000	0.19
		23,000	31-Mar-20	0	-	23,000	0.19
13	Jayshree Attal	22,233	30-Mar-19	0	-	22,233	0.19
			12-Jul-19	800	Transfer	23,033	0.19
		23,033	31-Mar-20	0	-	23,033	0.19

Note: The above information is based on the weekly beneficiary position received from the depositories.

v). Shareholding of Directors and Key Managerial Personnel:

S.No.	Particulars	Shareholding at the beginning of the year		Date	Increase/Decrease (No. of Shares)	Reason	Cumulative Shareholding During the year	
		No. of Shares	% of total Shares of the company				No. of shares	% of total shares of the company
A Directors								
1	Mr. Ch. Krishna Murthy, CMD	6219790	52.07	-	-	-	6219790	52.07
2	Mrs. Ch. Manjula	1614048	13.51	-	-	-	1614048	13.51
3	Mr. Ch. Siddartha, JMD	1125668	9.42	29.11.2019	65	Sale	1125603	9.42
				06.02.2020	65	Purchase	1125668	9.42
4	Mr. T. S. Appa Rao	-	-	-	-	-	-	-
5	Mr. Pradip Saha	-	-	-	-	-	-	-
6	Mr. S Saranathan	-	-	-	-	-	-	-
7	Mr. Santanu Mukherjee	-	-	-	-	-	-	-
8	Mr. U. Dileep Kumar	-	-	-	-	-	-	-
B Key Managerial Personnel								
9	Mr. P. Anjaneyulu, CFO	350	0.00	-	-	-	350	0.00
10	Mr. Kishore Kathri, CS	40	0.00	21.08.2019	40	Purchase	80	0.00
				18.03.2020	20	Purchase	100	0.00

V. Indebtedness of the Company including interest outstanding / accrued but not due for payment for the year ended March 31, 2020

₹ in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22071.74	3510.95	-	25582.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	22071.74	3510.95	-	25582.69
Change in Indebtedness during the financial year				
* Additions	500.00	1,473.60	-	1,973.60
* Reduction	1,580.48	643.54	-	2,224.02
* Reduction in Interest due but not paid	-	(147.34)	-	(147.34)
Net Change	(1,080.48)	977.39		(103.08)
Indebtedness at the end of the financial year				
i) Principal Amount	20,948.87	4,485.86	-	25,434.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42.39	2.48	-	44.87
Total (i+ii+iii)	20,991.26	4,488.34	-	25,479.61

VI. Remuneration of Directors and Key Managerial Personnel

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

₹ in lakhs

S.No.	Particulars of Remuneration	FY 2019-20	FY 2019-20
		Mr. Ch. Krishna Murthy	Mr. Ch. Siddartha
		Managing Director	Joint Managing Director
1	Gross salary	66.00	48.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as a % of profit	-	-
	- others, specify...	-	-
	Total	66.00	48.00
	Ceiling as per the Act i.e. 10% of the net profits of the Company calculated as per Section 198 of the Act		210.62

B. Remuneration to other Directors:

₹ in lakhs

S.No.	Particulars	Fee for attending board / committee meetings	Commission@	Others, pls specify	Total amount
I Independent Directors					
1	Mr. T.S. Appa Rao	1.20	-	-	1.20
2	Mr. Pradip Saha	1.60	-	-	1.60
3	Mr. S Saranathan*	0.20	-	-	0.20
4	Mr. Santanu Mukherjee**	1.00	-	-	1.00
5	Mr. U. Dileep Kumar^	0.40	-	-	0.40
	Total (i)	4.40	-	-	4.40
II Other Non-executive Directors					
6	Mrs. Ch. Manjula	0.60	-	-	0.60
	Total (ii)	0.60	-	-	0.60
	Total (i+ii)	5.00	-	-	5.00

*Appointed as Non-Executive Independent Director with effect from February 3, 2020

**Appointed as Non-Executive Independent Director with effect from May 6, 2020 and resigned w.e.f. November 8, 2019.

^Retired as an Independent Director of the Company with effect from June 27, 2020 upon completion of tenure.

@As per the terms of the appointment no commission is paid to Non-executive and Independent Directors.

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

₹ in lakhs

S.No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. P. Anjaneyulu CFO	Mr. Kishore Kathri, CS	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	28.53	12.00	40.53
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - others, specify...	-	-	-

VII. Penalties / Punishment / Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority (RD/ NCLD/ COURT)	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board of Directors

Hyderabad
June 2, 2020Sd/-
Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274Sd/-
Ch. Manjula
Director
DIN: 01546339

Annexure 'G'

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on corporate governance

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

The above philosophy of corporate governance entails that our governance process is devised in such a manner as to meet aspirations of our stakeholders and expectations of the society. 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 Directorships in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)*	Number of memberships/ chairmanship in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)		Whether present at the previous AGM
			Held	Attended		Chairman	Member	
1	Mr. Ch. Krishna Murthy DIN: 00030274	Promoter and CMD	4	3	3	0	1	Yes
2	Mrs. Ch. Manjula DIN: 01546339	Promoter and NED	4	3	3	1	1	Yes
3	Mr. Ch. Siddhartha DIN: 01250728	Promoter and JMD	4	3	4	0	1	Yes
4	Mr. T. S. Appa Rao DIN: 00412492	NED & ID	4	3	1	0	1	No
5	Mr. Pradip Saha DIN: 07677683	NED & ID	4	4	1	1	2	Yes
6	Mr. Seshadri Saranathan DIN: 01498670	NED & ID	4	1	2	0	1	Not applicable
7	Mr. Santanu Mukherjee DIN: 07716452	NED & ID	4	3	9	0	6	Yes
8	Mr. U Dileep Kumar DIN: 02519654	NED & ID	4	1	1	1	1	Yes

Notes:

- Chairman & Managing Director (CMD), Joint Managing Director (JMD), Non-executive Director (NED) and Independent Director (ID)
- Mr. Ch. Siddhartha, JMD was appointed as member of the Audit Committee w.e.f. November 8, 2019.
- Mr. Pradip Saha, NED&ID was appointed as Chairman of Audit Committee w.e.f. June 28, 2019.
- Mr. S Saranathan was appointed as an independent director and member of Audit Committee w.e.f. February 3, 2020.
- Mr. Santanu Mukherjee was appointed as an independent director and member of the Audit Committee w.e.f. May 6, 2019 and resigned as ID w.e.f. November 8, 2019 thereby ceased to be a member of Audit Committee.
- Mr. U Dileep Kumar retired as an independent director of the Company w.e.f. June 27, 2019 on completion of his five years term thereby he ceased to be Chairman & Member of the Audit Committee.

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

@ During the FY 2019-20, Mr. Santanu Mukherjee was a Director of listed companies viz. Suvan Lifesciences Limited, Bandhan Bank Limited, Sumedha Fiscal Services Limited and Donear Industries Limited and none of the other Directors were Directors of other listed companies.

Board Procedure

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

The Company Secretary tracks and monitors the Board and Committee proceedings to ensure that the Terms of Reference are adhered to, decisions are properly recorded in the minutes. The Terms of Reference are amended and updated from time to time in order to keep the functions and role of the Board and Committees at par with the changing statutes. 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 & JMD 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 Directors are also kept informed of major events and approvals obtained, if necessary. In compliance with the relaxations granted by the Ministry of Corporate Affairs due to outbreak of Covid-19, the Company has also conducted its Board and Committee Meetings through video conferencing, without physical presence of Directors and attendees, to adhere to the social distancing norms. Further, in recent day's emphasis also been given to have paperless agenda for future board and committee meetings.

Board Meetings Held

The Board met four (4) times during FY 2019-20 as detailed hereunder. The gap between two Meetings did not exceed one hundred and twenty days and the Meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.

Date of the Meeting	Board Strength	No. of Directors Present
May 6, 2019	7	6
August 5, 2019	6	5
November 8, 2019	6	4
February 3, 2020	6	6

Disclosure of relationship between directors inter-se:

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

Shares held by Non-executive Directors:

Mrs. Ch. Manjula, Promoter and Non-Executive Director, holds 16,14,048 equity shares of ₹ 10/- each (13.51%) and 52,71,250 7% Cumulative Redeemable Preference Shares of ₹ 10/- each (CRPS) (6.88%) of the Company as on March 31, 2020; Mr. S Saranathan, Independent Director, holds 41,300 (0.35%) 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, particulars of Directors seeking appointment/ re-appointment at this AGM are given in the Notice of the AGM which forms part of this Annual Report.

Web-link where details of familiarization programmes imparted to independent Directors: <https://www.vishnuchemicals.com/investors/#Policies>

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- vis the skills / expertise / competencies of respective directors are as under:

Board of Directors	Industry expertise (Chemical Manufacturing and Development)	Sales, Marketing and Market Strategy	Executive leadership and Board experience	Strategy & Risk Management	Corporate Governance	Expertise in financial matters	Health, safety, environment and sustainability	M&A/ Capital Markets
Mr. Ch. Krishna Murthy	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Ch. Manjula	✓	-	✓	-	✓	-	✓	-
Mr. Ch. Siddartha	✓	✓	✓	✓	✓	✓	✓	✓
Mr. T. S. Appa Rao	✓	-	✓	✓	✓	✓	✓	-
Mr. Pradip Saha	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Seshadri Saranathan	✓	✓	-	-	✓	✓	✓	-
Mr. Santanu Mukherjee	-	-	✓	✓	✓	✓	✓	✓
Mr. U Dileep Kumar	-	-	✓	✓	✓	✓	✓	✓

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 undertaken requisite steps towards the inclusion of 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 disclosed on website of the Company viz. www.vishnuchemicals.com.

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 Managing Director of the Company does not serve as an Independent Director in any other listed entity.

During the year Mr. Santanu Mukherjee, who was appointed as an independent director on May 6, 2019 resigned on November 8, 2019 due to the reason that he is pre-occupied as Director of various other companies and unable to devote sufficient time to the Company.

Code of conduct:

The Board has laid down Code of Conduct for its Directors and Senior Management of the Company. The text of the Code of Conduct is uploaded on the website of the Company – www.vishnuchemicals.com. The Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2020. 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 have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has five Board Level Committees:

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

Audit Committee

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

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

Terms of Reference

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

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

- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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. May 6, 2019, August 5, 2019, November 8, 2019 and February 3, 2020. Composition and attendance of directors is as under:

Name of the Audit Committee Member	No. of meetings held	No. of meetings attended
Mr. Pradip Saha, C&ID	4	4
Mr. T. S. Appa Rao, ID	4	3
Mr. S Saranathan, ID	4	0
Mr. Ch. Siddartha, JMD	4	1
Mr. Santanu Mukherjee, ID	4	2
Mr. U. Dileep Kumar, ID	4	1

Notes:

- C&ID - Chairman & Independent Director, ID - Independent Director, JMD - Joint Managing Director
- Mr. Ch. Siddartha, JMD was appointed as member of the Audit Committee w.e.f. November 8, 2019.
- Mr. Pradip Saha, NED&ID was appointed as Chairman of Audit Committee w.e.f. June 28, 2019.
- Mr. S Saranathan was appointed as member of the Audit Committee w.e.f. February 3, 2020.
- Mr. Santanu Mukherjee had been appointed as a member of the Audit Committee w.e.f. May 6, 2019 and ceased to be a member of the Committee w.e.f. November 8, 2019 on his resignation from Directorship.
- Mr. U Dileep Kumar retired as an independent director of the Company w.e.f. June 27, 2019 on completion of his five years term thereby he ceased to be the Chairman & Member of Audit Committee.

Throughout the year the composition of the Committee is in conformity with Section 177 of the Act read with rules made

thereunder and Regulation 18(1) of the Listing Regulations. The Audit Committee consists of Independent Directors and Joint Managing Director as members and all the members of the Committee are financially literate and Mr. Pradip Saha & Mr. S Saranathan have accounting and related financial management expertise. The Company Secretary of the Company is secretary to the Committee. Auditors, Secretarial Auditors and Cost Auditors are invited for Audit Committee meetings on need basis.

Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee (NRC) covers the areas as contemplated 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; 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 two (2) times i.e. on May 6, 2019 and February 3, 2020. Composition and attendance of directors is as under:

Name of NRC Member	No. of meetings held	No. of meetings attended
Mr. Pradip Saha, C&ID	2	2
Mr. T. S. Appa Rao, ID	2	2
Mr. S Saranathan, ID	2	0
Mr. Ch. Manjula, NED	2	1
Mr. Santanu Mukherjee, ID	2	0
Mr. U. Dileep Kumar, ID	2	1

Notes:

- C – Chairman, ID - Independent Director, NED – Non-executive Director
- Mr. S Saranathan was appointed as member of NRC w.e.f. February 3, 2020.
- Mrs. Ch. Manjula, NED, was appointed as member of the NRC w.e.f. November 8, 2019.
- Mr. Pradip Saha, NED&ID, was appointed as Chairman of NRC w.e.f. June 28, 2019.
- Mr. Santanu Mukherjee was appointed as a member of the NRC w.e.f. May 6, 2019 and ceased to be a member of the Committee w.e.f. November 8, 2019 on his resignation from Directorship.
- Mr. U Dileep Kumar retired as an independent director of the Company w.e.f. June 27, 2019 on completion of his five years term thereby he ceased to be the Chairman & Member of NRC.

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

Performance evaluation criteria for Independent Directors:

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

The criteria for performance evaluation are as follows:

Role & Accountability:

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

Objectivity:

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

Leadership & Initiative:

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

Personal Attributes:

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

Remuneration Policy

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

The Non-Executive Directors (NED) are remunerated by way of sitting fee for each meeting attended and are also reimbursed out of pocket expenses incurred by them in connection with the attendance of the Company's Meetings. A copy of the Nomination & Remuneration Policy is available on the website of the company <https://www.vishnuchemicals.com/investors/#Policies>

Directors' Remuneration

The details of remuneration to the Directors for the financial year ended March 31, 2020.

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

₹ in lakhs

Particulars	Mr. Ch. Krishna Murthy Managing Director	Mr. Ch. Siddartha Joint Managing Director
Salary (Including perquisites)	66.00	42.24
Commission	0	0
Contribution to Provident Fund and Superannuation Fund	0	5.76
Benefits	0	0
Total	66.00	48.00

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

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

The sitting fee is paid to the Non-executive Directors for attending the Board meeting is ₹ 20,000/-; ₹ 20,000/- for attending Audit Committee meeting; and no sitting fee is paid for Nomination & Remuneration Committee, CSR Committee and Stakeholders Grievance 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 2019-20 and the company does not have any stock option scheme.

₹ in lakhs

Non-executive Directors	Sitting Fee
Mrs. Ch. Manjula	0.60
Mr. T. S. Appa Rao	1.20
Mr. Pradip Saha	1.60
Mr. S Saranathan	0.20
Mr. Santanu Mukherjee	1.00
Mr. U. Dileep Kumar	0.40
Total	5.00

Stakeholders' Grievance Committee

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

The terms of reference of the SGC are as under:

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

During the financial year under review, SGC met five (5) times i.e. on April 2, 2019, May 6, 2019, August 5, 2019, November 8, 2019 and February 3, 2020. Composition and attendance of directors is as under:

Name of the SGC Member	No. of meetings held	No. of meetings attended
Mrs. Ch. Manjula, C & NED	5	3
Mr. Pradip Saha, NED & ID	5	4
Mr. Ch. Krishna Murthy, CMD	5	4
Mr. Ch. Siddartha, JMD	5	4

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

Status of Investor Complaints

The status of Investor Complaints as on March 31, 2020 as reported under Regulation 13(3) of the Listing Regulations is as under:

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

Corporate Social Responsibility Committee

The Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135

of the Act which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company in conformity with Schedule VII of the Companies Act, 2013 and the Rules thereof; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company. During the year under review, the Committee met twice i.e. on May 6, 2019 and February 3, 2020.

Management Committee

Mr. Ch. Krishna Murthy, Chairman & Managing Director, Mrs. Ch. Manjula, Non-executive Directors and Mr. Ch. Siddartha, Joint Managing Director are the members of the Committee. During the year under review, the Committee met eight (8) times i.e. on April 26, 2019, June 21, 2019, July 26, 2019, August 17, 2019, October 28, 2019, December 26, 2019, January 30, 2020 and March 23, 2020. The Committee was constituted, inter alia, to exercise the powers specified in clauses (d) to (f) of sub-section (3) of section 179 of the Companies Act, 2013.

Compliance officer

Mr. Kishore Kathri, Company Secretary, is the Compliance Officer for complying with the requirements of the Securities Laws, Listing Agreements with the Stock Exchanges and Listing Regulations, 2015. He acts as the Secretary to all the mandatory sub-committees of the Board.

General body meetings

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

Financial Year	Date & Time of AGM	Venue of AGM
2018-19	Thursday, June 27, 2019 at 10.00 AM (IST)	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad Telangana – 500033
2017-18	Monday, September 24, 2018 at 11.00 AM (IST)	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad Telangana – 500033
2016-17	Wednesday, 27 th September, 2017 at 4.00 PM (IST)	Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad Telangana – 500033

Special Resolutions

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

- i) 26th AGM held on June 27, 2019 – Special Resolutions
 - a. To approve re-appointment of Mr. Pradip Saha as Independent Director of the Company for second term.
 - b. To give advances, loans including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by entities in whom the director of the company is/ are interested.

- c. Approval for payment of remuneration to executive directors in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of their appointment.
- d. To approve variation of terms of the existing 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of the company.
- II) 25th AGM held on September 24, 2018 – Special Resolutions
- a. Amendment of Articles of Association of the Company.
- III) 24th AGM held on September 27, 2017 - Special Resolutions – Nil
- IV) During the year, no resolutions were passed through postal ballot.

Means of communication

Financials Calendar (Tentative):

- Unaudited results for 1st quarter of next Financial Year – by August 14, 2020
- Unaudited results for 2nd quarter of next Financial Year – by November 14, 2020
- Unaudited results for 3rd quarter of next Financial Year – by February 14, 2021
- Audited results for next Financial Year – by May 30, 2021

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

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

General shareholders information

Annual General Meeting:

Day & Date	- Friday, August 14, 2020 at 11.00 a.m. (IST)
Venue	- In accordance with the General Circulars No. 18 & 20 dated April 18, 2020 & May 5, 2020 respectively, issued by the MCA on May 5, 2020, the AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') only
Financial Year	- 2019-20 (April 1, 2019 to March 31, 2020)
Date of Book Closure	- August 8, 2020 to August 14, 2020 (both days inclusive)
Date of Dividend Payment	- On or after Thursday, August 20, 2020
Dividend for the last three years	- 2018-19 : 10% 2017-18 : 10% 2016-17 : Nil

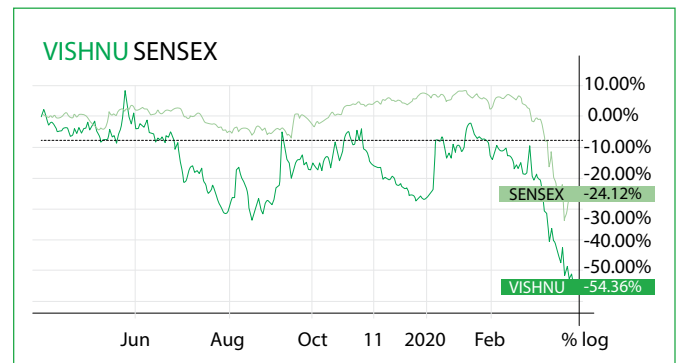
Name and address of Stock Exchanges where the shares of the Company are listed

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza
Dalal Street	Bandra Kurla Complex
Mumbai- 400 001	Bandra (E), Mumbai - 400 051
BSE Limited	- Scrip Code: 516072
National Stock Exchange of India Ltd	- VISHNU
ISIN for the Equity Shares	- INE270I01014

The Company has paid listing fee to both Stock Exchanges for the financial year 2019-20.

Monthly high and low of Company's shares on BSE Limited & National Stock Exchange of India Limited during the financial year 2019-20

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-19	150.20	133.00	150.00	132.30
May-19	162.00	116.50	164.00	130.60
Jun-19	149.00	130.10	147.95	130.50
Jul-19	138.95	103.90	138.85	99.00
Aug-19	129.40	82.00	130.60	94.05
Sep-19	142.00	100.80	141.90	101.15
Oct-19	145.00	116.50	145.50	115.25
Nov-19	139.75	113.20	158.00	111.80
Dec-19	151.95	97.05	151.75	103.00
Jan-20	156.95	124.10	156.35	123.95
Feb-20	142.90	108.00	143.95	107.40
Mar-20	123.90	60.90	127.40	60.80



Share Transfer System

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

Dematerialization of shares and liquidity

1,17,51,811 (NSDL: 8129035; CDSL: 3622776) equity shares were dematerialized amounting to 98.37% of the total paid-up capital of the Company and the shares of the company are traded on BSE and NSE. The Company had entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders can dematerialise their shares with either of the Depositories. Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is uploaded on website of the company www.vishnuchemicals.com.

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s).

Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

Service of documents through electronic mode

The Notice, along with the Report and Accounts, has been sent in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories. Shareholders who wish to update or register their e-mail addresses with the Company or with the Depositories may inform their respective Depository Participants in case of shares held in electronic form and to the Registrar and Transfer Agent or the Company in case of physical holding of shares at the addresses given below in the Report.

Remittance of Dividend through Electronic Mode

The Company provides the facility for remittance of dividend, if any, to Shareholders through NECS (National Electronic Clearing Service) / RTGS (Real Time Gross Settlement) / NEFT (National Electronic Funds Transfer). Shareholders, who have not yet opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) to their respective Depository Participants where shares are held in the dematerialized form and the Registrar and Transfer Agent in the physical form respectively.

Distribution of Shareholding (in shares) as on March 31, 2020

No. of shares	No. of shareholders	% of total shareholders	No. of shares	% of total share capital
Upto 500	5357	88.341	628625	5.5655
501 - 1000	362	5.9697	275270	2.3043
1001 - 2000	165	2.721	241960	2.0254
2001 - 3000	62	1.0224	156884	1.3133
3001 - 4000	22	0.3628	79752	0.6676
4001 - 5000	22	0.3628	104129	0.8717
5001 - 10000	34	0.5607	232319	1.9447
10001 & above	40	0.6596	10227081	85.6108
	6064		11946020	100.00

Pattern of Shareholding as on March 31, 2020

Category	No. of Shares	% of shareholding
Promoters & Promoter Group	8959506	75.00
Resident Individuals	2516971	21.07
Foreign holding	191549	1.60
Financial Institutions/ Banks	2900	0.02
Government/ Government Companies	-	-
Mutual Fund/ Alternative Investment Funds	-	-
Body Corporates	246050	2.06
IEPF	-	-
Clearing Members	29044	0.24
GRAND TOTAL	11946020	100

Address for correspondence from the shareholders

Regd. & Corporate Office of the Company:

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

Registrar and Share Transfer Agents:

Bigshare Services Pvt. Ltd
306, Right Wing, 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

Jeedimetla Plant:

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

Vizag Plant:

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

Bhilai Plant:

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

Other disclosures

- a. Compliance of corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are done. For details please verify the Annual Corporate Governance Report uploaded on the Stock Exchanges and a copy of the same is made available on website of the company www.vishnuchemicals.com.
- 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 35 forming part of the financial statements. Web-link for the Policy on dealing with related party transactions is <https://www.vishnuchemicals.com/investors/#Policies>

Further during the year there were no transactions with the entities belonging to the promoter or promoter group which holds 10% or more shareholding in the company.
- c. Since the company has not issued any debt instruments and has not had any fixed deposit programme or any scheme or proposal that involves mobilization of funds, disclosure of credit rating is not applicable.
- d. Disclosure of non-compliance by company:

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

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

The Company has one material unlisted Indian Subsidiary i.e. Vishnu Barium Private Limited w.e.f. April 1, 2019. The minutes of the meetings of the subsidiaries are placed at the meetings of the Board of Directors of the Company. Quarterly and Annual Financial Statements of subsidiaries are reviewed by Audit Committee and the Board of Directors. Web-link for the policy for determining 'material' subsidiaries is <https://www.vishnuchemicals.com/investors/#Policies>
- g. commodity price risk or foreign exchange risk and hedging activities:

Some of the products manufactured by the Company may be indirectly subject to commodity price risks. The Company does not undertake any hedging activities for the same. The Company is a net foreign exchange earner and thus faces foreign currency fluctuation risk. The Company tries to minimise the risk through natural hedge via foreign currency liabilities to the extent possible. For the balance, looking at the trend, the Company may keep its position open or hedge the same. The Company reviews its Foreign Currency Risk and evaluates the same on a weekly basis.
- h. During the year the company has not raised any funds through preferential allotment or QIP as specified under Regulation 32 (7A) of listing Regulations.
- i. Acceptance of recommendations of Committees by the Board of Directors: In terms of the Listing Regulations, there have been no instances during the year when the recommendations of any of the Committees were not accepted by the Board.
- j. Fees paid to Jampani & Associates, Statutory Auditors and all entities in the network firm of the Statutory Auditors:

During FY 2019-20, a total fee of ₹ 15.00 lakhs was paid by the Company and its subsidiaries, on a consolidated basis, for all services to M/s. Jampani & Associates, Statutory Auditors and all entities in the network firm/network entity of which they are part.

k. Risk Management:

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

l. Code of Conduct for Directors and members of Senior Management:

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

m. CEO/CFO Certification:

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

n. PCS Certificate

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

o. Auditor's Certificate on Corporate Governance:

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

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

The Company has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under and has constituted Internal Complaints Committee (ICC) under the said Act. No complaint has been received by the ICC, during the year.

q. Disclosure with respect to demat suspense account/ unclaimed suspense account:

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

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

Ch. Manjula

Director

DIN: 01546339

Hyderabad,

June 02, 2020

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, 2020 as envisaged in Listing Regulations.

Hyderabad
May 23, 2020

For Vishnu Chemicals Limited

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director

'Annexure'

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, 2020.

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, 2020:

List of Director of the Company as on March 31, 2020:

S.No.	DIN	Full Name	Designation
1	00030274	Sri. Cherukuri Krishna Murthy	Managing Director
2	01546339	Smt. Cherukuri Manjula	Non-executive Director
3	01250728	Sri. Cherukuri Siddartha	Joint Managing Director
4	00412492	Sri. Tammineni Sanyasa Appa Rao	Independent Director
5	07677683	Sri. Pradip Saha	Independent Director
6	01498670	Sri. Seshadri Saranathan	Independent Director

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

Sd/-
L. Dhanamjay Reddy
(Proprietor)
CP. No.3752
UDIN: A013104B000412855

Date : 03.07.2020
Place : Hyderabad

Certificate on Corporate Governance

To the Members of Vishnu Chemicals Limited

1. This certificate is issued in accordance with the terms of our engagement letter
2. This report contains details of compliance of conditions of Corporate Governance by **Vishnu Chemicals Limited** ('the Company') for the year ended March 31, 2020, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

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

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

Our Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended March 31, 2020.
6. We conducted our examination in accordance with the, Guidance Note on Corporate Governance Certificate, issued by the Institute of Company Secretaries of India ('ICSI'), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

Restriction on use

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

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

Sd/-
L. Dhanamjay Reddy
(Proprietor)
CP. No.3752
UDIN: A013104B000412866

Date : 03.07.2020
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, 2020 and that to the best of our knowledge and belief:
- (1) the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) the statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- (1) There were no significant changes in internal control over financial reporting during the year;
 - (2) There were no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Hyderabad
June 2, 2020

Sd/-
Ch. Krishna Murthy
Managing Director

Sd/-
P. Anjaneyulu
Chief Financial Officer

Annexure 'I'

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Outlook

The global slowdown of the Calendar Year ('CY') 2019, caused by the US-China trade war, Brexit concerns and region-specific crises in Asia and Africa, has been exacerbated by the novel coronavirus outbreak of early CY 2020. Protecting lives and allowing health care systems to cope with the Covid-19 pandemic has required isolation, lockdowns and widespread closures of non-essential services, including the manufacturing of most goods. As a result, the global economy is projected to contract sharply by around 3% in 2020, worse than it fared during the Financial Year ('FY') 2008-09 financial crisis, as per the World Economic Outlook ('WEO') of April 2020 released by the International Monetary Fund ('IMF').

The growth forecast is marked down by more than 6% relative to the October 2019 and January 2020 projections by IMF – an extraordinary revision over such a short period of time. However, global growth is expected to rebound to 5.8% in CY 2021, well above the trend, reflecting the normalisation of economic activity based on inherent strengths.

Growth in the Advanced Economies group, where several nations are experiencing widespread outbreaks and are deploying containment measures, is projected at (6.1) % in CY 2020. The Advanced Economies group is forecast to grow at 4.5% in CY 2021. Growth in the United States ('US') is expected to drop from 2.3% in CY 2019 to (5.9)% in CY 2020, before recovering to 4.7% in CY 2021.

Among Emerging Market and Developing Economies, all countries face a health crisis, severe external demand shock and a plunge in commodity prices, which will have a severe impact on economic activity, including commodity exports. Overall, the group of Emerging Market and Developing Economies is projected to contract from 3.7% in CY 2019 to (1.0)% in CY 2020 before picking up to 6.6% in CY 2021.

India and China are the only two countries in the world to maintain a positive growth rate in CY 2020, though at a low 1.9% and 1.2%, respectively. In CY 2021, China is expected to lead the global rebound with 9.2%, following by India with 7.4% and the Asean 5 (Indonesia, Malaysia, the Philippines, Singapore and Thailand) with a collective 7.8%.

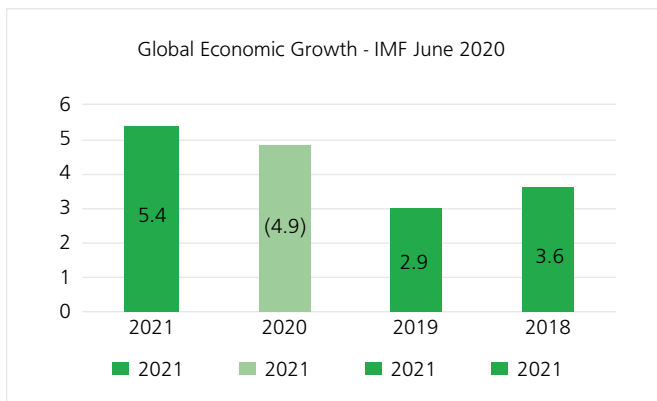
In China, indicators such as industrial production, retail sales and fixed asset investment suggest that the contraction in economic activity in the first quarter could have been about 8% year-on-year ('YoY'). India's GDP decelerated to its lowest in over six years in the third quarter of FY 2019-20 as per KPMG April 2020 report on the 'Potential Impact of Covid-19 on the Indian Economy'.

Key considerations for the outlook:

- Amplification channels: Financial markets are sharply repricing due to an increase in uncertainty and the sudden

materialisation of extensive disruptions to economic activity. The flight to safe assets and rush to liquidity have put significant upward pressure on borrowing costs and credit has become scarcer, aggravating financial strains.

- Early indications of severe economic fallout: The economic impact of Covid-19 is already visible in the countries most affected by the outbreak. For example, in China, industrial production, retail sales and fixed asset investment dropped dramatically in January 2020 and February 2020.
- A sharp drop in commodity prices: The fast deterioration of the global economic outlook following the pandemic and the breakdown of the OPEC+ (Organization of the Petroleum Exporting Countries including Russia and other non-OPEC oil exporters) agreement have weighed heavily on commodity prices. Base metal prices, natural gas prices and crude oil prices dropped drastically since mid-March 2020.
- Going forward In June last week of 2020, IMF has projected the global economic growth at -4.9 percent in CY 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperilling the significant progress made in reducing extreme poverty in the world since the 1990s.
- Tight financial conditions: Equity markets have sold off dramatically; high-yield corporate and emerging market sovereign spreads have widened significantly; and portfolio flows to emerging market funds have reversed, particularly in the case of hard currency bonds and equities. Signs of dollar funding shortages have emerged amid the general rebalancing of portfolios towards cash and safe assets.



Risks

Even after the severe downgrade to global growth, downside risks to the outlook persist.

The key risks are:

1. The effects of the health crisis on economic activity and financial markets could turn out to be stronger and longer lasting than initially estimated, testing the limits of central banks to backstop the financial system and further raising the fiscal burden of the shock.
2. As of end-May 2020, the path of the Covid-19 pandemic remains uncertain. Strong containment efforts to slow the spread of the virus may need to remain in force for longer than first half of CY 2020 if the pandemic proves to be more persistent than assumed in the WEO baseline.
3. For several reasons, the recovery of the global economy could be weaker than expected even after the pandemic recedes for now. These reasons include lingering uncertainty about the return of the contagion, confidence failing to improve, establishment closures, massive job losses and purchasing power erosion and structural shifts in business and household behaviour, leading to more supply chain disruptions and weak aggregate demand.
4. Related to the uncertainty around Covid-19, an extended risk-off episode in financial markets and tightening of financial conditions could cause deeper and longer-lasting downturns in a number of countries.

Nevertheless, governments could help stabilise the economies through the following interventions:

- Framing effective policies such as shared economic policy objectives across countries, substantial targeted fiscal, monetary and financial market measures to help affected households and businesses in advanced economies, emerging markets as well as developing economies.
- Provision of liquidity and credit guarantees, loan restructuring, broad-based fiscal stimulus where financing constraints permit (such as public infrastructure investment or across - the -board tax cuts). This may pre-empt a steeper decline in confidence in economies facing financial constraints, help lift aggregate demand, curb bankruptcies and avert an even deeper downturn.
- Restrictions in free trade or domestic policy measures, leading to import restrictions and providing an opportunity to boost domestic industry.

Source: IMF World Economic Outlook (WEO), April 2020 released on April 14, 2020; KPMG report on Potential Impact of Indian Economy-April 2020, OECD Interim Economic Assessment, March 2, 2020

REVIEW OF INDIAN ECONOMY

As per the estimates from Department of Economic Affairs, Govt. of India, Indian economy had begun to regain momentum with clear signs of uptick in consumption and investment towards the

end of Q3:2019-20, only to be halted by COVID-19 that made government enforce country-wide lockdown in late March 2020. Green shoots had appeared with Index of Industrial Production (IIP), Index of Core Industries (ICI) and merchandise exports rebounding with positive growth in February 2020 along with signs of revival in consumer sentiment. However, sharp negative growth of merchandise exports and imports in March 2020 gave first signs of distress having already entered the country's economic space. With the imposition of lockdown from 24th March, FY 2019-20 closed with a seven-day period of economic inactivity. Besides trade, negative growth in IIP and ICI indices and particularly the decline in electricity generation in March 2020, reflected the economic adversity of the lockdown.

Going forward the mid term and long term impact of the epidemic on the India economy will continue to evolve and an accurate prediction is not feasible. With the unlock 1.0 underway there is visible recovery in key sectors of the economy some of which are as below:

- **With IMD predicting a normal monsoon rural India is leading the recovery and urban India trying to get back on economic activities.**
- **After a dip of 60% the petrol and diesel consumption is back to normal in July, 2020.**
- **Power consumption in June has touch 90% of the last year's demand**
- **With goods movement resuming in May and electronic toll collections increasing is a clear sign of manufacturing sector getting back to normalcy.**
- **In June GST collections have increased.**
- **India's manufacturing purchase manager's index (PMI) saw an increase of 50% in June compared to May. However with the COVID-19 cases increasing across the country the manufacturing may again slowdown in the coming months.**

India's foreign exchange reserves slumped by US\$11.98 billion during the week ended March 20 and stood at US\$ 469.9 billion as the central bank sold to arrest the slide of the rupee, but it was still better compared to US\$ 447.8 billion at end-March 2019.

India's Foreign Direct Investment (FDI) equity inflows reached US\$ 436.47 billion between April 2000 and June 2019 with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.

Merchandise exports and imports (in US\$ terms) declined by 1.9% and 8.1%, respectively, in April 2019 - January 2020.

Oil imports declined by 9.2% and non-oil imports declined by 7.7% in April 2019-January 2020. During April 2019 - January 2020, merchandise trade deficit was US\$ 133.3 billion, lower as compared to US\$ 163.3 billion in April 2018-January 2019.

The fixed investment rate (ratio of gross fixed capital formation to GDP) is estimated at 27.5% in FY 2019-20 against 29.0% in FY 2018-19. The growth in real fixed investment is estimated to decline at 0.6% in FY 2019-20 compared to 9.8% in FY 2018-19.

The Index of Industrial Production ('IIP') registered a growth of 0.5% in April-December 2019, as compared to 4.7% during April-December 2018. IIP of the manufacturing sector declined by 1.2% in December 2019, as compared to a growth of 2.9% in December 2018.

Growth of bank credit was 7.1% (YoY basis) as on January 31, 2020, as compared to 14.5% in the corresponding fortnight end of the previous year.

The Budget Estimates of the fiscal deficit as percentage of GDP for FY 2019-20 have been set at 3.3%, as compared to 3.4% in FY 2018-19 (Provisional Actual or PA).

The Rupee exchange rate (Re/US\$) stood at 71.3138 at the end of January 2020, compared to 71.2328 at the end of December 2019. India's current account deficit (CAD) was 0.9% of GDP (US\$ 6.3 billion) in the second quarter of FY 2019-20 as compared to 2.9% GDP (US\$ 19 billion) in the second quarter of FY 2018-19.

External debt stood at US\$ 557.5 billion at end-September 2019, recording an increase of 0.5% over the level at end-June 2019. Long-term debt was US\$ 448.4 billion at end-September 2019, while the remaining US\$ 109.1 billion was short-term debt.

Industry Structure and Developments

The Chemicals industry in India contributes 1.34% to the nation's Gross Value Added (Source: National Investment Promotion & Facilitation Agency) and is a highly diversified business, covering more than 80,000 commercial products broadly classified into Bulk Chemicals, Specialty Chemicals, Agrochemicals, Petrochemicals, Polymers and Fertilisers. India ranks 14th in export and 8th in import of chemicals (excluding pharmaceutical products) globally.

The demand for chemical products is expected to grow at approximately 9% per annum over the next 5 years. Specialty Chemicals constitute 22% of total chemicals/ petrochemicals market in India. As of FY 2017-18, the total market size was around US\$ 35 billion. The demand for Specialty Chemicals is expected to grow at 12% CAGR during FY 2019-22.

Key sectors such as automobile, aerospace, building & constructions etc., faced a slowdown that rolled over from the previous year. Projects in the construction sector worth more than ₹ 59,000 billion are under development, but severely impacted by Covid-19. India's goal of becoming a US\$ 5 trillion economy rests on the completion of critical infrastructure under the National Infrastructure Plan. Enhancing labour health, strengthening and prioritising project governance according to Covid-19 affected regions and leveraging business continuity planning are key to overcoming the situation.

Global Trend: Uncertainty for the world, possibilities for India (as per KPMG Report on Indian Chemicals Industry, February 2020)

- The structure of China's chemical industry is changing due to stricter environmental norms, tighter financing and consolidation, which could present opportunities for India's chemical companies in certain value chains and segments, especially in the short term.

- Trade conflicts have erupted around the world, especially among China, the United States and Western Europe. Large chemical markets that remain accessible in this scenario could present opportunities for chemical companies in India.
- Industry-wide, there seems to be a move towards prioritization of core businesses and consolidation on a greater scale, often through big-ticket mergers and acquisitions. For companies in India, scale will matter even more, as it could help them to fortify any other competitive advantage.
- Digital technology has established itself as a lever to enhance efficiency and productivity. Indian companies could tap into this opportunity to expand their profit margins.
- Chemical companies could prioritise environmental sustainability to protect long-term shareholder value, while continuing to comply with local regulations.

Source: IMF WEO, April 2020 released April 14, 2020; IBEF-March 2020 update; <https://economictimes.indiatimes.com>; Government of India Ministry of Commerce & Industry Department of Commerce Economic Division (India's Foreign Trade: February 2020); McKinsey Report on Indian Chemical Industry; <https://www.investindia.gov.in/sector/chemicals>

Discussion on financial performance with respect to operational performance

Standalone

The Standalone revenue from operations for the FY 2019-20 is ₹ 57407.15 lakhs as against ₹ 66752.99 lakhs of previous year. Earnings before interest, tax, depreciation and amortization ('EBITDA') for the FY 2019-20 are ₹ 7242.18 lakhs. During FY 19-20, Profit before tax stood at ₹ 2129.87 lakhs compared to ₹ 2530.99 lakhs of previous year. However, during the year finance cost has reduced by 17% to ₹ 3409.75 lakhs as against ₹ 4115.29 lakhs of previous year.

Net profit for the FY 2019-20 has increased by 9% to ₹ 1322.10 lakhs as against ₹ 1218.66 of previous year. Total comprehensive income stood at ₹ 1378.35 lakhs for FY 2019-20 compared to ₹ 1148 lakhs during the previous FY 2018-19.

Consolidated

The consolidated revenue from operations for the financial year 2019-20 is ₹ 67672.51 lakhs compared to ₹ 76938.64 lakhs of previous year. Earnings before interest, tax, depreciation and amortization ('EBITDA') are at ₹ 8626.69 lakhs during the year compared to ₹ 10224.40 lakhs of previous FY 2018-19.

During FY 2019-20, Profit before tax stood at ₹ 3030.68 lakhs compared to ₹ 3748.78 lakhs of previous year. However, finance cost has reduced by over 18% to ₹ 3577 lakhs as compared to ₹ 4388.91 lakhs of previous year.

Net profit for the FY 2019-20 stood at ₹ 2222.91 lakhs compared to ₹ 2436.44 lakhs during FY 2018-19. Total comprehensive income is ₹ 2277.66 lakhs for FY 2019-20 as against ₹ 2346.65 lakhs of previous year.

Geography-wise performance:

Particulars	Standalone					Consolidated				
	2019-20		2018-19		%	2019-20		2018-19		%
Domestic	31107.04	54.92%	35225.48	53.43%	1.49	34,648.98	51.94%	39,192.66	51.63%	0.31
Overseas	25535.25	45.08%	30704.93	46.57%	(1.49)	32,059.17	48.06%	36,712.78	48.37%	(0.31)
	56642.28	100	65930.41	100		66,708.16	100	75,905.44	100	

From the above summary, we elucidate that there is a marginal drop in revenue due to overall corrections in product pricing among various applications in India and around the world. Also, unusual lower business cycle within the industries which we serve. Thereafter outbreak of novel virus Covid 19, caused all our efforts to salvage our position at the end of the year. Nevertheless, we are assessing the impact of global pandemic on all our application industries and reasonably certain about V-shape recovery soon as all the governments are taking various measures to boost the manufacturing activity and bring back the supply chain intact. Further, the Company is concentrating more on export market in order to utilize its full production capacities and accelerate the margins.

Impact of Covid-19 pandemic on the Company's operations

Vishnu chemicals is focused on flexible product mix, with eight different products scattered among 14 diverse industries/ applications across the globe. Ongoing impact of the Covid-19 pandemic with respect to customer and governmental reactions to the crisis has been varied.

Albeit production remained steady during the national lockdown period, our overall sales were affected. The Company continues to closely monitor national and international sourcing and supply positions to identify any potential material risks. Further, all safety protocols related to Covid-19 as advised by the Government are being implemented and observed at the Plants. The Company adopted a work from home policy for non-site-based employees. Moving forward, we anticipate recovery is fast underway due to the number of prudent steps undertaken by the Company.

**Outlook for Business**

Covid-19 has put the biggest question mark on the economic recovery of India and the world, even as nations began to phase out their lockdowns by the end of May 2020. There were fears on several fronts viz. (i) of the infection rate soaring as people came out of self-isolation; (ii) of the virus mutating to a more virulent strain; and (iii) of a vaccine not being found soon enough.

Despite the challenges of a global recession, currency risks and liquidity concerns, long-term prospects for the Company's business remain positive as our flexible product mix i.e. 8 different products

scattered among 14 diverged industries/ applications with the customer's presence throughout the globe shall drive our growth story.

We have consolidated our position as a dependable supplier for global companies across Pharmaceutical, pigments & dyes, surface finishing, leather, wood preservative, ceramics and allied industries.

Sustainability as a practice is at the core of the Company's activities, including the Corporate Social Responsibility initiatives. The Company integrates environmental, social and ethical principles in all of its business functions.

Opportunities and Threats

VCL's growth strategy encompasses around addressing risks and capitalizing on opportunities. Nevertheless, major threats that are likely to be experienced through challenging macroeconomic environment associated through outbreak of pandemic could have an impact on performance. Also, higher energy costs and volatility in exchange rates could impact Company's earnings. However, our focus on keeping fixed costs low and controlling our variable costs of key raw materials along with de-bottlenecking in operations will help to mitigate adverse impact of these risks.

Adherence to more stringent safety norms while continuing our operations in a sustainable manner is another issue during these pandemic times. At VCL, beyond managing the short-term impacts of Covid-19, the focus will be on ensuring the continued safety of employees, while increasing reliability and stabilization of production through safety measures. Improvement in maintenance programmes as well as capital spending and developing sales opportunities overseas will be other focused areas which we are evaluating to eliminate the risk. During the financial year 2020-21, major threats are likely to be from any economic downturn or problems associated with Covid-19.

Internal 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 unauthorized 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.

Risks & Concerns and its management

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

Pursuant to the Companies Act, 2013 and the SEBI Regulations, the Board has authorized the Audit Committee to review the risk

management systems of the Company from time to time. There is a Risk Management Committee functioning at the senior executive level that facilitates identification and evaluation of business risks related to the Company and its major subsidiary VBPL from time to time.

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

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

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

a. Operational Risks:

Adherence to more stringent safety norms while continuing our operations in a sustainable manner may be a concern during these pandemic times. At VCL, beyond managing the short-term impacts of Covid-19, the focus will be on ensuring the continued safety of employees, while increasing reliability and stabilization of production through safety measures.

a. Financial Risks:

i) Currency value and interest rate fluctuations

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

ii) Credit Risk

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

iii) Liquidity Risk

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

b. Strategic risks

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

c. Regulatory risks

The Company is exposed to risks attached to various statutes, laws and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits. However, risks connected to import and export policy can't be eliminated.

d. Legal and Statutory issues:

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

e. Cyber risk

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

Human Resources / Industrial Relations

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

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

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

Looking forward, the Company has partnered with Quality Circle Forum of India for setting up of Quality Circles in the organization with the objective of bringing improvements at the work place with internal resources by tapping the creativity and experience of the employees. The enrichment of skillset of the human resources has resulted in better products and services to the Customers. No. of people employed on rolls of the company is 430.

Further, the company during the year has undertaken following employee engagement program:

- Publishing monthly in-house digital magazine namely "Manam" through which Chairman and Managing Director sends his message to all employees. Highlighting achievements of the employees and development programs taken up by the organization during a particular month.
- Employee Hand Book has been released and is now part of onboarding process for new entrants for the organization.
- To encourage inter personal relationship and promote healthy life style of employees, Sports Meet which is a mix of sports, fitness and team building has been conducted.

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

- (i) Debtors Turnover: Increased by 2.02%
- (ii) Inventory Turnover: Reduced by around 22%
- (iii) Interest Coverage Ratio: Increased by 0.60%
- (iv) Current Ratio: Increased by 3.66%
- (v) Debt Equity Ratio: Reduced by 10.15%
- (vi) Operating Profit Margin (%): Reduced by 3.08%
- (vii) Net Profit Margin (%): Increased by 26.15%

Explanation: During the year there was no significant change in net profit margin however during the FY 2018-19 there was a low profit margin due to prior period taxes.

Details of change in return on net worth as compared to the immediately previous financial year along with a detailed explanation thereof

There has been marginal decrease in return to net worth by 0.24% compared to previous financial year due to decline in revenue from operation by 14% compared to previous year, on standalone basis.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISHNU CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vishnu Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

1. Evaluation of Disputed tax liabilities:

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to

determine the possible outcome of these disputes. As per the company's assessment based on the legal opinion received, it has a good chance of getting the demands set aside.

We obtained and reviewed details of completed tax assessments and demands for the year ended March 31, 2020 from management. We made an independent assessment to evaluate whether any change was required to management's position on these disputed tax demands and assess if any provisioning is required.

2. Capital Work-in-progress:

The company has undertaken a particular capital works project in 2016-17 which is yet to be completed and for which substantial advances were given to suppliers of equipment. Given the elongated time frame this has been considered as a Key Audit matter in view of the additional stress induced by COVID 19.

As part of audit procedures, we obtained and assessed all the data and confirmations thereof, assessed the reasonable certainty of the commitments being fulfilled, to arrive at a conclusion if any provisioning is required, with regard to the same.

Emphasis of Matter

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing the 7% dividend amounting to ₹ 536.46 lakhs, receivable by them for the financial year 2019-20 as mentioned in Note 36 of Notes to Accounts.

Our Opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, 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, 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 the Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the

remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

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

Hyderabad
02 June 2020

**Sd/-
J. Ram Sesh Choudary
Partner
(Membership No.202150)
UDIN: 20202150AAAABG2306**

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **VISHNU CHEMCALS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-
J. Ram Sesh Choudary
Partner**

(Membership No.202150)

UDIN: 20202150AAAABG2306

Hyderabad
02 June 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- iii. According to the information and explanations given to us, the Company has *granted interest free* unsecured loan to its wholly owned subsidiary, covered in the register maintained under section 189 of the Companies Act, 2013. The total loan amount granted in the earlier years and the actual balance outstanding at the end of the year is ₹ 989 lakhs (with an amortised value of ₹ 791.76 lakhs). According to the information and explanations the terms and conditions of the grant of the loan are not prima facie prejudicial to the interests of the company. *However as no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount.*
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations provided to us, the Company has not accepted deposits in terms of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to sub-section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been irregular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except ₹1,021.22 lakhs payable towards Income tax and Interest thereon under the Income Tax Act, 1961 for the periods AY 2014-15 to AY 2018-19 which are yet to be paid.
 - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount In ₹ Lakhs
Income Tax Act, 1961	Income tax	Assessing Officer	AY 2013-14	27.77
Sales Tax Act	Interest on Sales tax	Commissioner	1998-99	7.75 (₹ 7.75 lakhs deposited)
Sales Tax Act	Sales tax	High Court	2008-09	124.36 (₹ 124.36 lakhs deposited)

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount In ₹ Lakhs
Sales Tax Act	Entry Tax	Appellate Commissioner	2014-15 to 2017-18	55.40 (₹ 13.85 lakhs deposited)
Finance Act, 1994	Service Tax	CESTAT	2006-2007 to 2010-11	418.68 Stay granted
Finance Act, 1994	Service Tax	CESTAT	2011-12	233.94 (₹ 17.55 lakhs deposited)

- viii. According to the information and explanations provided to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or banks except for ₹ 534.78 lakhs on account over drawl in Cash Credit facility which, as explained to us, is on account of COVID 19 disruptions. The company opted to avail moratorium in repayment of certain term loans as facilitated by the circular issued by Reserve Bank of India on COVID -19 Regulatory Package dated 27 March 2020.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us and based on the audit procedures performed by us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
J. Ram Sesh Choudary
Partner

(Membership No.202150)
UDIN: 20202150AAAABG2306

Hyderabad
02 June 2020

Balance Sheet as at March 31, 2020

₹ in lakhs

Particulars	Note No.	March 31, 2020	March 31, 2019
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	31,518.91	32,345.56
(b) Capital work-in-progress	1	2,650.55	1,598.39
(c) Intangible Assets	1	0.18	0.18
(d) Financial Assets			
(i) Investments	2	657.06	688.92
(ii) Loans	3	791.76	722.22
(e) Other non-current assets	4	1,075.23	1,274.85
		36,693.69	36,630.13
(2) Current assets			
(a) Inventories	5	19,156.18	17,501.72
(b) Financial Assets			
(i) Trade receivables	6	9,591.15	12,390.77
(ii) Cash and cash equivalents	7	366.27	23.19
(iii) Bank balances other than (ii) above	8	1,115.98	1,349.21
(iv) Other financial assets	9	658.06	56.68
(c) Other current assets	10	1,951.35	2,859.44
		32,839.00	34,181.02
Total Assets		69,532.69	70,811.15
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	11	1,194.60	1,194.60
(b) Other Equity	12	11,503.53	10,643.62
		12,698.13	11,838.22
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	18,406.11	17,683.41
(b) Provisions	14	352.77	445.75
(c) Deferred tax liabilities (Net)	15	3,962.86	3,738.77
(d) Other Non-Current Liabilities	16	2,892.05	3,419.82
		25,613.79	25,287.75
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	14,622.41	14,425.58
(ii) Trade payables	18	12,684.00	12,465.38
(iii) Other financial liabilities	19	2,206.25	2,792.26
(b) Other current liabilities	20	972.24	2,687.14
(c) Provisions	21	39.32	31.25
(d) Current Tax Liabilities (Net)	22	696.55	1,283.57
		31,220.77	33,685.18
Total Equity and Liabilities		69,532.69	70,811.15

Accompanying Notes form an integral part of the Financial Statements

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Hyderabad

June 2, 2020

VISHNU CHEMICALS LIMITED

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, June 2, 2020

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary

Statement of Profit or Loss for the year ended March 31, 2020

₹ in lakhs

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
1 Revenue			
a. Revenue from Operations	23	57,407.15	66,752.99
b. Other Income	24	861.99	432.79
Total Revenue		58,269.14	67,185.78
2 Expenses			
a. Cost of Materials Consumed	25	26,738.33	32,360.11
b. Cost of Consumables	26	7,185.85	8,157.53
c. Changes in Inventories of Finished Goods and Work-in-Progress	27	(349.93)	(1,500.72)
d. Employee Benefit Expenses	28	2,602.58	2,686.02
e. Finance Costs	29	3,409.75	4,115.29
f. Depreciation and Amortisation Expense		1,702.56	1,788.11
g. Other Expenses	30	14,850.13	17,048.45
Total Expenses		56,139.27	64,654.79
3 Profit Before Tax		2,129.87	2,530.99
4 Tax Expense	31		
a. Current Tax		554.51	741.03
b. Tax pertaining to earlier years		59.39	157.06
d. MAT Credit Entitlement		(141.94)	(19.50)
e. Deferred Tax		335.82	433.74
		807.77	1,312.33
5 Profit / (Loss) For the Period from Continuing Operations		1,322.10	1,218.67
6 Other Comprehensive Income/ Expense		86.45	(108.61)
Less: Tax on above		30.21	37.95
7 Other Comprehensive Income/ Expense (Net of Taxes)		56.24	(70.66)
8 Total Comprehensive Income for the Period (5+7)		1,378.35	1,148.01
9 Earnings Per Share			
Basic & Diluted		11.07	10.20
		(Annualised)	(Annualised)

Accompanying Notes form an integral part of the Financial Statements

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Hyderabad

June 2, 2020

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, June 2, 2020

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary

Cash Flow Statement for the year ended March 31, 2020

₹ in lakhs

Particulars	2019-20	2018-19
Profit before tax	2,129.87	2,530.99
Cash flows used in / from operating activities		
Adjustments for:		
Depreciation of property, plant and equipment	1,702.56	1,788.11
Loss on sale of Fixed Assets	-	2.06
Loss on sale of Investments	2.30	-
Interest income	(118.80)	(135.02)
Unwinding of Interest Income on Interest free loan given to Subsidiary	(69.55)	(63.44)
Unwinding of Interest Income on Interest free Security deposits received from Suppliers	(295.41)	-
Interest expenses	2,969.19	3,953.52
Unwinding of interest expenses on Loan from Promoter Directors	185.41	124.45
Unwinding of interest expenses on Interest free Security deposits received from suppliers	255.15	37.32
Amortisation of Processing Fees of Long Term Loans	8.43	8.74
Fair value (Gain)/ Loss on investments (net)	(1.92)	(7.27)
Assets written off/Discarded	7.21	77.36
Obsolete Stock provision	9.76	4.30
Other comprehensive income	86.45	(108.61)
Advances and bad debts written back (Net)	(52.73)	(32.30)
Operating profit before working capital changes	6,817.94	8,180.21
Movement in working capital:		
(Increase)/Decrease in inventories	(1,654.46)	(750.58)
Increase/(Decrease) in trade receivables	1,393.54	406.47
(Increase) / Decrease in Financial & Non Financial Assets	581.65	1,720.01
(Decrease)/ Increase in trade payables	218.63	(3,705.75)
Increase/(Decrease) in Financial & Non Financial Liabilities & Provisions	(2,472.41)	4,645.67
Cash generated from operations	4,884.89	10,496.04
Income tax paid	(1,200.91)	(1,182.31)
Net cash flows used in / from operating activities (A)	3,683.97	9,313.73
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress less Capital Advances	(1,785.20)	(1,960.82)
Proceeds from Sale of Property Plant & Equipment	-	28.22
Net Investments in mutual funds	31.91	-56.35
Investment in subsidiary	(0.05)	-
Profit/(Loss) on sale of investments (net)	(2.30)	-
Interest received	118.80	135.02
Net cash flows used in / from investing activities (B)	(1,636.84)	(1,853.93)
Net cash flows used in / from financing activities		
Increase/(Decrease) in Long Term Borrowings	(193.75)	(2,014.28)
Increase/(Decrease) in Short Term Borrowings	1,602.91	(1,424.55)
Interest Paid	(2,969.19)	(3,953.52)
Dividend Paid	(119.46)	(119.46)
Tax on dividend	(24.56)	(24.56)
Net cash flows used in/from financing activities (C)	(1,704.04)	(7,536.37)
Net decrease in cash and cash equivalents (A+B+C)	343.08	(76.57)
Cash and cash equivalents at the beginning of the year	23.19	99.76
Cash and cash equivalents at the year end	366.27	23.19
Components of cash and cash equivalents:		
Cash on hand	6.37	3.00
Balances with banks	359.90	20.19
Total cash and cash equivalents	366.27	23.19

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Hyderabad

June 2, 2020

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, June 2, 2020

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary

Statements of changes in Equity as at March 31, 2020

Note 11

a. Equity Share Capital

₹ in lakhs

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	Number of shares		Amount in ₹ lakhs	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance as at the beginning of the year	11,946,020	11,946,020	1,194.60	1,194.60
Changes in share capital during the year	-	-	-	-
Balance as at the end of the year	11,946,020	11,946,020	1,194.60	1,194.60

Note:12

b. Other Equity

For the year ended 31st March, 2020

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors & Others	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2019	0.86	659.07	8,942.43	1,142.46	(101.20)	10,643.62
Add/(less) Profit for the year (Net of Taxes)			1,322.10			1,322.10
Add/(less) Changes during the year (net)				(374.42)		(374.42)
Add/(less) Other Comprehensive Income for the year (net of taxes)					56.24	56.24
Less: Dividend			119.46			119.46
Less: Corporate dividend tax			24.56			24.56
Less :Transfer to general reserve						-
Balance as at March 31, 2020	0.86	659.07	10,120.51	768.04	(44.96)	11,503.53

For the year ended 31st March, 2019

	Reserves and surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors & Others	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2018	0.86	659.07	7,867.78	268.99	(30.54)	8,766.16
Add/(less) Profit for the year			1,218.67			1,218.67
Add/(less) Changes during the year (net)				873.47		873.47
Add/(less) Other Comprehensive Income for the year (net of taxes)					(70.66)	(70.66)
Less: Dividend			119.46			119.46
Less: Corporate dividend tax			24.56			24.56
Less :Transfer to general reserve						-
Balance as at March 31, 2019	0.86	659.07	8,942.43	1,142.46	(101.20)	10,643.62

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-
J. Ram Sesh Choudary

Partner

M.No: 202150

Hyderabad
June 2, 2020

For and on behalf of the Board of Directors

Sd/-
Ch. Krishna murthy
Chairman & Managing Director
DIN:00030274Sd/-
P. Anjaneyulu
Chief Financial Officer
Hyderabad, June 2, 2020Sd/-
Ch. Manjula
Director
DIN:01546339Sd/-
Kishore Kathri
Company Secretary

BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements

a) Statement of Compliance

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

b) Basis of Preparation

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

c) Functional and Presentation currency

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

d) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

e) Use of Estimates and Judgments

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

Critical estimates and judgments in applying accounting policies

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

i) Property, Plant and Equipment

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

ii) Employee Benefit Plans

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

2. Significant Accounting Policies:

i. Property, Plant and Equipment

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

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

value Method in respect of assets situated at Kazipally Unit, by considering the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

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

ii. Intangible Assets

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

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

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

iii. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. However, the impact of adoption of Ind AS 116 is insignificant. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

iv. Investments in Subsidiaries

Investments in subsidiaries are accounted at cost less impairment losses, if any. If the intention of the management is to dispose the investment in near future, it is classified as held for sale and measured at lower of its carrying amount and fair value less costs to sell.

v. Financial Instruments

Financial instruments are classified as:

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

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

Subsequently, financial assets are measured as follows:

a) Amortized Cost

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

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

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

b) Fair Value Through Profit and Loss Account

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

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

vi. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

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

(i) Fair value hedges

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

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

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

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the

cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

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

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

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

vii. Impairment of Assets

a) Non-Financial Assets

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

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

b) Financial Assets

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

viii. Inventories

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

other cost incurred in bringing the inventories to their present location and condition.

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

ix. Revenue Recognition

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

The Company recognizes revenue in accordance with IndAS115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

x. Provisions

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

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

xi. Borrowing Costs

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

xii. Employee Benefits

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

employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

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

Defined benefit costs are categorized as follows:

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

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

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

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

xiii. Foreign Currency Transactions and balances

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

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

xiv. Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year

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

xv. Statement of Cash Flows

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

xvi. Taxes on Income

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

i. Current income tax

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

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

ii. Deferred income tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to

be utilised. Unrecognised deferred tax assets are re assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Dividend Distribution Tax

Final Dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The entity recognized the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). The Company is now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

xvii. New standards and interpretations not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Note 1 **PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS** ₹ in lakhs

	Tangible assets										Intangible Assets	
	Freehold Land	Buildings	Improvements to Leasehold Buildings	Plant and Machinery	Office Equipment	Data Process Equipment	Furniture and Fixtures	Vehicles	R&D Equipment	Lab Equipment	Total	Computer software
Cost												
At April 1, 2018	770.05	8,797.88	310.67	34,808.47	212.23	81.97	201.52	422.26	392.83	181.83	46,179.71	17.07
Additions	127.20	166.48	46.05	718.50	8.24	1.70	3.15	2.03	-	-	1,073.35	-
Disposals/discard	-	-	-	176.46	17.10	24.32	26.22	25.44	38.14	4.88	312.56	-
March 31, 2019	897.25	8,964.36	356.72	35,350.51	203.37	59.35	178.45	398.85	354.69	176.95	46,940.50	17.07
Additions	190.00	109.90	0.51	548.53	8.66	4.80	0.56	19.85	-	-	882.81	-
Disposals/discard	-	-	-	6.91	-	-	-	-	-	-	6.91	-
March 31, 2020	1,087.25	9,074.26	357.23	35,892.13	212.03	64.15	179.01	418.70	354.69	176.95	47,816.40	17.07
Depreciation												
At April 1, 2018	-	2,567.46	2.70	9,457.52	80.12	75.68	89.95	247.81	385.19	106.53	13,012.96	15.65
Charge for the year	-	376.94	33.58	1,270.77	32.31	3.41	16.06	34.28	-	19.52	1,786.87	1.24
Disposals/discard	-	-	-	74.36	16.55	24.32	21.58	25.64	37.83	4.64	204.92	-
At March 31, 2019	-	2,944.40	36.28	10,653.93	95.88	54.77	84.43	256.45	347.36	121.41	14,594.91	16.89
Charge for the year	-	314.31	37.67	1,259.11	31.59	2.89	11.61	30.86	-	14.51	1,702.55	-
Disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2020	-	3,258.71	73.95	11,913.04	127.47	57.66	96.04	287.31	347.36	135.92	16,297.46	16.89
Net Block												
At March 31, 2020	1,087.25	5,815.56	283.28	23,979.09	84.56	6.49	82.97	131.39	7.33	41.03	31,518.94	0.18
At March 31, 2019	897.25	6,019.96	320.43	24,696.57	107.48	4.59	94.02	142.40	7.33	55.54	32,345.59	0.18
Capital work in progress												
				Civil works under construction			Plant & machinery under erection		Pre-Operative Exp., Pending Capitalisation		Total	
At April 1, 2018	-	-	-	10.95	605.04	94.92	-	-	-	-	710.91	-
Additions	-	-	-	355.50	955.94	-	-	-	-	-	1,311.44	-
Capitalisations	-	-	-	102.11	321.85	-	-	-	-	-	423.96	-
March 31, 2019	-	-	-	264.34	1,239.13	94.92	-	-	-	-	1,598.39	-
Additions	-	-	-	4.21	1,692.28	-	-	-	-	-	1,696.48	-
Capitalisations	-	-	-	109.90	534.43	-	-	-	-	-	644.33	-
March 31, 2020	-	-	-	158.65	2,396.98	94.92	-	-	-	-	2,650.54	-

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

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
i Investment in Equity Instruments of Subsidiary Companies		
(Unquoted at Cost)		
a 8,72,74,950 (8,72,74,950) Equity Shares of face value of ₹10/- each in Vishnu Barium Private Limited *	188.00	188.00
b Amortization Cost of Interest Free Advance given to Subsidiary	388.08	388.08
c 100 Equity Shares of 1 Rand /- each in Vishnu South Africa Pty Limited	0.05	-
ii Investment in Equity Instruments of other Companies		
Unquoted (At Fair Value through Profit and Loss)		
a. Equity Shares in Koganti Power Limited (60,000 (60,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 600,000)- 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) - Net of impairment recognised.	0.00	0.00
iii Investment in Bonds		
(Unquoted at cost)		
IDBI Bonds - Nil (6) Bonds of ₹ Nil (₹ 5,000) each	-	0.30
iv Investments in Mutual Funds		
a. PNB - Principal focused multicap fund - regular plan growth - Nil (39,138) units, Cost ₹ Nil (₹10,00,000)	-	24.75
b. LMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,900 (Nil) Units, Cost ₹ 5,00,000 (₹ Nil)	3.78	-
c. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹ 6,35,373 (₹ 6,35,373)	5.76	6.38
d. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units, Cost ₹ 1,99,900 (₹ 1,99,900)	2.00	2.08
e. UBI-Union Corporate Bond Fund Regular plan - 5,00,000 (5,00,000) Units, Cost ₹ 50,00,000 (₹ 50,00,000)	55.71	53.47
f. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹ 2,00,000 (₹ 2,00,000)	1.85	2.14
g. SBI Magnum Equity ESG Fund regular growth - Nil (12,136) Units, Cost ₹ Nil (₹ 5,00,000)	-	12.70
h. SBI Life Smart Wealth Builder - 64,364 (64,364) Units, Cost ₹10,00,000 (₹ 10,00,000)	11.84	11.02
	657.06	688.92

Disclosures:

Aggregate amount of quoted investments	75.35	85.35
Aggregate amount of market value of quoted investments	80.93	112.54
Aggregate amount of unquoted investments *	576.13	576.39
Aggregate amount of impairment in value of investments	-	-

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

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

Loan to Subsidiary (at amortized cost)	791.76	722.22
	791.76	722.22

Disclosures:

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

Note 4**OTHER NON-CURRENT ASSETS**

₹ in lakhs

	March 31, 2020	March 31, 2019
Unsecured, Considered Good:		
a. Capital Advances	560.59	720.42
b. Deposits	514.64	554.43
	1,075.23	1,274.85

Note 5**INVENTORIES****Valued at Cost or Net Realisable Value, whichever is lower**

a. Raw Materials (including Stock at yard and Stock in Transit ₹ 1,207.21 Lakhs (March 31, 2019- ₹ 434.97 Lakhs))	4,790.75	3,681.48
b. Work-in-progress	3,292.50	3,202.02
c. Finished Goods	9,439.46	9,180.00
d. Stores, Spares & Packing	1,652.10	1,447.09
e. Provision for obsolescence of non-moving stores	(18.63)	(8.87)
	1,633.47	1,438.22
	19,156.18	17,501.72

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

a. Unsecured, Considered Good	9,591.15	12,390.77
	9,591.15	12,390.77

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

a. Balances with Banks	359.90	20.19
b. Cash on Hand	6.37	3.00
	366.27	23.19

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

a. Margin Money Deposit in Banks against LCs & BGs	1,105.58	1,341.04
b. Unpaid Dividend Accounts	10.40	8.17
	1,115.98	1,349.21

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

a. Salary and other Advances recoverable in cash or kind	27.11	16.76
b. Interest Receivable	37.55	39.92
c. Derivative Financial Instruments - Asset	593.40	-
	658.06	56.68

Note 10**OTHER CURRENT ASSETS**

	March 31, 2020	March 31, 2019
a. Advances to Suppliers	930.07	412.94
b. Balances with Government Authorities	989.14	2,420.07
c. Prepaid Expenses	32.14	26.43
	1,951.35	2,859.44

Note 11**EQUITY SHARE CAPITAL**

₹ in lakhs

	March 31, 2020	March 31, 2019
Authorised Share Capital		
15,000,000 Equity Shares of ₹ 10/- par value each	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, Subscribed and Fully Paid-up Capital		
<i>At the beginning and end of the year</i>		
11,946,020 Equity Shares of ₹10 par value each	1,194.60	1,194.60
	1,194.60	1,194.60

Disclosures:

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

EQUITY SHARES

S.No.	Name of shareholder	March 31, 2020	March 31, 2019
1	Sri. Ch. Krishna Murthy - No. of Shares	6,219,790	6,219,790
	- % held	52.07	52.07
2	Smt. Ch. Manjula - No. of Shares	1,614,048	1,614,048
	- % held	13.51	13.51
3	Sri. Ch. Siddartha - No. of Shares	1,125,668	1,125,668
	- % held	9.42	9.42

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

	March 31, 2020	March 31, 2019
A. Secured:		
1. Term Loans:		
From Banks	6,333.34	6,574.62
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	2.12	38.35
From NBFCs	3.20	20.32
B. Unsecured:		
1. Loans and Advances from Related Parties:		
a. Loans from promoter directors (at amortised cost)	2,314.71	1,997.37
b. Loan from Subsidiary	1,389.00	989.00
2. Cumulative Redeemable Preference Shares		
7,66,37,500, 7% Cumulative Redeemable Preference Shares of ₹ 10/- par value each	7,663.75	7,663.75
3. Inter-Corporate Deposits	700.00	400.00
	18,406.11	17,683.41

Disclosures:**A. Secured**

1. Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, Andhra Bank (now merged with Union 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 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. The term loans are repayable in predetermined periodic instalments extending up to 6 years period from the date of respective loan. These are repayable by 2023-24 and interest rate on foreign currency term loan ranges from 6 months Libor+250 to 450 basis points per annum and INR Term loan carries interest rate of 13.75% p.a. The aggregate amount of instalments outstanding as on March 31, 2020 is ₹ 7,070.50 Lakhs (March 31, 2019 ₹ 8,065.59 Lakhs).
3. The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2020 is ₹ 178.03 Lakhs (March 31, 2019: ₹196.18 Lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

Particulars	₹ in lakhs	
	March 31, 2020	March 31, 2019
Minimum Lease Payments outstanding		
Within one Year	56.54	81.08
Later than one year and not later than five years	5.39	61.93
Future Interest on outstanding Lease payments		
Within one Year	3.19	10.20
Later than one year and not later than five years	0.07	3.27
Present Value of Minimum Lease Payments		
Within one Year	53.35	0.00
Later than one year and not later than five years	5.32	0.00

B) Unsecured Loans:**1 Loans from Promoter Directors:**

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

2 Loan from Subsidiary

The loan from Subsidiary carries interest of 9% per annum.

C) Cumulative Redeemable Preference Shares

During the financial year 2017-18, the Company has issued and allotted 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of face value of ₹ 10/- each aggregating ₹ 76,63,75,000/- to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing 4,75,00,000 7% Cumulative Redeemable Preference Shares of face value of ₹ 10/- each aggregating ₹ 47,50,00,000/- and the outstanding accumulated dividend thereon up to March 31, 2017 amounting to ₹ 29,13,75,000. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31-03-2033. During the year, preference shareholders have given their consent to forego 7% preference dividend amounting ₹ 5,36,46,250/- for the financial year 2019-20.

S.No.	Name of shareholder	March 31, 2020	March 31, 2019
1	Sri. Ch. Krishna Murthy - No. of Shares	71,121,750	71,121,750
	- % held	92.80	92.80
2	Smt. Ch. Manjula - No. of Shares	5,271,250	5,271,250
	- % held	6.88	6.88
3	Sri. Ch. Siddartha - No. of Shares	244,500	244,500
	- % held	0.32	0.32

Note 14**NON-CURRENT PROVISIONS**

₹ in lakhs

	March 31, 2020	March 31, 2019
Provision for Employee Benefits (Net of Fund Assets)	352.77	445.75
	352.77	445.75

Note 15**DEFERRED TAX LIABILITIES (NET)**

1. Deferred Tax Liability		
Property, Plant and Equipment	4,894.76	4,552.48
2. Deferred Tax Assets		
Provisions allowable on payment basis	146.04	169.79
Unused Tax Credits (MAT Credit Entitlement)	785.86	643.92
Net Deferred Tax Liability at the end	3,962.86	3,738.77

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, 2020 and March 31, 2019, is as follows -

Particulars		
a. Net deferred tax liability at the beginning	3,738.77	3,362.48
b. Accelerated depreciation for tax purposes	342.28	440.47
c. Provisions allowable on payment basis	(6.46)	(6.72)
d. Temporary differences on Other Comprehensive Income	30.21	(37.95)
e. MAT Credit Entitlement	(141.94)	(19.50)
f. Net deferred tax liability at the end	3,962.86	3,738.77

Note 16**OTHER NON-CURRENT LIABILITIES**

Security Deposits	2,892.05	3,419.82
	2,892.05	3,419.82

Disclosure:

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

Note 17**CURRENT FINANCIAL LIABILITIES - BORROWINGS**

₹ in lakhs

	March 31, 2020	March 31, 2019
A. Secured:		
Loans repayable on demand		
From Banks		
a. Working Capital - Cash Credit	12,150.26	10,807.41
b. Working Capital - Bill Discounting	1,687.51	3,093.60
B. Unsecured:		
a. Loans from Promoter Directors	129.65	45.00
b. Loan from Subsidiary	200.00	-
c. Inter Corporate Loans	262.48	287.76
d. Other Short Term obligations	192.51	191.82
	14,622.41	14,425.58

Disclosures:**A) Secured Loans:**

- The rate of interest for loans repayable on demand from consortium of banks ranges from MCLR +4.65% to +5.00%. The rate of interest on convertible FCNRB demand loans ranges from Libor +325 to 450 basis points per annum.
- Interest rate for the Bill Discounting facility ranges from 7.95% to 10.20%

3. Security:

Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India, Indian Overseas Bank and Andhra Bank (now merged with Union Bank of India) 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 i.e. land, plots, buildings, shares etc. as securities.

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.

Note 18**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**

Trade payables - Due to Micro Small and Medium Enterprises	16.48	94.04
Trade payables - Other parties	12,581.91	12,202.75
Trade payables - Related parties	85.61	168.59
	12,684.00	12,465.37

Disclosures:

The principal amount remaining unpaid as at 31.03.2020 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 16.47 Lakhs (31.03.2019 - ₹ 94.04 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 8.73 Lakhs (31.03.019 - ₹ 4.51 Lakhs).

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

Note 19**OTHER CURRENT FINANCIAL LIABILITIES**

	March 31, 2020	March 31, 2019
Current maturities of long term debt	719.63	1,466.57
Current maturities of finance lease obligations	53.35	70.88
Interest Accrued on Term Loans and Working Capital Borrowings	41.86	-
Cumulative Unpaid Preference Dividend	332.50	409.14
Dividend Distribution Tax on Preference Dividend	676.61	676.61
Interest on Dividend Distribution Tax Payable	166.88	80.78
Interest Payable to Subsidiary	196.28	80.11
Unclaimed dividends	10.40	8.17
Derivative Financial Instruments - Liability	8.74	-
	2,206.25	2,792.26

Note 20**OTHER CURRENT LIABILITIES**

₹ in lakhs

	March 31, 2020	March 31, 2019
Advance from Customers	309.84	407.12
Advance from Subsidiary against Sales	272.87	616.26
Creditors for Capital Expenditure	199.79	169.90
Advances from Others	4.28	8.69
Statutory dues Payable	185.47	1,485.16
	972.24	2,687.14

Note 21**CURRENT PROVISIONS**

Provision for Employee Benefits (Net of Fund Assets)	39.32	31.25
	39.32	31.25

Note 22**CURRENT TAX LIABILITIES**

Provision for Income Tax (Net of TDS)	696.55	1,283.57
	696.55	1,283.57

Note 23**REVENUE FROM OPERATIONS**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
1. Sale of Products	56,642.28	65,930.41
2. Other Operating Revenues		
a. Sale of Scrap	118.13	121.33
b. Testing Charges	134.15	103.35
c. Export Incentives	512.59	597.91
	764.87	822.59
	57,407.15	66,753.00

Note 24**OTHER INCOME**

1. Interest Income		
a. Interest Income on bank and other deposits	118.80	135.02
b. Amortised Interest on Deposits/Loans	364.96	63.44
2. Other Non-Operating Income		
a. Insurance Claim Received	37.68	1.67
b. Profit on Sale of Investments	-	0.33
c. Net Gain on Foreign Currency Translation and Transactions	165.90	-
d. Balances Written Back (Net)	52.73	32.30
e. Other Income	120.00	192.77
f. Fair value gain / (Loss) on Investments	1.92	7.27
	861.99	432.80

Note 25**COST OF MATERIAL CONSUMED**

Opening Stock	3,681.48	4,300.81
Add: Purchases	27,847.60	31,740.78
Total	31,529.08	36,041.59
Less: Closing Stock	4,790.75	3,681.48
	26,738.33	32,360.11

Note 26**COST OF CONSUMABLES**

₹ in lakhs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of Petcoke	1,223.90	1,458.54
Consumption of Furnace Oil	1,623.91	2,356.82
Consumption of Husk	623.63	690.21
Consumption of Coal	3,115.90	2,887.48
Consumption of LDO/Kerosene	598.51	764.47
	7,185.85	8,157.52

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

1. Finished Goods		
a. Opening Stock:	9,180.00	7,650.20
b. Closing Stock:	9,439.46	9,180.00
	(259.46)	(1,529.82)
2. Work-in-progress		
a. Opening Stock:	3,202.02	3,231.10
b. Closing Stock:	3,292.50	3,202.02
	(90.47)	29.08
Total Decrease / (Increase)	(349.93)	(1,500.74)

Note 28**EMPLOYEE BENEFITS EXPENSE**

Salaries & Wages	2,314.98	2,305.39
Contribution to Provident and Other Funds	153.99	239.51
Staff Welfare Expenses	133.61	141.11
	2,602.58	2,686.01

Note 29**FINANCE COSTS**

Interest Expense	1,780.35	2,357.30
Interest on Others	791.72	645.07
Unwinding of Interest/Discount on Financial Instruments	440.56	161.77
Other Borrowing Costs	397.13	858.76
Preference Dividend	-	76.64
Dividend Distribution Tax on Preference Dividend	-	15.75
	3,409.75	4,115.29

Note 30**OTHER EXPENSES**

Power	2,476.29	2,806.59
Equipment Hire Charges	500.13	458.86
Consumption of Stores & Spares	1,058.67	1,053.92
Repairs & Maintenance - Buildings	88.00	50.34
Repairs & Maintenance - P & M	628.78	817.65
Labour costs	769.87	646.85

₹ in lakhs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Factory/Godown Maintenance	329.70	363.79
Effluent Disposal Expenses	1,581.17	1,364.51
Transportation Charges	606.36	655.53
Insurance	135.37	139.26
Packing Charges	1,626.47	1,882.64
Shipping & forwarding Charges	2,378.11	2,786.85
Other Selling Cost	673.23	643.94
Rent	589.91	585.40
Rates & Taxes	91.84	60.97
CSR Expenses	146.58	41.33
Bank charges	320.61	278.86
Net Loss on Foreign Currency Transaction & Translation	-	408.56
Travelling, Vehicle Maintenance & Conveyance	346.72	362.28
Professional & Consultancy Charges	171.92	204.95
Security Charges	72.59	68.59
Miscellaneous Expenses	255.51	1,366.77
Loss on Sale of Investments	2.30	-
	14,850.13	17,048.44

Disclosures:**Audit Fee**

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

i Audit Fee	7.50	7.50
ii For Taxation Matters	2.50	2.50
iii For Other Services	2.00	1.20

Note 31**TAX EXPENSE**

Current Tax for the year	554.51	741.03
Prior Period Income tax expense recognised during the year	59.39	157.06
Deferred Tax for the year	335.82	433.74
MAT Credit Entitlement	(141.94)	(19.50)
	807.77	1,312.33

Note 32**CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

Water Treatment Plant & Swachh Bharat	1.04	3.06
Promotion of Education	-	1.00
Promotion of Sports	-	5.00
Donation for Old Age Home infrastructure development	144.67	30.50
Social Business Projects	-	1.44
Environmental sustainability	0.87	0.33
	146.58	41.33

CSR Expenses

a. Gross amount required to be spent by the company during the year	33.13	46.46
b. Amount Spent during the year on the above	146.58	41.33

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

₹ in lakhs

SI Particulars	March 31, 2020	March 31, 2019
1 Contingent Liabilities:		
a. Claims against company not acknowledged as debt		
I. Claims arising from disputes not acknowledged as debts - Income Tax (against which Pre-deposit of ₹Nil Lakhs made (P.Y. Pre-deposit ₹ 41.98 Lakhs)	27.77	297.28
II. Claims arising from disputes not acknowledged as debts – Excise Duty (against which Pre-deposit of ₹ Nil Lakhs made (P.Y. Pre-deposit ₹ 7 Lakhs)	-	53.82
III. Claims arising from disputes not acknowledged as debts-Sales Tax (against which Pre-deposit of ₹ 145.96 Lakhs made(P.Y. Pre-deposit ₹ 139.03 Lakhs)	187.51	187.51
IV. Claims arising from disputes not acknowledged as debts-Service Tax (against which Pre-deposit of ₹17.55 Lakhs made (P.Y. Pre-deposit ₹ Nil)	652.62	652.62
2 Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for.	389.15	530.40

34. Segment Reporting:

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

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

Geographic Location	2019-20	2018-19
Domestic	31,107.03	35,225.48
Overseas	25,535.25	30,704.93

Details of Non-Current Assets

Geographic Location	As on 31.03.2020	As on 31.03.2019
Domestic	35,244.88	35,218.99
Overseas	-	-

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

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

SI No	Name of the Related Party	Nature of Relationship
1	Sri. Ch. Krishna Murthy	Chairman and Managing Director, Key Management Personnel
2	Smt. Ch. Manjula	Director, Key Management Personnel
3	Sri Ch. Siddhartha	Joint Managing Director, Key Management Personnel
4	Sri P. Anjaneyulu	Chief Financial Officer, Key Management Personnel
5	Sri Kishore Kathri	Company Secretary, Key Management Personnel
6	M/s. Vasantha Transport Corporation	Concern in which Key Management Personnel are interested
7	K.M.S. Infrastructure Limited	Concern in which Key Management Personnel are interested
8	Vishnu Life Sciences Limited	Concern in which Key Management Personnel are interested
9	Vishnu Barium Private Limited	Wholly Owned Subsidiary
10	Vishnu South Africa (Pty) Ltd.	Wholly Owned Subsidiary
11	Vishnu Renewable Energy Private Limited	Step-down Subsidiary (wholly owned subsidiary of Vishnu Barium Private Limited.
12	Krishna Foundation	Trust in which directors are Trustees and the company is the settlor

b) Details of Transactions:

₹ in lakhs

Nature of Transaction	Key Management Personnel		Subsidiary		Concerns in which Key Management Personnel are Interested	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Particulars	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Expenses						
Remuneration	154.54	151.90	-	-	-	-
Rent	44.47	44.47	-	-	12.00	6.00
Maintenance Charges	-	-	-	-	8.25	8.99
Transportation Charges	-	-	-	-	1,120.46	1,116.93
Purchases	-	-	388.92	416.72	0.50	-
Sales	-	-	349.04	111.03	-	-
Hire Charges	4.80	4.80	-	-	56.70	53.65
Interest Expense	-	-	129.08	89.01	-	-
Contract Service Charges	-	-	-	-	70.60	129.61
Income						
Interest Income recognised by way of amortisation on Loan given to Subsidiary	-	-	69.55	63.44	-	-
Rental Income	-	-	-	12.00	-	-
Management Services rendered	-	-	120.00	120.00	-	-
Receipts & Payments, Payables & Receivables Outstanding at year end						
Unsecured Loan from Promoter Directors during the year	254.65	1,024.28	-	-	-	-
Unsecured Loans from Promoter Directors outstanding at year end	2,780.31	2,525.65	-	-	-	-
Loan to Subsidiary (at amortised cost)	-	-	791.76	722.22	-	-
Advances from Subsidiary against sales	-	-	272.87	616.26	-	-
Long Term Loan from subsidiary	-	-	1,389.00	989.00	-	-
Short Term Loan from subsidiary	-	-	200.00	-	-	-
Interest payable on Loan	-	-	196.28	80.11	-	-
Payables to KMP and Concerns in which KMP are interested.	8.64	10.90	-	-	85.61	168.59
Investment in Subsidiary	-	-	0.05	-	-	-

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

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

An amount of ₹ 140 Lakhs (Previous Year: ₹ 30.50 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.

36. The paid-up share capital of the Company as on financial year ended March 31, 2020 and financial year ended March 31, 2019 is ₹ 88,58,35,200/- divided into 1,19,46,020 Equity Shares of ₹ 10/- each and 7,66,37,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each.. The Public Shareholding in equity capital as on March 31, 2020 is 25%.

During the year, preference shareholders have given their consent to forego 7% preference dividend amounting ₹ 5,36,46,250/- for the financial year 2019-20.

37. Employee Benefits:

1. Defined Contribution Plan:

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

₹ in lakhs

Particulars	2019-20	2018-19
Contribution to Provident Fund	93.74	93.00
Contribution to Employee State Insurance	9.60	17.09

2. Defined benefit plans as per actuarial valuation as on March 31, 2020

Particulars	Gratuity (Funded)	Gratuity (Funded)
	2019-20	2018-19
1 Assumptions		
Discount Rate	6.62%	7.60%
Salary Escalation	3.00%	5.50%
2 Reconciliation of opening and closing balances of Defined Benefit obligation		
Present value of obligations at beginning of year	412.77	272.85
Interest Cost	30.55	19.55
Current Service Cost	43.74	29.62
Benefits Paid	(17.16)	(18.72)
Actuarial (gain)/ loss on obligation	(90.81)	109.47
Present Value of obligation at end of year	379.09	412.77
3 Reconciliation of opening and closing balances of fair value of plan assets		
Opening fair value of plan asset	54.97	28.53
Adjustment to opening Fair Value of Plan Asset	1.75	(1.59)
Return on Plan Assets excl. interest income	(4.36)	0.85
Interest Income	4.62	2.9
Contributions by Employer	16.98	43.00
Benefits paid	(17.16)	(18.72)
Fair Value of plan Assets at end	56.81	54.97
4 Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	379.09	412.77
Fair Value of plan Assets at end of period	56.81	54.97
Net Asset/(liability) recognized in the balance sheet.	(322.28)	(357.8)
5 Net defined benefit expense (recognized in the Statement of profit and loss for the year) and Loss		
Current service cost	43.74	29.62
Net interest	25.93	16.65
Expense recognized in the statement of Profit and Loss	69.67	46.27
6 Remeasurement (gain)/ loss recognized in other comprehensive income (OCI)		
Actuarial gain/(loss) recognized for the period	(90.81)	109.46
Return on plan assets excluding net interest	4.36	(0.85)
Total actuarial (gain)/ loss recognized in OCI	(86.45)	108.61

Sensitivity Analysis:

₹ in lakhs

Particulars	31.03.2020		31.03.2020	
	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligations	353.23	408.43	407.69	353.54

Categories of Plan Assets:

Particulars	31.03.2020	31.03.2019
Gratuity Fund managed by Life Insurance Corporation of India	56.81	54.97

38. Earnings Per Share (EPS)

Particulars	2019-20	2018-19
Net Profit after Tax (₹ in Lakhs) (a)	1,322.10	1,218.67
Weighted Average no. of Shares-Basic & Diluted (b)	1,322.10	1,218.67
Nominal value of equity share (in ₹ per share)	10	10
Earnings per Share - Basic & Diluted (₹) (a)/(b)	11.07	10.20

39. Disclosures pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013:

Loans and advances in the nature of loans to Subsidiaries:

Name of the Subsidiary Company	Amount outstanding as at		Maximum amount outstanding during the year	
	31.03.2020	31.03.2019	2019-20	2018-19
Vishnu Barium Private Limited (at amortised cost)	791.76	722.22	791.76	722.22

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

40. Additional information pursuant to Section 129 of the Companies Act, 2013:

Salient features of the financial statements of the subsidiaries:

S.No.	Particulars	Vishnu Barium Private Limited	Vishnu South Africa (Pty) Ltd.	Vishnu Renewable Energy Private Limited
1	Name of the Subsidiary			
2	Percentage of Shareholding	100%	100%	100%
3	Reporting Currency of the Subsidiary	INR	Rand	INR
Summary of the Financial Information:				
1	Share Capital	8,72,749,500	1,000	1,00,000
2	Reserves & Surplus	(4,64,927,097)	(880)	(23,269)
3	Total Assets	9,31,423,294	1,120	99,882
4	Total Liabilities	5,23,600,891	1,000	23,151
5	Total Revenue for the Year	11,19,369,839	-	-
6	Net Profit / (Loss) for the Year (including OCI)	89,958,416	(880)	(23,269)

41. Unhedged Foreign Currency Exposure:

₹ in lakhs

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

Particulars	Currency	March 31, 2020		March 31, 2019	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade receivables	USD	58,83,034	4,434.98	1,11,24,079	7,694.67
Trade receivables	EURO	14,60,749	1,213.15	9,48,680	737.15
Trade payables	USD	(38,31,506)	(2,888.41)	(42,800)	(29.64)
Secured loans	USD	(23,74,570)	(1,790.09)	(57,68,154)	(4,013.55)
Secured loans	EURO	(10,68,165)	(887.11)	(8,14,999)	(646.49)

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

Accompanying Notes form an integral part of the Financial Statements

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Hyderabad

June 2, 2020

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, June 2, 2020

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISHNU CHEMICALS LIMITED

Report on the 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, 2020, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

1. Evaluation of Disputed tax liabilities:

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

We obtained and reviewed details of completed tax assessments and demands for the year ended March 31, 2020

from management. We made an independent assessment to evaluate whether any change was required to management's position on these disputed tax demands and assess if any provisioning is required.

2. Capital Work-in-progress:

The company has undertaken a particular capital works project in 2016-17 which is yet to be completed and for which substantial advances were given to suppliers of equipment. Given the elongated time frame this has been considered as a Key Audit matter in view of the additional stress induced by COVID 19.

As part of audit procedures, we obtained and assessed all the data and confirmations thereof, assessed the reasonable certainty of the commitments being fulfilled, to arrive at a conclusion if any provisioning is required, with regard to the same.

Emphasis of Matter

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing the 7% dividend amounting to ₹ 536.46 lakhs, receivable by them for the financial year 2019-20 as mentioned in Note 35 of Notes to Accounts.

Our Opinion is not modified in respect of this matter.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

Other Matters

We did not audit the financial statements / financial information of Vishnu South Africa (Pty) Limited, overseas subsidiary of the company, whose financial statements / financial information reflect total assets of ₹ 5,466 as at 31st March, 2020, total revenues of ₹ Nil and net cash inflows amounting to ₹ 5,466 for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our

reliance on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

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

Hyderabad
02 June 2020

**Sd/-
J. Ram Sesh Choudary
Partner
(Membership No.202150)
UDIN: 20202150AAAABG2306**

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, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-
J. Ram Sesh Choudary
Partner**

(Membership No.202150)

UDIN: 20202150AAAABG2306

Hyderabad
02 June 2020

Consolidated Balance Sheet as at March 31, 2020

₹ in lakhs

Particulars	Note No.	March,31 2020	March,31 2019
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	33,840.28	34,953.16
(b) Capital work-in-progress	1	3,636.82	1,939.25
(c) Intangible Assets	1	0.18	0.18
		37,477.28	36,892.59
(d) Financial Assets			
(i) Investments	2	121.21	124.27
(e) Other non-current assets	3	1,398.09	1,433.13
		38,996.58	38,449.98
(2) Current assets			
(a) Inventories	4	20,766.34	18,945.86
(b) Financial Assets			
(i) Trade receivables	5	10,791.16	13,394.50
(ii) Cash and cash equivalents	6	389.77	31.56
(iii) Bank balances other than (ii) above	7	1,149.52	1,414.85
(iv) Other financial assets	8	673.48	61.64
(c) Other current assets	9	2,453.55	3,387.12
		36,223.82	37,235.53
Total Assets		75,220.40	75,685.51
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	10	1,194.60	1,194.60
(b) Other Equity	11	14,804.86	13,045.64
		15,999.46	14,240.24
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	17,419.22	17,204.44
(b) Provisions	13	501.85	565.84
(c) Deferred tax liabilities (Net)	14	3,962.86	3,738.77
(d) Other Non-Current Liabilities	15	2,892.05	3,419.82
		24,775.98	24,928.86
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	15,808.85	15,832.37
(ii) Trade payables	17	13,782.94	13,892.60
(iii) Other financial liabilities	18	2,529.57	2,959.80
(b) Other current liabilities	19	1,586.91	2,515.83
(c) Provisions	20	40.14	32.25
(d) Current Tax Liabilities (Net)	21	696.55	1,283.57
		34,444.96	36,516.41
Total Equity and Liabilities		75,220.40	75,685.51

Accompanying Notes form an integral part of the Financial Statements

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 0165815

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Hyderabad

June 2, 2020

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, June 2, 2020

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

₹ in Lakhs

	Note No.	For the Year ending March 31, 2020	For the Year ending March 31, 2019
1 Revenue			
a. Revenue from Operations	22	67,672.51	76,938.64
b. Other Income	23	733.75	307.80
Total Revenue		68,406.26	77,246.44
2 Expenses			
a. Cost of Materials Consumed	24	30,383.04	35,826.84
b. Purchase of stock in trade		278.24	-
c. Cost of Consumables	25	8,349.31	9,203.37
d. Changes in Inventories of Finished Goods and Work-in-Progress	26	(545.17)	(1,378.96)
e. Employee Benefit Expenses	27	3,343.05	3,327.09
f. Finance Costs	28	3,577.00	4,388.91
g. Depreciation and Amortisation Expense		2,019.01	2,086.71
h. Other Expenses	29	17,971.10	20,043.69
Total Expenses		65,375.58	73,497.66
3 Profit Before Tax		3,030.68	3,748.78
4 Tax Expense	30		
a. Current Tax		554.51	741.03
b. Prior Period Income tax expense recognised during the year		59.39	157.06
c. MAT Credit Entitlement		(141.94)	(19.50)
d. Deferred Tax		335.82	433.74
		807.77	1,312.33
5 Profit / (Loss) For the Period from Continuing Operations		2,222.91	2,436.45
6 Other Comprehensive Income/ Expense		84.96	(127.74)
Less: Tax on above		30.21	(37.95)
7 Other Comprehensive Income/ Expense (Net of Taxes)		54.75	(89.79)
8 Total Comprehensive Income for the Period (5+7)		2,277.66	2,346.66
9 Earnings Per Share			
Basic & Diluted (Annualised)		18.61	20.40

Accompanying Notes form an integral part of the Financial Statements

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Hyderabad

June 2, 2020

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, June 2, 2020

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2020

₹ in lakhs

Particulars	2019-20	2018-19
Profit before tax	3,030.68	3,748.78
Cash flows used in / from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	2,019.01	2,086.71
Loss on sale of Fixed Assets	-	2.06
Loss on sale of Investments	2.30	-
Interest income	(135.24)	(138.56)
Unwinding of Interest Income on Interest free Security deposits received from Suppliers	(295.41)	-
Interest expenses	3,134.70	4,161.48
Unwinding of interest expenses on Loan from Promoter Directors.	185.41	190.11
Unwinding of interest expenses on Interest free Security deposits received from suppliers.	255.15	37.32
Amortisation of Processing Fees of Long Term Loans.	8.43	2.22
Fair value (Gain)/ Loss on investments (net)	0.23	(10.30)
Assets written off/Discarded	7.21	77.57
Obsolete Stock provision	14.38	8.88
Other comprehensive income	84.96	(127.74)
Advances and bad debts written back (Net)	(52.73)	(32.30)
Operating profit before working capital changes	8,259.08	10,006.24
Movement in working capital:		
(Increase)/Decrease in inventories	(1,834.86)	(721.71)
Increase/(Decrease) in trade receivables	1,197.26	115.12
(Increase) / Decrease in Financial & Non Financial Assets	607.17	2,386.39
(Decrease)/ Increase in trade payables	(56.94)	(3,885.54)
Increase/(Decrease) in Financial & Non Financial Liabilities & Provisions	(2,277.15)	3,281.13
Cash generated from operations	5,894.56	11,181.64
Income tax paid	(1,200.91)	(1,182.31)
Net cash flows used in / from operating activities (A)	4,693.65	9,999.33
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress less Capital Advances	(2,614.16)	(2,533.22)
Proceeds from Sale of Property Plant & Equipment	-	28.22
Net Investments in mutual funds	20.99	35.71
Profit/(Loss) on sale of investments (net)	(2.30)	-
Interest received	135.24	138.56
Net cash flows used in / from investing activities (B)	(2,460.23)	(2,330.74)
Net cash flows used in / from financing activities		
Increase/(Decrease) in Long Term Borrowings	20.94	(2,076.53)
Increase/(Decrease) in Short Term Borrowings	1,382.56	(1,373.82)
Interest Paid	(3,134.70)	(4,161.48)
Dividend Paid	(119.46)	(119.46)
Tax on dividend	(24.56)	(24.56)
Net cash flows used in/from financing activities (C)	(1,875.21)	(7,755.83)
Net decrease in cash and cash equivalents (A+B+C)	358.21	(87.24)
Cash and cash equivalents at the beginning of the year	31.56	118.80
Cash and cash equivalents at the year end	389.77	31.56
Components of cash and cash equivalents:		
Cash on hand	7.43	3.90
Balances with banks	382.33	27.66
Total cash and cash equivalents	389.77	31.56

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Hyderabad

June 2, 2020

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, June 2, 2020

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary

Statements of changes in Equity as at March 31, 2020

a. Equity Share Capital

₹ in lakhs

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	Number of shares		Amount in ₹ lakhs	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance as at the beginning of the year	11,946,020	11,946,020	1,194.60	1,194.60
Changes in share capital during the year	-	-	-	-
Balance as at the end of the year	11,946,020	11,946,020	1,194.60	1,194.60

Note:11

b. Other Equity

For the period ended Mar 31, 2020

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

For the year ended March 31, 2019

	Reserves and surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors & Others	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2018	982.88	659.07	8,016.28	268.99	10.03	54,402.25
Add/(less) Profit for the year	-	-	2,436.00	-	-	2,436.00
Add/(less) Changes during the year (net)	-	-	-	873.47	-	873.47
Add/(less) Other Comprehensive Income for the year (net of taxes)	-	-	-	-	(89.79)	(89.79)
Add/(Less) Adjustment on account of discontinuation of foreign operations	-	-	32.72	-	-	(44,432.28)
Less: Dividend	-	-	(119.46)	-	-	(119.46)
Less: Corporate dividend tax	-	-	(24.56)	-	-	(24.56)
Less :Transfer to general reserve	-	-	-	-	-	-
Balance as at March 31, 2019	982.88	659.07	10,340.99	1,142.46	(79.76)	13,045.64

Accompanying Notes form an integral part of the Financial Statements

For Jampani & Associates

Chartered Accountants
FRN: 016581S

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

Hyderabad
June 2, 2020

For and on behalf of the Board of Directors

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

Sd/-
P. Anjaneyulu
Chief Financial Officer
Hyderabad, June 2, 2020

Sd/-
Ch. Manjula
Director
DIN:01546339

Sd/-
Kishore Kathri
Company Secretary

Significant Accounting Policies:

1. Basis of Preparation of Financial Statements

a) Statement of Compliance

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

b) Description of the Group

The consolidated financial 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Vishnu Barium Private Limited	India	Subsidiary	Subsidiary	100%	100%
Vishnu South Africa (Pty. Ltd.)	South Africa	Subsidiary	Subsidiary	100%	100%
Vishnu Renewable Energy Private Limited	India	Step-down Subsidiary	-	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.

its subsidiaries and step-down subsidiary (collectively, the 'Group') for the year ended March 31, 2020. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at:

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

The consolidated financial statements were authorized for publication in accordance with a resolution of the directors on June 2, 2020.

Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2020 and March 31, 2019.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

d) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

e) Use of Estimates and Judgments

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

Critical estimates and judgments in applying accounting policies

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

i) Property, Plant and Equipment

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

ii) Employee Benefit Plans

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

2. Significant Accounting Policies:

i. Property, Plant and Equipment

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

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

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

ii. Intangible Assets

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

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

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

iii. 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. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. However, the impact of adoption of Ind AS 116 is insignificant. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

iv. Financial Instruments

Financial instruments are classified as:

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

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

Subsequently, financial assets are measured as follows:

a) Amortized Cost

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

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

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

b) Fair Value Through Profit and Loss Account

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

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

v. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

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

(i) Fair value hedges

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

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

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

(ii) Cash flow hedges

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

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

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

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

vi. Impairment of Assets**a. Non-Financial Assets**

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

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

b. Financial Assets

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

vii. Inventories

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

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

viii. Revenue Recognition

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

The Group recognizes revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

ix. Provisions

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

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

x. Borrowing Costs

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

xi. Employee Benefits

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

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

Defined benefit costs are categorized as follows:

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

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

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

Other long-term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year. Liability

is measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Re-measurements and other expenses related to long term benefit plans are recognized in statement of profit and loss/ other comprehensive income as applicable.

xii. Foreign Currency Transactions and balances

The Group's consolidated financial statements are presented in Indian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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

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

xiii. Earnings Per Share

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

xiv. Statement of Cash Flows

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

xv. Taxes on Income

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

i. Current income tax

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

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

ii. Deferred income tax

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in

other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Dividend Distribution Tax

Final Dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The entity recognized the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). The Company is now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

xvi. New standards and interpretations not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Note 1
PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

	Tangible assets											Intangible Assets					
	Freehold Land	Buildings- Residential	Buildings- Factory	Improvements to Leasehold Buildings	Plant and Machinery	Office Equipment	Data Process Equipment	Furniture and Fixtures	Vehicles	R&D Equipment	Lab Equipment	Total	Computer software				
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹				
Cost																	
At April 1, 2018	806.56	-	9,510.90	310.67	39,742.60	237.94	106.83	233.19	449.94	392.83	181.83	51,973.28	17.07				
Additions	138.53	44.25	208.80	46.05	1,683.77	8.68	2.76	4.71	151.29	-	-	2,288.84	-				
Disposals/discard	-	-	-	-	187.55	25.67	32.15	46.53	25.44	38.14	4.88	360.36	-				
March 31, 2019	945.09	44.25	9,719.70	356.72	41,238.82	220.95	77.44	191.37	575.79	354.69	176.95	53,901.77	17.07				
Additions	190.00	-	109.90	0.51	548.53	10.61	6.68	3.10	45.53	-	-	914.86	-				
Disposals/discard	-	-	-	-	13.06	-	-	-	8.26	-	-	21.32	-				
March 31, 2020	1,135.09	44.25	9,829.60	357.23	41,774.29	231.56	84.12	194.47	613.06	354.69	176.95	54,795.31	17.07				
Depreciation																	
At April 1, 2018	-	-	2,986.31	2.70	13,051.86	103.99	99.82	120.00	259.24	385.19	106.53	17,115.64	15.65				
Charge for the year	-	0.59	401.65	33.58	1,526.70	33.26	4.19	16.49	49.50	-	19.52	2,085.47	1.24				
Disposals/discard	-	-	-	-	85.23	25.12	32.15	41.89	25.64	37.83	4.64	252.50	-				
At March 31, 2019	-	0.59	3,387.96	36.28	14,493.33	112.13	71.86	94.59	283.10	347.36	121.41	18,948.61	16.89				
Charge for the year	-	0.70	339.35	37.67	1,525.31	32.41	4.06	12.28	52.72	-	14.51	2,019.01	-				
Disposals/discard	-	-	-	-	5.49	-	-	-	7.10	-	-	12.59	-				
At March 31, 2020	-	1.29	3,727.31	73.95	16,013.15	144.54	75.92	106.87	328.72	347.36	135.92	20,955.03	16.89				
Net Block																	
At March 31, 2020	1,135.09	42.96	6,102.30	283.28	25,761.14	87.02	8.21	87.60	284.35	7.33	41.03	33,840.28	0.18				
At March 31, 2019	945.09	43.66	6,331.75	320.43	26,745.48	108.82	5.58	96.77	292.69	7.33	55.54	34,953.16	0.18				
Capital work in progress																	
	Civil works under construction											Plant & machinery under erection		Pre-Operative Exp., Pending Capitalisation		Total	
At April 1, 2018			34.56		1,565.39				94.92				1,694.87				
Additions			331.89		1,278.08				-				1,609.98				
Capitalisations			102.11		1,263.49				-				1,365.60				
March 31, 2019			264.34		1,579.98				94.92				1,939.25				
Additions			4.21		2,337.68				-				2,341.89				
Capitalisations			109.90		534.43				-				644.33				
March 31, 2020			158.66		3,383.24				94.92				3,636.82				

Note 2

NON CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
1. Non Trade Investments - Unquoted (At Fair Value)		
i Investment in Equity Instruments of other Companies		
Unquoted (At Fair Value through Profit and Loss)		
a. Equity Shares in Koganti Power Limited (60,000 (60,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹ 600,000)-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) - Net of impairment recognised.	0.00	0.00
ii Investment in Bonds		
(Unquoted at cost)		
IDBI Bonds - Nil (6) Bonds of ₹ Nil (₹ 5,000 each)	-	0.30
iii Investments in Mutual Funds		
a. PNB - Principal focused multicap fund - regular plan growth - Nil (39,138) units, Cost ₹ Nil (₹10,00,000)	-	24.75
b. LMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,900 (Nil) Units, Cost ₹ 4,99,900 (₹ Nil)	3.78	-
c. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹ 6,35,373 (₹ 6,35,373)	5.76	6.38
d. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units, Cost ₹ 1,99,900 (₹ 1,99,900)	2.00	2.08
e. UBI-Union Corporate Bond Fund Regular plan - 5,00,000 (5,00,000) Units, Cost ₹ 50,00,000 (₹ 50,00,000)	55.71	53.47
f. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹ 2,00,000 (₹ 2,00,000)	1.85	2.14
g. SBI Magnum Equity ESG Fund regular growth - Nil (12,136) Units, Cost ₹ Nil (₹ 5,00,000)	-	12.70
h. SBI Life Smart Wealth Builder - 64,364 (64,364) Units, Cost ₹ 10,00,000 (₹ 10,00,000)	11.84	11.02
i. UBI Union Dynamic Bond Fund- Growth at fair value '1,35,521 (Nil) units, Cost ₹22,00,000 (₹ Nil)	23.97	-
j. UBI Union Small Cap Fund Regular plan- Growth at fair value '1,50,966 (80666) units , Cost ₹ 20,33,907 (₹ 11,33,906)	16.15	11.23
k. UBI Union Large Cap Fund Regular plan- Growth at fair value '1,876 (1,876) units, Cost ₹ 20,000 (₹ 20,000)	0.16	0.20
	121.21	124.27
Disclosures:		
Aggregate amount of Cost of Quoted Investments	117.89	96.89
Aggregate amount of market value of quoted investments	121.21	123.97
Aggregate amount of Cost of Unquoted Investments	0.00	0.30

Note 3**OTHER NON-CURRENT ASSETS**

₹ in lakhs

<i>Unsecured, Considered Good:</i>	March 31, 2020	March 31, 2019
a. Capital Advances	750.08	746.53
b. Deposits	648.00	686.59
	1,398.09	1,433.13

Note 4**INVENTORIES**

<i>Valued at Cost or Net Realisable Value, whichever is lower</i>		
a. Raw Materials (Including Stock at yard and Stock in Transit ₹ 1207.21 Lakhs (March 31 2019 - ₹ 434.97 Lakhs))	5,049.76	3,977.86
b. Work-in-progress	3,484.87	3,366.87
c. Finished Goods	9,635.99	9,208.82
d. Stock-in-trade (goods acquired for trading)	288.57	288.57
e. Stores, Spares & Packing	2,345.03	2,127.24
f. Provision for obsolescence of non-moving stores	(37.88)	(23.51)
	20,766.34	18,945.86

Note 5**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

a. Unsecured, Considered Good	10,791.16	13,394.50
	10,791.16	13,394.50

Note 6**CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

a. Balances with Banks	382.33	27.66
b. Cash on Hand	7.43	3.90
	389.77	31.56

Note 7**CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE**

a. Margin Money Deposit in Banks against LCs & BGs	1,139.12	1,406.68
b. Unpaid Dividend Accounts	10.40	8.17
	1,149.52	1,414.85

Note 8**CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS**

a. Salary and other Advances recoverable in cash or kind	35.21	21.25
b. Interest Receivable	44.87	40.39
c. Derivative Financial Instruments - Asset	593.40	-
	673.48	61.64

Note 9**OTHER CURRENT ASSETS**

₹ in lakhs

a. Advances to Suppliers	1,148.92	668.83
b. Balances with Government Authorities	1,265.18	2,691.07
c. Prepaid Expenses	39.45	27.22
	2,453.55	3,387.12

Note 10**EQUITY SHARE CAPITAL**

₹ in lakhs

	March 31, 2020	March 31, 2019
Authorised Share Capital		
15,000,000 Equity Shares of ₹ 10/- par value	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, Subscribed and Fully Paid-up Capital		
<i>At the beginning and end of the year</i>		
11,946,020 Equity Shares of ₹ 10 par value each	1,194.60	1,194.60
	1,194.60	1,194.60

Disclosures:

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

EQUITY SHARES

S.No.	Name of shareholder	March 31, 2020	March 31, 2019
1	Sri. Ch. Krishna Murthy - No of Shares	6,219,790	6,219,790
	- % held	52.07	52.07
2	Smt. Ch. Manjula - No of Shares	1,614,048	1,614,048
	- % held	13.51	13.51
3	Sri. Ch. Siddartha - No of Shares	1,125,668	1,125,668
	- % held	9.42	9.42

Note 12**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

	March 31, 2020	March 31, 2019
A. Secured:		
1. Term Loans:		
From Banks	6,562.73	6,989.78
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	2.12	38.35
From NBFCs	15.66	81.59
B. Unsecured:		
1. Business Loans		
From Banks	38.48	33.59
From NBFC'S	121.78	-
Loans and Advances from Related Parties:		
2. Loans from promoter directors (at amortised cost)	2,314.71	1,997.37
3. Cumulative Redeemable Preference Shares 76,637,500, 7% Cumulative Redeemable Preference Shares of ₹ 10/- par value each	7,663.75	7,663.75
4. Inter corporate Deposits	700.00	400.00
	17,419.22	17,204.44

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

1. Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, Andhra Bank, Indian Overseas Bank and Union Bank of India. Term Loans are secured by charge on the assets acquired out of the term loan and charge on entire existing movable/ immovable assets of the Company. The above loans are further secured by personal guarantee of promoter directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2. The term loans are repayable in predetermined periodic instalments outstanding up to 6 years period from the date of respective loan. These are repayable by 2023-24 and interest rate on convertible FCTL ranges from Libor+250 to 450 basis points per annum and INR Term loans carries Interest rate of 13.75% p.a. The aggregate amount of instalments outstanding as on March 31, 2020 is ₹ 7486.56 Lakhs (March 31, 2019 ₹ 8,065.59 Lakhs)

ii. Hire Purchase Loans (Holding and Subsidiary Companies)

The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2020 is ₹ 297.72 Lakhs (March 31, 2019: ₹ 333.60 Lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

Particulars	March 31, 2020	March 31, 2019
Minimum Lease Payments outstanding		
Within one Year	431.79	129.97
Later than one year and not later than five years	167.36	127.12
Future Interest on outstanding Lease payments		
Within one Year	60.28	17.63
Later than one year and not later than five years	9.83	7.17
Present Value of Minimum Lease Payments		
Within one Year	371.50	112.34
Later than one year and not later than five years	157.53	119.94

B) Unsecured Loans:**Loans from Promoter Directors:**

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

C) Cumulative Redeemable Preference Shares

During the financial year 2017-18, the Company has issued and allotted 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of face value of ₹ 10/- each aggregating ₹ 76,63,75,000/- to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing 4,75,00,000 7% Cumulative Redeemable Preference Shares of face value of ₹ 10/- each aggregating ₹ 47,50,00,000/- and the outstanding accumulated dividend thereon up to March 31, 2017 amounting to ₹ 29,13,75,000. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31-03-2033. During the year, preference shareholders have given their consent to forego entire 7% preference dividend amounting ₹ 5,36,46,250/- for the financial year 2019-20.

S.No.	Name of shareholder	March 31, 2020	March 31, 2019
1	Sri. Ch. Krishna Murthy - No of Shares	71,121,750	71,121,750
	- % held	92.80%	92.80%
2	Smt. Ch. Manjula - No of Shares	5,271,250	5,271,250
	- % held	6.88%	6.88%
3	Sri. Ch. Siddartha - No of Shares	244,500	244,500
	- % held	0.32%	0.32%

II. Loans of Subsidiary Company:

A. Secured loans:

i. Term loans from banks:

- The above secured term loan from Union Bank of India Secunderabad Branch, carries interest rate of one year MCLR+4.65%, currently @ 12.90%. The loan is repayable in 24 quarterly equal installments and matures in the year 2022-23. The aggregate amount of installments outstanding (including current maturities presented in Note 17 below) as on March 31, 2020 is ₹ 416.06 Lakhs (March 31, 2019 ₹ 601.83 Lakhs). There are no over due installments or interest payable.
- This loan is secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture & fittings of the company and the loan has been guaranteed by personal guarantees of Mr. Ch. Siddartha, Managing Director and Mrs. Ch. Manjula, Executive Director of the company and Mr. Ch. Krishna Murthy, Director of the holding company-Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.

B. Unsecured loans:

i) Business loans:

- The above unsecured business loans from various NBFC's, carries interest rate ranging from 17.50% to 21.57% p.a. The loans are repayable in 18/24 monthly equal installments and the last installment of loan is in the month of February 2022. The aggregate amount of installments outstanding (including current maturities presented in Note 17 below) as on March 31, 2020 is ₹ 370.28 Lakhs (March 31, 2019 ₹ Nil). There are no overdue installments or interest payable.
- The above unsecured business loans from HDFC bank and IDFC First bank, carry interest rate of 17.60% and 16.50% p.a respectively. The loans are repayable in 36 monthly equal installments and the last installment of respective loans fall due in the month of January 2022 and June 2022 respectively. The aggregate amount of installments outstanding (including current maturities presented in Note 17 below) as on March 31, 2020 is ₹ 74.09 Lakhs (March 31, 2019 ₹ 47.86 lakhs). There are no overdue installments or interest payable.

Note 13

NON-CURRENT PROVISIONS

₹ in lakhs

	March 31, 2020	March 31, 2019
Provision for Employee Benefits (Net of Fund Assets)	501.85	565.84
	501.85	565.84

Note 14

DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

	March 31, 2020	March 31, 2019
1. Deferred Tax Liability		
Property, Plant and Equipment	4,894.76	4,507.80
2. Deferred Tax Assets		
Provisions allowable on payment basis	146.04	125.11
Unused Tax Credits (MAT Credit Entitlement)	785.86	643.92
Net Deferred Tax Liability	3,962.86	3,738.77

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, 2020 and March 31, 2019, is as follows -

Particulars	March 31, 2020	March 31, 2019
a. Net deferred tax liability at the beginning	3,738.77	3,362.48
b. Accelerated depreciation for tax purposes	342.28	440.47
c. Provisions allowable on payment basis	(6.46)	(6.72)
d. Temporary differences on Other Comprehensive Income	30.21	(37.95)
e. MAT Credit Entitlement	(141.94)	(19.50)
f. Net deferred tax liability at the end	3,962.86	3,738.77

Note 15**OTHER NON-CURRENT LIABILITIES**

₹ in lakhs

	March 31, 2020	March 31, 2019
Security Deposits	2,892.05	3,419.82
	2,892.05	3,419.82

Note 16**CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(₹ in Lakhs)

A. Secured:		
Loans repayable on demand		
From Banks		
a. Working capital - Cash Credit	13,536.69	12,184.41
b. Working Capital - Bill Discounting	1,687.51	3,093.60
B. Unsecured:		
a. Loans from Promoter Directors	129.65	45.00
c. Inter Corporate Deposits	262.48	287.76
d. Other Short Term obligations	192.51	221.60
	15,808.85	15,832.37

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+4.15% to +5.00%. The rate of Interest on convertible FCNRB demand loan ranges from Libor+325 to 450 basis points per annum.
- Interest rate for the Bill Discounting facility ranges from 7.95% to 10.20%

Security:

Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India, Indian Overseas Bank and Andhra Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the company, and second pari passu charge on the fixed assets of the company. The directors have extended their personal assets as securities i.e. land, plots, buildings, shares etc.

Guarantees:

All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:

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

II. Loans of Subsidiary Company**A. Secured loans:****Cash Credit:**

- The above cash credit from Union Bank of India is repayable on demand and carries interest rate of 1 year MCLR+4.15%, currently @ 12.40%.
- 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 and Mrs. Ch. Manujula Executive Director of the company and Mr. Ch. Krishnamurthy Director of the holding company Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.

Note 17**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**

₹ in lakhs

	March 31, 2020	March 31, 2019
Trade payables - Due to Micro Small and Medium Enterprises	29.78	125.50
Trade payables - Other parties	13,667.55	13,598.50
Trade payables - Related parties	85.61	168.59
	13,782.94	13,892.60

Disclosures:

The principal amount remaining unpaid as at 31.03.2020 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 29.77 Lakhs (31.03.2019 - ₹ 125.50 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 8.90 Lakhs (31.03.2019 - ₹ 4.51 Lakhs)

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

Note 18**OTHER CURRENT FINANCIAL LIABILITIES**

Current maturities of long term debt	941.90	1,672.76
Current maturities of finance lease obligations	350.67	112.34
Interest Accrued on Term Loans and Working Capital Borrowings	41.86	-
Cumulative Unpaid Preference Dividend	332.50	409.14
Dividend Distribution Tax on Preference Dividend	676.61	676.61
Interest on Dividend Distribution Tax Payable	166.88	80.78
Unclaimed dividends	10.40	8.17
Derivative Financial Instruments - Liability	8.74	-
	2,529.57	2,959.80

Note 19**OTHER CURRENT LIABILITIES**

Advance from Customers	1,173.60	738.65
Creditors for Capital Expenditure	199.79	169.90
Advance from others	7.75	12.17
a. Statutory dues Payable	205.78	1,595.11
	1,586.91	2,515.83

Note 20**CURRENT PROVISIONS**

1. Provision for Employee Benefits (Net of Fund Assets)	40.14	32.25
	40.14	32.25

Note 21**CURRENT TAX LIABILITIES**

a. Provision for Income Tax (Net of TDS)	696.55	1,283.57
	696.55	1,283.57

Note 22**REVENUE FROM OPERATIONS**

PARTICULARS	For Year ended March 31, 2020	For Year ended March 31, 2019
1. Sale of Products	66,708.16	75,905.44
2. Other Operating Revenues		
a. Sale of Scrap	124.88	155.40
b. Testing Charges	134.15	103.35
c. Export Incentives	705.32	774.45
	964.36	1,033.20
	67,672.51	76,938.64

Note 23**OTHER INCOME**

₹ in lakhs

	For Year ended March 31, 2020	For Year ended March 31, 2019
1. Interest Income		
a. Interest Income on bank and other deposits	135.24	138.56
b. Amortised Interest on Deposits/Loans	295.41	63.44
2. Other Non-Operating Income		
a. Insurance Claim Received	37.68	1.67
b. Profit on Sale of Investments (net)	-	-
b. Profit on Sale of Fixed Assets (net)	2.03	0.33
c. Net Gain on Foreign Currency Translation and Transactions	208.74	-
d. Balances Written Back (Net)	52.73	32.30
e. Adjustment on account of Foreign Currency Translation Reserve withdrawal	-	0.44
f. Other Income	-	60.77
g. Fair value gain on Investments (net)	1.92	10.30
	733.75	307.80

Note 24**COST OF MATERIAL CONSUMED**

Opening Stock	3,977.86	4,677.26
Add: Purchase	31,454.94	35,127.45
Total	35,432.80	39,804.70
Less: Closing Stock	5,049.76	3,977.86
	30,383.04	35,826.84

Note 25**COST OF CONSUMABLES**

Consumption of Petcoke	1,525.46	1,745.87
Consumption of Furnace Oil	1,729.73	2,431.81
Consumption of Husk	814.61	819.56
Consumption of Coal	3,631.75	3,390.62
Consumption of LDO/Kerosene	647.76	815.51
	8,349.31	9,203.37

Note 26**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

1. Finished Goods		
a. Opening Stock:	9,208.82	7,769.06
b. Closing Stock:	9,635.99	9,208.82
	(427.17)	(1,439.76)
2. Work-in-progress		
a. Opening Stock:	3,366.87	3,427.68
b. Closing Stock:	3,484.87	3,366.87
	(118.00)	60.80
3. Stock-in-Trade		
a. Opening Stock:	288.57	288.57
b. Closing Stock:	288.57	288.57
Total Decrease / (Increase)	(545.17)	(1,378.96)

Note 27**EMPLOYEE BENEFITS EXPENSE**

₹ in lakhs

	For Year ended March 31, 2020	For Year ended March 31, 2019
Salaries & Wages	2,953.80	2,849.29
Contribution to Provident and Other Funds	216.62	296.48
Staff Welfare Expenses	172.62	181.32
	3,343.05	3,327.09

Note 28**FINANCE COSTS**

Interest Expense	2,008.14	2,640.70
Interest on Others	729.44	569.63
Unwinding of Interest/Discount on Financial Instruments	442.30	227.43
Other Borrowing Costs	397.13	858.76
Preference Dividend	-	76.64
Dividend Distribution Tax on Preference Dividend	-	15.75
	3,577.00	4,388.91

Note 29**OTHER EXPENSES**

Power	3,158.18	3,472.52
Equipment Hire Charges	528.51	483.08
Consumption of Stores & Spares	1,806.14	1,994.39
Repairs & Maintenance - Buildings	104.50	69.74
Repairs & Maintenance - P & M	650.46	931.04
Labour costs	995.60	909.23
Factory/Godown Maintenance	336.38	369.41
Effluent Disposal Expenses	1,581.17	1,364.51
Transportation Charges	643.43	682.68
Insurance	159.31	169.37
Packing Charges	1,823.22	2,017.94
Shipping & forwarding Charges	2,957.83	3,158.00
Other Selling Cost	866.42	757.52
Rent	661.33	641.37
Rates & Taxes	123.42	77.56
CSR Expenses	176.58	49.47
Bank charges	344.13	305.60
Net Loss on Foreign Currency Transaction & Translation	-	436.54
Travelling, Vehicle Maintenance & Conveyance	418.50	394.69
Professional & Consultancy Charges	216.47	230.95
Security Charges	94.55	89.05
Miscellaneous Expenses	322.67	1,439.00
Loss on Sale of Investments	2.30	-
Preliminary Expenses	0.03	-
	17,971.10	20,043.69

Disclosures:**Audit Fee**

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

i Audit Fee	9.50	9.50
ii For Taxation Matters	3.50	3.50
iii For Other Services	2.00	1.20

Note 30**TAX EXPENSE**

₹ in lakhs

	For Year ended March 31, 2020	For Year ended March 31, 2019
Current Tax for the year	554.51	741.03
Prior Period Income tax expense recognised during the year	59.39	157.06
MAT Credit Entitlement	(141.94)	(19.50)
Deferred Tax for the year	335.82	433.74
	807.77	1,312.33

31. Group:

Vishnu Chemicals Limited has two 100% wholly owned subsidiaries – Vishnu Barium Private Limited in India and Vishnu South Africa (Pty) Ltd. in South Africa. Vishnu South Africa (Pty) Ltd., incorporated in financial year 2017-18 is yet to commence operations. Vishnu Chemicals Limited invested Rand 1,000 in equity share capital during the financial year 2019-20. Vishnu Renewable Energy Private Limited, a wholly owned subsidiary of Vishnu Barium Private Limited was incorporated during the financial year 2019-20 and is yet to commence operations.

32. Contingent Liabilities and Commitments (To the Extent Not Provided for):

₹ in lakhs

S.No. Particulars	As on 31.03.2020	As on 31.03.2019
1 Contingent Liabilities:		
a. Claims against company not acknowledged as debt		
I. Claims arising from disputes not acknowledged as debts - Income Tax (against which Pre-deposit of ₹ Nil Lakhs made (P.Y. Pre-deposit ₹ 41.98 Lakhs)	27.77	297.28
II. Claims arising from disputes not acknowledged as debts – Excise Duty (against which Pre-deposit of ₹ Nil Lakhs made (P.Y. Pre-deposit ₹ 7 Lakhs)	-	53.82
III. Claims arising from disputes not acknowledged as debts-Sales Tax (against which Pre-deposit of ₹ 145.96 Lakhs made (P.Y. Pre-deposit ₹ 139.03 Lakhs)	204.52	204.52
IV. Claims arising from disputes not acknowledged as debts-Service Tax (against which Pre-deposit of ₹ 17.55 Lakhs made (P.Y. Pre-deposit ₹ Nil)	652.62	652.62
V. Claims arising from disputes not acknowledged as debts-Fuel Surcharge Adjustment	27.38	27.38
VI. Claims arising from disputes not acknowledged as debts-Employees State Insurance Act	16.12 (plus interest of ₹ 5.36)	16.12 (plus interest of ₹ 5.36)
VII. Claims arising from disputes not acknowledged as debts- Disallowance of CENVAT Credit	28.21	28.21
VIII. Guarantees excluding financial guarantees	181.31	126.67
2 Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	604.46	575.23

33. Segment Reporting:

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

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

₹ in lakhs

Geographic Location	2019-20 Revenue	2018-19 Revenue
Domestic	34,648.98	39,192.66
Overseas	32,059.18	36,712.78

Geographic Location	As on 31.03.2020	As on 31.03.2019
Domestic	38,875.37	38,325.71
Overseas	-	-

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

34. Related Party Disclosures:**a) Details of Related Parties:**

₹ in lakhs

Sl No	Name of the Related Party	Nature of Relationship
1	Sri. Ch. Krishna Murthy	Chairman and Managing Director
2	Smt. Ch. Manjula	Director
3	Sri Ch. Siddartha	Joint Managing Director
4	Sri P. Anjaneyulu	Chief Financial Officer
5	Sri Kishore Kathri	Company Secretary
6	M/s Vasantha Transport Corporation	Concern in which Key Management Personnel are interested
7	K.M.S. Infrastructure Limited	Concern in which Key Management Personnel are interested
8	Vishnu Life Sciences Limited	Concern in which Key Management Personnel are interested
9	Vishnu Barium Private Limited	Wholly Owned Subsidiary
10	Vishnu South Africa Pty Ltd.	Wholly Owned Subsidiary
11	Vishnu Renewable Energy Private Limited	Step down Subsidiary (Wholly Owned Subsidiary of Vishnu Barium Pvt Ltd)
12	Krishna Foundation	Trust in which directors are Trustees and the company is the settlor

b) Details of Transactions:

₹ in lakhs

Nature of Transaction	Key Management Personnel		Concerns in which Key Management Personnel are Interested	
	2019-20	2018-19	2019-20	2018-19
Expenses				
Remuneration	226.54	191.96	-	-
Rent Expenses	44.47	44.47	12.00	6.00
Maintenance Charges	-	-	8.25	8.99
Transportation Charges	-	-	1,328.98	1,159.28
Purchases	-	-	0.50	-
Hire Charges	4.80	4.80	76.50	69.85
Contract Service Charges	-	-	70.60	129.61

₹ in lakhs

Nature of Transaction	Key Management Personnel		Concerns in which Key Management Personnel are Interested	
	2019-20	2018-19	2019-20	2018-19
Receipts & Payments, Payables & Receivables Outstanding at year end				
Unsecured Loan from Promoter Directors during the year	254.65	1,024.28	-	-
Unsecured Loans from Promoter Directors outstanding at year end	2,780.31	2,525.65	-	-
Payables to KMP and Concerns in which KMP are interested	12.64	23.14	94.22	168.59
Receivables from KMP and Concerns in which KMP are interested.	-	-	-	9.91

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

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

An amount of ₹ 170 Lakhs (Previous Year: ₹ 31 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.

35. The paid-up share capital of the Company as on financial year ended March 31, 2020 and financial year ended March 31, 2019 is ₹ 88,58,35,200/- divided into 1,19,46,020 Equity Shares of ₹ 10/- each and 7,66,37,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each.. The Public Shareholding in equity capital as on March 31, 2020 is 25%.

During the year, preference shareholders have given their consent to forego 7% preference dividend amounting ₹ 5,36,46,250/- for the financial year 2019-20.

36. 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:

Particulars	₹ in lakhs	
	2019-20	2018-19
Contribution to Provident Fund	126.09	123.14
Contribution to Employee State Insurance	12.76	23.74

2. Defined Benefit Plan – Gratuity:

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

Particulars	₹ in lakhs	
	Gratuity (Funded) 2019-20	Gratuity (Funded) 2018-19
1 Assumptions:		
Discount Rate	6.62% - 6.77%	7.60% - 7.66%
Escalation	3% - 5.50%	5.50%

Particulars	Gratuity	Gratuity
	(Funded)	(Funded)
	2019-20	2018-19
2 Changes in present value of obligations:		
Present value of obligations at beginning of year	521.76	343.06
Interest Cost	38.87	24.83
Current Service Cost	53.36	35.44
Benefits Paid	(18.79)	(21.64)
Actuarial (gain)/ loss on obligation	(80.29)	140.07
Present Value of obligation at end of year	514.91	521.76
3 Changes in Fair Value of Plan Assets		
Opening fair value of plan asset	67.23	41.97
Adjustment to opening Fair Value of Plan Asset	2.87	(1.59)
Return on Plan Assets excl. interest income	(4.18)	1.00
Interest Income	5.84	3.84
Contributions by Employer	18.98	43.65
Benefits paid	(18.79)	(21.64)
Fair Value of plan Assets at end	71.96	67.23
4 Amount recognized in the balance sheet		
PVO at end of period	514.91	521.76
Fair Value of plan Assets at end of period	71.96	67.23
Net Asset/(liability) recognized in the balance sheet.	(442.95)	(454.53)
5 Expenses recognized in the statement of Profit and Loss:		
Current service cost	53.36	35.44
Net interest	33.03	20.98
Expense recognized in the statement of Profit and Loss	86.39	56.42
6 Other Comprehensive Income (OCI):		
Actuarial gain/(loss) recognized for the period	(80.29)	140.06
Return on plan assets excluding net interest	4.18	(1.00)
Total actuarial (gain)/ loss recognized in OCI	(76.11)	139.06

Sensitivity Analysis:

₹ in lakhs

Particulars	31.03.2020		31.03.2020	
	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligation	474.79	560.97	560.23	474.85

Categories of Plan Assets:

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Gratuity Fund managed by Life Insurance Corporation of India	71.96	67.23

37. Earnings Per Share:

Particulars	2019-20	2018-19
Net Profit after Tax (₹ in Lakhs) (a)	2,222.91	2,436.45
Weighted Average no. of Shares - Basic & Diluted (b)	1,19,46,020	1,19,46,020
Nominal value of equity share (in ₹ per share)	10	10
Earnings per Share - Basic & Diluted (₹) (a)/(b)	18.61	20.40

38. Un-recognised Deferred Tax Asset:

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

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

₹ in lakhs

Particulars	2019-20	2018-19
Deferred tax asset:		
On account of unabsorbed depreciation	457.27	770.02
On account of bonus, gratuity & compensated absences	40.23	31.48
On account of non-moving stock	4.85	3.80
Deferred tax liability:		
On account of fixed assets	275.38	315.16
Deferred tax asset (Net)	226.97	490.14

39. 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, 2020		March 31, 2019	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade receivables	USD	5,911,559	4,456.48	12,175,390	8,420.33
Trade receivables	EURO	1,754,988	1,457.51	997,080	774.76
Trade payables	USD	(3,831,506)	(2,888.41)	(42,800)	(29.64)
Secured loans	USD	(2,374,570)	(1,790.09)	(5,768,154)	(4,013.55)
Secured loans	EURO	(15,049.25)	(1,249.84)	(814,999)	(646.49)

40. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013-'General instructions for the preparation of consolidated financial statements':

31st March 2020

₹ in lakhs

S.No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	Holding Company								
	Vishnu Chemicals Limited	79.37%	12,698.13	59.48%	1,322.10	102.73%	56.24	60.52%	1,378.35
2	Subsidiaries:								
	Indian Subsidiaries								
	Vishnu Barium Private Limited	25.49%	4,078.22	40.54%	901.08	-2.73%	(1.50)	39.50%	899.58
	Vishnu Renewable Energy Private Limited	0.00%	0.77	-0.01%	(0.23)	0.00%	-	-0.01%	(0.23)
	Foreign Subsidiary								
	Vishnu South Africa (Pty) Ltd.	0.00%	0.01	0.00%	(0.04)	0.00%	-	0.00%	(0.04)

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
	Less: Consolidation Adjustments	(4.86%)	(777.67)	0.00%	-	0.00%	-	0.00%	-
	TOTAL	100.00%	15,999.46	100.00%	2,222.91	100.00%	54.75	100.00%	2,277.66
31st March 2019									₹ in lakhs

S.No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	Holding Company								
	Vishnu Chemicals Limited	83.13%	11,838.22	50.02%	1,218.67	78.70%	(70.66)	48.92%	1,148.01
2	Subsidiaries:								
	Indian Subsidiaries								
	Vishnu Barium Private Limited	22.32%	3,178.64	49.96%	1,217.34		(19.13)	51.06%	1,198.21
	Vishnu Renewable Energy Private Limited		-		-		-		-
	Foreign Subsidiary								
	Vishnu South Africa (Pty) Ltd.		-		-		-		-
	Less: Consolidation Adjustments	(5.45%)	(776.62)	0.02%	0.44		-	0.02%	0.44
	TOTAL	100.00%	14,240.24	100.00%	2,436.45	78.70%	(89.79)	100.00%	2,346.66

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

per our Report of even date

For Jampani & Associates

Chartered Accountants

FRN: 016581S

Sd/-

J. Ram Sesh Choudary

Partner

M.No: 202150

Hyderabad

June 2, 2020

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna murthy

Chairman & Managing Director

DIN:00030274

Sd/-

P. Anjaneyulu

Chief Financial Officer

Hyderabad, June 2, 2020

Sd/-

Ch. Manjula

Director

DIN:01546339

Sd/-

Kishore Kathri

Company Secretary

Book Post

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

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