



VISHNU
CHEMICALS LTD

28th September, 2017

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
Fax: 022-
2723121/2027/2041/2061/3719
Email :
corp.relations@bseindia.com

Through: BSE Listing Center

Scrip Code: 516072

**National Stock Exchange of
India Limited, Exchange Plaza**
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051
Fax: 022-2659 8237/38, 2659
8347/48
Email : compliance@nse.co.in,
cmist@nse.co.in

Through: NEAPS

Scrip Symbol: VISHNU

**Ahmedabad Stock Exchange
Ltd**
Khamdenu Complex,
Opp: Sahajanand College,
Panjara
Pole, Ahmedabad – 3800115
Tel: 079 26307971

Dear Sir,

Annual Report for the financial year 2016-17

Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, please find the enclosed copy of Annual Report of the Company for the financial year 2016-17 which has been approved and adopted in the 24th Annual General Meeting of the Company held on September 27, 2017 at 4.00 pm at Film Nagar Cultural Centre, Dr.D.Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad – 500 096.

This is for your information and records.

Thanking You.

Yours faithfully,
For Vishnu Chemicals Limited

Kishore Kathri
Company Secretary

Encl: as above

24th
ANNUAL REPORT
2016-2017



VISHNU CHEMICALS LIMITED

Vishnu Chemicals Limited



Board of Directors:	Shri. Ch. Krishna Murthy, Shri. Ch. Siddartha, Smt. Ch. Manjula, Shri. U. Dileep Kumar Shri T.S. Apparao Dr. S. Chandra Sekhar	Chairman & Managing Director Joint Managing Director Director Independent Director Independent Director Independent Director	
Company Secretary	Ms. Shruti Gupta		
Auditors:	Jampani & Associates Chartered Accountants G-5, Srinivasa towers, Begumpet, Hyderabad-500016	N.V.S. Kapardhi Cost Accountants GHMC No.7-1-621/468, SRT-148, S.R. Nagar Hyderabad-500038	L.D.Reddy & Co Secretarial Auditors Afzal Commercial Complex Lakadikapool, Hyderabad-500004
Bankers:	State Bank of India Andhra Bank Indian Overseas Bank Union Bank of India		
Registered Office:	Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad, Telangana 500033. Tel: 040-23396817 Fax:040-66622225, 23314158 Website: www.vishnuchemicals.com Email: vishnu@vishnuchemicals.com CIN: L85200TG1993PLC046359		
Works:	Survey No.15 Gaddapotharam Medak District – 502319 Telangana Plot No. 57, Phase - III IDA., Jeedimetla Hyderabad - 500 055 Telangana	Survey No. 18-26 Nandini Road Bhilai – 490026 Chattisgarh Plot No.29, IOCL Road J. N. Pharma city, Parwada Visakhapatnam Dt. – 531019 Andhra Pradesh	
Registrar & Share Transfer Agent:	Bigshare Services Pvt. Ltd. 306, Right Wing, Amrutha Ville, Opp.Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500 082.		
Listing	BSE Limited National Stock Exchange of India Limited Ahmedabad Stock Exchange Limited		



Notice of Annual General Meeting

Notice is hereby given that the **Twenty Fourth Annual General Meeting** of the members of **Vishnu Chemicals Limited** will be held on Wednesday the 27th day of September 2017, at 04.00 P.M at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad - 500 096, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the period ended on that date and Directors' and Auditors' Reports there on.
2. To appoint a Director in place of shri. Ch. Siddartha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, (including any statutory modification(s) or re-enactment thereof), the Company hereby ratifies the appointment of M/s. Jampani & Associates, Chartered Accountants, (Firm Registration No. with ICAI – 016581S) as Statutory Auditors of the Company from the conclusion of this Twenty fourth Annual General Meeting till the conclusion of Twenty Fifth Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS:

4. **To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2018 and in this regard 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 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 [including any statutory modifications(s) or re-enactment thereof, for the time being in force], the remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus taxes as applicable and reimbursement of actual expenses, to be paid to M/s. N.V.S. Kapardhi, Cost Accountants, Hyderabad (Regd. No.100231) Cost Auditors of the Company, for the financial year 2017-2018, be and is hereby ratified".

For and on behalf of the Board

Place: Hyderabad
Date: 28.08.2017

Sd/-
(Ch. Krishna Murthy)
Chairman & Managing Director

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY STAMPED, SIGNED AND DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc., must be supported by appropriate resolution/authority, as applicable, issued by the member organization.
3. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. The Authorised Representatives of the Corporate Members are requested to bring a certified true copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 duly authorizing them to attend and vote at the Annual General Meeting.
5. Members holding shares in dematerialized form are hereby informed that, bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed hereto.
7. The register of members and share transfer books of the Company will remain closed from 23rd September, 2017 to 27th September, 2017 (both days inclusive).
8. Electronic copy of the Annual Report for the financial year 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2016-17 are being sent in the permitted mode.
9. Members whose shareholding is in the electronic mode are requested to inform change of address, emails, phone numbers and updates of savings bank account details to their respective depository participants.
10. Members wishing to claim dividends, which remain un-claimed are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 and 125 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
11. Members are requested to send their queries, if any, on the accounts and operations of the Company, to the Company Secretary at least 7 days before the meeting.
12. A Member or his/her proxy is requested to bring the annual report to the meeting as extra copies will not be distributed.



13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices etc., from the Company electronically.
14. Pursuant to the provisions of Section 107 and 108, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of E-Voting facility to all the members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Members who wish to attend Annual General Meeting can vote at the Meeting. The Company has appointed Mr. L. Dhanamjaya. Reddy, Practicing Company Secretary as Scrutinizer.
16. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 24.09.2017 at 10.00 A.M. and ends on 26.09.2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Company Name: Vishnu Chemicals Limited

EVSIN: 170829001

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members 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) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field. - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note



that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Vishnu Chemicals Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create 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 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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

For and on behalf of the Board

Place: Hyderabad
Date: 28.08.2017

Sd/-
(Ch. Krishna Murthy)
Chairman & Managing Director



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013:

Item No. 4.

The Board of Directors, on recommendations of the Audit Committee, at their meeting held on 28th August, 2017, has approved the re-appointment and remuneration of the M/s. N.V.S. Kapardhi, Cost Accountants, Hyderabad (Regd. No. 100231), as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 on a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) per annum. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice except to their shareholding.

Your Directors recommends the Resolution set out at Item Nos. 4 of the Notice for your approval.

For and on behalf of the Board

Sd/-

(Ch. Krishna Murthy)
Chairman & Managing Director

Place: Hyderabad

Date: 28.08.2017

**ANNEXURE TO ITEM 2 OF THE NOTICE****Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:**

Name of the Director	Shri Ch. Siddartha
Director Identification Number (DIN)	01250728
Date of Birth	12-05-1985
Nationality	Indian
Date of appointment	02-01-2006
Qualification	B. Tech in Industrial Biotechnology and has an MBA from United States
Brief Profile	He is responsible for all International Marketing activities and Strategic Business Developments. The company's exports increased remarkably during his tenure as executive director.
List of Directorships held in other Companies	-Vishnu Barium Private Ltd (Wholly Owned Subsidiary of the Company) -Vishnu Hong Kong Limited (Wholly Owned Subsidiary of the Company)
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Vishnu Chemicals Ltd
Total shares held by him in the Company	11,25,668 equity shares of Rs.10/- each (9.42%) 1,50,000 7% Redeemable Preference Shares of Rs.10/- each (0.32%)

**DIRECTORS' REPORT**

**To
THE MEMBERS
VISHNU CHEMICALS LIMITED**

Your Directors are happy to present their Twenty Fourth Annual Report on the business and operations of the Company and the financial statements for the year ended 31st March, 2017.

FINANCIAL RESULTS**(Rs. in lakhs)**

Particulars	2016-17	2015-16
Gross Income	47226.26	50000.86
Profit before Interest, Depreciation & Tax	6410.75	8514.59
Less: Depreciation	1331.61	1174.90
Less: Interest	3177.73	3279.18
Profit for the year before taxes	1901.41	4060.51
Less: Provision for Taxes	701.57	1456.93
Profit after Taxes	1199.84	2603.58
Add: Surplus brought forward from Previous Year	9489.12	7395.97
Surplus Carried forward to Balance Sheet	10688.96	9999.55
Less: Capitalization of Interest on Fixed Assets during construction period adjusted	—	215.97
Less: Appropriations	—	294.46
Balance carried forward to next year	10688.96	9489.12

OPERATIONS

During the year the company had a negative growth in view of increased imports into the Country by Competitors from all over the world. In International Market also, we faced stiff competition on account of currency fluctuations.

In order to counter dumping of products, the Company has filed an anti-dumping application with Government of India. The Government of India after careful study, accepted the damage to the Industry and our petition is admitted and is under investigation.

However, we have completed the pending projects with a capital outlay of Rs.92 crores and commenced commercial production to face severe competition from foreign players. The results of new projects can be witnessed during the current financial year.

As far as the subsidiary company is concerned, which is manufacturing barium products, progressing well in terms of revenue from domestic and export markets.

FUTURE PLANS

The Management will henceforth concentrate on maximizing production/ sale of Value Added products and increase the share of export revenue vis-à-vis domestic revenue. Further, the company will also develop local raw material sources to reduce the foreign exchange outgo. It enables the company to become strong net foreign exchange earner.



The Company will also approach banks to convert the Rupee term loans into Foreign currency loans in-order to reduce the finance cost. This is technically possible once the company increases its export revenue and reduces imports.

SUBSIDIARY

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% Of shares held	Applicable section
1.	Vishnu Hong Kong Limited 23/F B07 Hover Industrial Building No. 26-38, Kwai Cheong Road, Kwai Chung N.T. Hong Kong	No. 2164536	Wholly Owned Subsidiary	100%	2(87)(ii)
2.	Vishnu Barium Private Limited (Formerly Solvay Vishnu Barium Private Limited) 6-3-662/B/4, 3 rd Floor, Sri Sai Nilayam, Sangeetnagar Colony, Somajiguda, Hyderabad – 500082*	U24120TG2001PTC 036807	Wholly Owned Subsidiary	100%	2(87)(ii)

* The new registered office address is Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad - 33

DIRECTORS

Your Company has 6 (Six) Directors consisting of 2 (Two) Promoter and Executive Directors (Chairman & Managing Director and Joint Managing Director), 1 (One) Promoter and Non-Executive Director and 3 (Three) Independent Directors, as on March 31, 2017.

DIRECTORS RESIGNATIONS

During the period under review, Shri. CPC Kamalakar Rao (DIN 00037803) and Shri. T. Ramakrishna (DIN 07509474) were appointed as Directors of the company. However, due to pre occupation with other professional services both the Directors resigned from the office of the Directorship with effect from 5th Aug, 2016

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri. Ch. Siddartha, Jt Managing Director of the Company retires by rotation and being eligible offers himself for re-appointment. The resolution is being placed before the shareholders for approval, the relevant details are forming part of the AGM notice.

KEY MANAGERIAL PERSONNEL OF THE COMPANY

Sl.No.	Name	Designation
1.	Shri. Ch. Krishna Murthy	Managing Director
2.	Shri. Ch. Siddartha	Jt. Managing Director
3.	Shri. T. Rama Krishna	Chief Financial Officer
4.	Ms. Shruti Gupta	Company Secretary & Compliance Officer

DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

In compliance of sub-section (7) of Section 149 of the Companies Act, 2013, all the Independent Directors of the Company have submitted their declarations stating that, they meet the criteria of independence as provided in sub-section (6) of Section 149 of the above said Act and the Listing Regulations with the Stock Exchanges.

**CORPORATE GOVERNANCE –LISTING REGULATIONS**

A separate Section on Corporate governance with a detailed compliance report thereon is annexed to the Annual Report. The Practicing Company Secretary's Certificate with respect to compliance with the provisions of Corporate Governance, as required by Regulations 34 and other Regulations of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, is also annexed.

DIVIDEND

The Board of Directors has not recommended any dividend for the current financial year in order to augment internal resources to meet Companies operations

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, there is no unclaimed dividend amount pertaining for any of the financial year to be transferred to the Investor Education and Protection fund (IEPF).

FIXED DEPOSITS

Your Company has not accepted any deposits covered by the provisions of Section 73 of the Companies Act, 2013 and the Rules framed there under.

INDUSTRIAL RELATIONS

Your Directors are happy to report that the Industrial Relations have been extremely cordial at all levels throughout the year. Your Directors record their appreciation for sincere efforts, support and co-operation of all employees being extended from time to time to accelerate the growth of the Company.

AUDITORS

The Statutory Auditors M/s. **Jampani & Associates**, Chartered Accountants, (Firm Registration No. with ICAI – 016581S), Hyderabad were appointed for Five years at the last Annual General Meeting held on 28th September, 2016, subject to ratification of appointment by the members at every Annual General Meeting. They have confirmed their eligibility and willingness to accept the assignment as Statutory Auditors of the Company, if ratified by the members.


AUDITOR'S REPORT
Auditors Observations:

The Statutory Auditors have mentioned in their report as Point No. 3 and 4 of Annexure - 1 to the Independent Auditor's Report regarding interest free unsecured loan/advance of Rs. 996.26 lakh to its wholly owned subsidiary companies. Similarly, they have also mentioned in their report as point No. 7.1 of Annexure - 1 that statutory dues are pending beyond six months to the extent of Rs. 267.92 lakhs towards entry tax pertaining to the financial years 2009-10 & 2010-11 and Rs. 882.68 lakh towards Income Tax pertaining to the financial year 2015-2016.

Management Replies :

The net amount of Rs. 343.33 lakh (after considering Rs. 652.93 lakh towards interest free advance from subsidiary as stated in Note 9 of Annual Report) as Interest free unsecured loan/advances given to its wholly owned subsidiaries viz., Vishnu Barium Private Limited and Vishnu Hong Kong Limited, as the board took a decision to infuse the funds as per requirements of the business and for ultimate benefit of the holding company.

We are in the process of clearing Entry Tax and Income Tax dues at the earliest.

COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013, the Central Government has prescribed Cost Audit of the company. Based on the recommendations of the Audit Committee M/s. N.V.S Kapardhi (Firm Regn. No. 100231), Cost Accountants, Hyderabad were re-appointed as Cost Auditors of the Company for the year 2017-18.

SHARE CAPITAL

The Paid up Equity and Preference Share Capital as on March 31, 2017 was Rs.59.44 Crore. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity nor made any provision of money for purchase of or subscription for, shares in the Company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the company as provided in the rules of Companies (Share Capital and Debentures) Rules, 2014. As on March 31, 2017, the Directors of the Company hold shares and 7% Redeemable Preference of the Company as below:

Sl. No.	Name of the Director	Details of shares held and Percentage			%
		Equity Shares in Nos.	%	7% Redeemable Preference shares in Nos.	
1	Shri Ch. Krishna Murthy	6219790	52.07	44100000	92.84
2	Smt. Ch. Manjula	1614048	13.51	3250000	6.84
3	Shri Ch. Siddartha	1125668	9.42	150000	0.32
	Total	8959506	75.00	47500000	100.00

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held during the period under review and further details are set out in the Corporate governance Report forming part of the Director's Report.

**AUDIT COMMITTEE**

Four meetings of the Audit Committee of Directors were held during the period under review and further details are set out in the Corporate governance Report forming part of the Director's Report.

INDEPENDENT DIRECTOR' MEETING

The performance of the members of the Board, the board level Committees and the Board as a whole were evaluated at the meetings of the independent Directors held on 14th Nov, 2016.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle Blower Policy and Vigil Mechanism so as to provide a mechanism for the Directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

POLICY ON SEXUAL HARASSMENT

Company had adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

Your company has a Nomination and Remuneration committee and further details are set out in the Corporate Governance Report forming part of the Director's Report

The Board has, on the recommendation of the Nomination & Remuneration Committee formed a policy for selection and appointment of Directors, Key Managerial Persons, Senior Management and their remuneration.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions if any which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 disclosed in Form No. AOC -2 and is annexed to this report as Annexure.

**RISK MANAGEMENT POLICY**

Your Company has a Risk Management Policy and framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s L.D. Reddy & Co., (CP No. 3752) Practicing Company Secretaries, Hyderabad as its Secretarial Auditors to conduct the secretarial audit of the Company for the financial year 2016-17. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the financial year 2016-17 is annexed to this report as Annexure.

Secretarial Audit observations:

Some statutory payments are made after the due dates as per the provisions of the relevant Acts.

Management replies:

The Company is taking all possible steps to pay the statutory dues within the stipulated time

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that :

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

EXTRACT OF THE ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2017 forms part of this report as Annexure.

**QUALITY**

Your Company attaches high priority to quality, safety, training, development, health and environment. The Company endeavours to ensure continuous compliance and improvements in this regard.

INSURANCE

All the properties and insurable assets of the Company, including Building, Plant and Machinery, stocks etc., wherever necessary and to the extent required, have been adequately covered.

LISTING OF COMPANY'S SECURITIES

Your Company's shares are currently listed on BSE Limited, Ahmedabad Stock Exchange Limited and National Stock Exchange Limited.

DEMATERIALIZATION OF SHARES

Your Company's shares have been made available for dematerialization through the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as Annexure.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Your Company has a Stakeholders' Relationship Committee and further details are set out in the Corporate Governance Report forming part of the Directors' Report

The committee will monitor expeditious redressal of investors / stakeholders grievance relating to non-receipt of annual report, notices, non-receipt of declared dividend / interest, change of address for correspondence etc, and to monitor action taken.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

EQUITY SHARES IN THE SUSPENSE ACCOUNT

Your Company is not having any shares lying in the suspense accounts in terms of Clause 5A(I) and Clause 5A(II) of the Listing Agreement.

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 .


PARTICULARS OF EMPLOYEES

The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (Rs. in lakhs)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Shri. Ch. Krishna Murthy (Chairman & Managing Director)	66,00,000	Nil	23.31	There is no increase of KMP remuneration during the period under review.
2	Shri. Ch. Siddartha (Jt Managing Director)	48,00,000	Nil	16.95	
3	Shri. T. Ramakrishna (CFO)	20,40,000	Nil	7.20	
6.	Ms. Shruti Gupta (Company Secretary)	2,34,000	Nil	0.83	

There are no persons employed throughout the financial year and drawing of Rs.102.00 lakhs or more p.a., or employed for part of the year and in receipt of Rs.8.5 lakhs or more per month, under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their deep and sincere gratitude to the Bankers, Financial Institutions, Customers and Suppliers for their unstinted and continued support to the Company. Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz., customers, banks, members, dealers, vendors and other business partners for the excellent support received from them during the year.

The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

By Order of the Board

Place: Hyderabad

Date: 28.08.2017

Sd/-

Ch. Manjula

Director

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director


ANNEXURE TO DIRECTORS REPORT

Information Under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules 2014 and forming part of Directors Report.

A. CONSERVATION OF ENERGY:

The company is using 25% liquid fuels and 75% solid fuel as a mark of energy saving and foreign exchange saving.

During the year the Company is planning to use the balance 25% also only solid fuel in place of liquid fuel which will be a direct saving.

Most of the Electric motors are being connected into variable frequent motors to save energy. In place of vacuum pumps, we are planning to convert into pressure filters.

Form for disclosure of particulars with respect to conservation of energy.

		2016-17	2015-16
A Power and Consumption			
1. Electricity:			
a) Purchased			
Units	Nos.	3,54,69,525	3,75,00,768
Total Amount	Rs.	22,19,88,100	24,94,35,917
Rate/Unit	Rs.	6.25	6.65
b) Own Generation			
Units	KWH	2,32,885	1,18,159
Total Amount	Rs.	47,66,793	22,24,867
Unit per Liter of Diesel Oil	Rs.	2.45	2.23
Cost / Unit (Variable)	Rs.	20.47	18.83
2. Coal			
Quantity "C" used in Boiler for Steam Generation	MTs	26,042.54	27,125.50
Total Cost	Rs.	9,20,85,113	9,71,95,174
Average Rate \ Tone	Rs.	3,536	3,583
CONSUMPTION PER UNIT OF PRODUCTION			
Products :			
1. Sodium Bichromate			
2. Basic Chrome sulphate			
Electricity (KWH)\Diesel	Units	430.49	408.17
Coal\Husk	MTs	0.40	0.30

B. TECHNOLOGY ABSORPTION

During the year the company used improved technology for CO₂ and increased the production substantially with the existing kiln.

Production of Chromic Acid also converted from batch process to continuous process thereby substantial savings are witnessed towards energy cost and product recovery.

Alternative source of raw materials is being used to make raw materials available continuously.

Water treatment methods have been improved.

Boiler emission controls improved by using ESP alongwith bag filters.

**RESEARCH AND DEVELOPMENT**

The Company has done extensive lab work on usage of domestic Ore in lieu of imported Ore in order to face the volatility in pricing and supplies. On success of these efforts, the company can reduce the inventory carrying cost apart from saving in direct costs. As on date, all are in experimental stage only and these experiments have to be tested in pilot scale for establishing commercial viability.

EXPENDITURE INCURRED

The Company has not incurred any expenditure during the year for the R&D activities.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Total Foreign Exchange collected is Rs. 18793.10 lakhs and spent is Rs. 11850.95 lakhs during the year

OTHERS

The Annual Report of the Company contains a declaration in respect of the Code of Conduct for all Board Members and Senior Management of the Company, signed by the Chairman & Managing Director.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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 programmes.

In alignment with its vision, as a socially responsible corporate citizen, VCL will continue to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs. VCL is committed to operate its business in a sustainable manner respecting the society & the environment, while recognising the interests of all its stakeholders.

To also take up directly or indirectly programmes that will benefit the communities in and around its work place which will over a period of time enhance the quality of life and economic wellbeing of the local residents. Through its regular services and additionally through its CSR initiatives, VCL will generate community goodwill and create a positive image of VCL as a socially responsible corporate.

To pursue these objectives we will continue to strive to:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animals welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minority and women;
- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;



• Rural development projects

- | | | |
|---|--|--|
| 1 | The Composition of the CSR Committee | 1. Shri Ch. Krishna Murthy
2. Smt. Ch. Manjula
3. Shri U. Dileep Kumar |
| 2 | Average net profit of the company for last three financial years | Rs.3064.34 Lakhs. |
| 3 | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) | Rs.61.28 lakhs |
| 4 | Details of CSR spent during the financial year. | |
| | a. Total amount to be spent for the financial year | Rs.61.28 lakhs |
| | b. Amount unspent, if any | Rs.29.27 Lakhs* |

*. In the process of identifying the most deserved areas / people, the Company could not spend Rs. 29.27 lakhs (previous year – Rs. 19.53 Lakhs) during the period under review and unspent amount will carry forward to the next year.

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Lakhs)	Amount spent on the projects or programs Sub – heads:(1) Direct expenditure on projects or programs (2) Overheads (in Lakhs)	Cumulative expenditure upto to the reporting period (in Lakhs)	Amount spent : Direct or through implementing agency* (in Lakhs)
1	Provided Bore Connections & Water Treatment Plant.	Provision of Drinking Water	Persepalli, Krishna Dist, AP & Hyderabad in Telangana.	22.00	18.48	21.04	21.04
2	Centre for Training and Research Development	Promotion of education	Visakhapatnam Dist	12.00	0.32	11.41	11.41
3	Green Vishaka Project-Plants provided	Environmental sustainability	Vizag, Visakhapatnam District, Andhra Pradesh	6.00	1.47	5.97	5.97
4	Contribution for Swatch Bharat Mission	Swatch Bharat Mission	Visakhapatnam & Srikalahasti of Andhra Pradesh, Hyderabad in Telangana.	23.00	11.74	22.74	22.74
				63.00	32.01	61.16	61.16

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

Sd/-

U.Dileep Kumar
Chairman of the Committee

Sd/-

Ch. Krishna Murthy
Member of the Committee


Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As at the financial year ended on 31.03.2017

[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:

- i) CIN:- : L85200TG1993PLC046359
- ii) Registration Date : 15.01.1993
- iii) Name of the Company : VISHNU CHEMICALS LIMITED
- iv) Category/Sub-Category of the Company : Public Listed Company
- v) Address of the Registered Office and Contact details. : Plot No. C-23,
Road No. 8 Film Nagar, Jubilee Hills,
Hyderabad, Telangana - 500033
- vi) Whether listed company Yes/No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Bigshare Services Pvt Ltd
306, 3rd Floor, Right Wing, Amrutha Ville,
Opp: Yashoda Hospital, Raj Bhavan Road,
Somajiguda, Hyderabad,
Telangana – 500082
Tel: 040-23374967, Fax: 040-23370295
Email: bsshyd@bigshareonline.com
Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turn over of the company shall be stated:-

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Chromium based Products	24117	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Vishnu Hong Kong Limited 23/F B07 Hover Industrial Building No. 26-38, Kwai Cheong Road, Kwai Chung N.T. Hong Kong	No. 2164536	Wholly Owned Subsidiary	100%	2(87)(ii)
2.	Vishnu Barium Private Limited (Formerly Solvay Vishnu Barium Private Limited) 6-3-662/B/4, 3 rd Floor, Sri Sai Nilayam, Sangeetnagar Colony, Somajiguda, Hyderabad – 500082*	U24120TG2001PTC036807	Wholly Owned Subsidiary	100%	2(87)(ii)

* The new registered office address is Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad - 33.


IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

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	Shares	%
A. Promoters										
1) Indian										
g) Individual/ HUF	8959506	—	8959506	75.00	8959506	—	8959506	75.00	—	—
h) Central Govt	—	—	—	—	—	—	—	—	—	—
i) State Govt(s)	—	—	—	—	—	—	—	—	—	—
j) Bodies Corp.	—	—	—	—	—	—	—	—	—	—
k) Banks / FI	—	—	—	—	—	—	—	—	—	—
l) Any Other	—	—	—	—	—	—	—	—	—	—
Sub-total (A) (1)	8959506	—	8959506	75.00	8959506	—	8959506	75.00	—	—
(2) Foreign										
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—	—
b) Other – Individuals	—	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—	—
Sub-total (A) (2)	—	—	—	—	—	—	—	—	—	—
Total shareholdings of Promoter (A) = (A)(1)+(A)(2)	8959506	—	8959506	75.00	8959506	—	8959506	75.00	—	—
B. Public Shareholdings										
I. Institutions										
a) Mutual Funds	—	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	10217	—	10217	0.08	10217	0.08
c) Central Govt	—	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—	—
g) FIIs	—	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital funds	—	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—	—
Sub-total (B)(1)	—	—	—	—	10217	—	10217	0.08	—	—



2. Non-Institutions										
a) Bodies Corp.										
i) Indian	335531	6875	342406	2.87	288624	1375	289999	2.43	(52407)	(0.44)
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital up to Rs.2 lakh	1257906	186729	1444635	12.08	1351296	180789	1532085	12.83	87450	0.73
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	893246	--	893246	7.48	836766	--	836766	7.00	56480	0.47
iii) NBFC Registered with RBI	-	-	-	-	4158	-	4158	0.03	4158	0.03
c) Others-NRIs/OCBs	161509	42240	203749	1.71	169887	42240	212127	1.78	8378	0.07
Clearing members	102478	--	102478	0.86	101162	--	101162	0.85	(1316)	(0.01)
Sub-total (B)(2):-	2750670	235844	2986514	25.00	2762110	224404	2986514	25.00	--	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2750670	235844	2986514	25.00	2762110	224404	2986514	25.00	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	11710176	235844	11946020	100.00	11721616	224404	11946020	100.00	--	--

(ii) **Shareholding of Promoters**

Sl. 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 held	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares held	
1	Shri Ch. Krishna Murthy	6219790	52.07	58.33	6219790	52.07	59.94	--
2	Smt. Ch. Manjula	1614048	13.51	1.33	1614048	13.51	1.33	--
3	Shri Ch. Siddhartha	1125668	9.42	--	1125668	9.42	--	--
	Total	8959506	75.00	40.74	8959506	75.00	41.85	--



(iii) *Change in Promoters' Shareholding (pleasespecify, if there is no change)*

Sl. No.	Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	%of total shares of the company	No.of shares	%of total shares of the company
	At the beginning of the year	8959506	75.00	8959506	75.00
	Datewise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	—	—	—	—
	At the End of the year	8959506	75.00	8959506	75.00

(iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)*

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No.of shares	%of total shares of the company	No.of shares	%of total shares of the company
1	Ashishkacholia	3,98,523	3.34	558793	4.68
2	Nirmal Bang Commodities Private Limited	1,00,000	0.84	1439	0.01
3	Prakash Chand	76,000	0.64	76000	0.64
4	Vijayalakshmi Adusumalli	75,242	0.63	75242	0.63
5	Harry Hassomal Mohinani	70,000	0.59	70000	0.59
6	Sushmita Ashish Kacholia	67,346	0.56	-	-
7	Padma Attal	66,785	0.56	35734	0.30
8	Adusumilli S Chandrabose	55,000	0.46	55000	0.46
9	Suresh Bhatia	50,833	0.43	-	-
10.	Anuj Shah	42,774	0.36	35000	0.29
11.	SatyanarayanKarwa	26,961	0.23	35997	0.30
12.	IL and FS Securities Services Ltd	1,250	0.01	44685	0.37

(v) *Shareholding of Directors and Key Managerial Personnel:*

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No.of shares	%of total shares of the company	No.of shares	%of total shares of the company
1	Shri T. Rama Krishna – CFO	19117	0.16	19117	0.16
2	Ms. Shruti Gupta – C S	0.00	0.00	0	0.00


V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. in Lakhs

Description	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18641.41	1221.78	NIL	19863.19
ii) Interest due but not paid	86.18			86.18
iii) Interest accrued but not due				
Total (i+ii+iii)	18727.59	1221.78	NIL	19949.37
Change in Indebtedness during the financial year				
• Addition	7354.01	202.68		7556.69
• Increase in Interest due but not paid	54.21	0.00	NIL	54.21
• Reduction	1862.88	0.00	NIL	1862.88
Net Change	5545.34	202.68	NIL	5748.02
Indebtedness at the end of the financial year				
i) Principal Amount	24132.55	1424.47	NIL	25557.02
ii) Interest due but not paid	140.38			140.38
iii) Interest accrued but not due				
Total(i+ii+iii)	24272.93	1424.47	NIL	25697.39

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount in Rs.
		Shri Ch. Krishna Murthy, Chairman & Managing Director	Shri Ch. Siddhartha, Jt. Managing Director	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66,00,000	48,00,000	1,14,00,000
	(b) Value of perquisites/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- as % of profit	—	—	—
	- others, specify...	—	—	—
5.	Others, please specify	—	—	—
	Total(A)	66,00,000	48,00,000	1,14,00,000


B. Remuneration to other directors:

Sl.		Name of Directors			
No.	Particulars of Remuneration	Sri U. Dileep Kumar	Dr. S. Chandra-sekhar	Sri T.S. Appa Rao	Total Amount in Rs.
1.	Independent Directors				
	• Fee for attending board & Committee meetings	180000	140000	200000	520000
	• Commission	—	—	—	—
	• Others, please specify	—	—	—	—
	Total (1)	180000	140000	180000	520000
2.	Other Non-Executive Directors				
	• Fee for attending board committee meetings	—	—	—	—
	• Commission	—	—	—	—
	• Others, please specify	—	—	—	—
	Total (2)	—	—	—	—
	Total(B)=(1+2)	180000	140000	140000	520000
	Total Managerial Remuneration				520000

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

Sl.no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total Amount in Rs.
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,40,000	2,34,000	22,74,000
	(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 Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission- as% of profit-others, specify...	—	—	—
5.	Others, please specify	—	—	—
	Total	20,40,000	2,34,000	22,74,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					



FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014.

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

1. Details of contracts or arrangements or transactions not at arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vasantha Transport Corporation Chairman & Managing Director of the Company is a Proprietor of the said firm.
b)	Nature of contracts/arrangements/transaction	Availing transport services and to take on contract the trucks of the said firm.
c)	Duration of the contracts/arrangements/transaction	Five years w.e.f. 28.09.2016
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Availing transport Services and to take on contract the trucks at prevailing market prices for five years for a total contract value not exceeding Rs. 40.00 Crores p.a.
e)	Date of approval by the Board	6 th August 2016
f)	Amount paid as advances, if any	Nil



3. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vishnu Life Sciences Limited Promoter and Executive Director of the Company are major Shareholder (99%) of the above said Company.
b)	Nature of contracts/arrangements/transaction	Taking of factory premises including furniture and fittings on lease basis.
c)	Duration of the contracts/arrangements/transaction	Five years w.e.f. 30.09.2014
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Taking of factory premises including furniture and fittings on lease basis for a period of five years @ Rs. 6.00 Lacs p.a.
e)	Date of approval by the Board	9 th August 2014
f)	Amount paid as advances, if any	Nil

4. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	K.M.S. Infrastructure Limited Chairman & Managing Director and Promoter Director of the Company are the majority Directors and Shareholders (80%) of the above said Company.
b)	Nature of contracts/arrangements/transaction	Availing services relating to civil constructions and related services.
c)	Duration of the contracts/arrangements/transaction	Five years w.e.f 30.09.2014
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Availing services relating to civil constructions and related services from time to time on prevailing market prices for a period of five years.
e)	Date of approval by the Board	9 th August 2014
f)	Amount paid as advances, if any	Nil

By Order of the Board

Place: Hyderabad
Date : 28.08.2017

Sd/-
Ch. Manjula
Director

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director



Secretarial Audit Report

For the Financial Year Ended 31-03-2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors
M/s. Vishnu Chemicals Limited
Plot No. C-23, Road No. 8
Film Nagar, Jubilee Hills, Hyderabad - 33

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 ended on 31-03-2017, 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 financial year ended on 31-03-2017 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- 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;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - vi. Minimum Wages Act, 1948
 - vii. Employees Provident Fund And Misc. Provisions Act, 1952
 - viii. Employees State Insurance Act, 1948
 - ix. Payment of Gratuity Act, 1972
 - x. Workmen's Compensation Act, 1923
 - xi. Contract Labour (Regulation & Abolition) Act 1970
 - xii. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 - xiii. Income Tax Act, 1961
 - xiv. Telangana Value added tax
 - xv. Finance Act , 1944(Service Tax)
 - xvi. The Insurance Act, 1938 [AS AMENDED BY INSURANCE (AMENDMENT) ACT, 2002]
 - 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 Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
 - xxii. Customs Act, 1962
 - xxiii. Central Excise Act, 1944
 - xxiv. Newspaper Publications
 - xxv. Service tax
 - xxvi. The Boilers Act, 1923 and Indian Boilers Regulations - 1950
 - xxvii. The Petroleum Act, 1934 and Petroleum Rules, 2002
 - xxviii. HMC Act, 1955
 - xxix. the Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and Ahmedabad Stock Exchange Ltd
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
- Declaration and payment of dividends;
- 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 to the Income tax Act
- 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 Management Personnel;

3. We further report that:

- The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.



4. We Further Report That:
- Some Statutory payment are made after the due dates as per the provisions of the relevant Acts.
 - 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 Result.
 - The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948
 - The Company has filed return under Employment Exchange Act/Rules
 - The Company has renewed the Policy with LIC for Gratuity under Payment of Gratuity Act, 1972
5. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further Report that during the audit Period the Company has taken the following major decisions
- i. The Company has filed a scheme of merger between the Company and Vishnu Barium Pvt Ltd
 - ii. No Public /Right/Preferential Issue of Shares/Debentures/Sweat Equity etc.,
 - iii. No Redemption/Buy-back of Securities

Date :28.08.2017

Place : Hyderabad

For L.D.Reddy & Co.,

Company Secretaries

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

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



SECRETARIAL AUDIT REPORT

‘Annexure A’

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. Where ever 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.

Date :28.08.2017
Place : Hyderabad

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

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


MANAGEMENT DISCUSSION AND ANALYSIS REPORT
a. Global and Domestic Economic Outlook

Year 2016 had been a challenging year for global economy. The world economy has faced major economic and political developments during 2016 which led to decrease in economic growth. However, during the year 2017, the world economy is expected to grow at 3.5% according to the IMF projections against 3.1% GDP growth rate in 2016.

Domestically, during 2016-17, Indian Economy has faced challenges of demonetization, constrained private investment etc. However, India continues to be one of the fastest growing economies among emerging economies of world. The outlook for 2017-18 is very positive with the signs of reduced interest rates, reduction in inflationary trends, increase in spending power through lower taxes, pay revisions etc. According to IMF World Economic Outlook, India's GDP is expected to grow at 7.2% in FY 2017-18, compared to 7.1% in FY 2016-17.

Government is also undertaking number of policy initiatives such as enhanced public investment, restarting stalled projects and improving business environment through programs such as Make in India, Ease of Doing Business, Smart Cities and Start up India.

Financial Year 2017-18 will also witness implementation of major fiscal reform i.e. introduction of Goods and Services Tax (GST) which will help simplification the tax structure, achieve economies in operations and boost the organized sector.

b. Industry Structure and Developments:

We are in a very niche Industry with very few companies operating and considerable entry barriers. Globally, the demand for our products is shifting to Asia- Pacific countries from Western Countries. Imports continue to pose challenge to the domestic industry.

We are the only major producer of our products in India. We have high level of reputation among our customers. Our technical excellence combined with customer service helps us in retaining the existing customers and improving the customer base to new areas.

Our products find applications in metal treatment, pigment preparation, screen printing, leather industry, dye stuff manufacturing etc. Improvement in economy augurs well for our products. We are also exploring the possibilities to improve the turnover from value added products in order to better the margins.

c. Opportunities and Threats

Domestically, considerable improvement is expected in demand for our products in view of the improvement in economy. Also, the demand is shifting to Asian countries. Introduction of GST is likely to benefit the organized players like us. Internationally, we are able to compete with the competitors with continuous improvement in technology and processes.

Volatility in raw material prices and devaluation of respective domestic currencies of the competitors are potential threats to our industry.

d. Segment-wise or geography-wise performance.
(Rs. in Lakhs)

Revenue from Geographic location	2016-17	2015-16	2016-17	2015-16
			%	%
Domestic	29651.01	31692.40	63.42	63.98
Overseas	17101.50	17841.96	36.58	36.02



e. Outlook

Your company is concentrating to improve the topline and also margins through continuous process improvements and manufacture of value added products. Also, reduction in cost of material consumption is aimed at through captive production. Capex spent during this year and previous year is yielding results and expected to improve over a period of time.

f. Risks and concerns.

Your Company has one of the best competent manufacturing facilities in the world; therefore, there is no considerable risk in short-term or long-term. Environmental management is one of the challenges not a risk.

g. Internal control systems and their adequacy.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

h. Discussion on financial performance with respect to operational performance.

Improvement in raw material consumption and minimisation of waste is key for operational performance and adds to the financial performance. There are always areas and scope for operational performance improvement. During the year under review we could achieve profit in spite of the volatility in raw material prices and pricing pressure from the competitors derived from the devaluation of respective domestic currencies. This was possible due to shift towards right product mix and operational improvements

i. Material developments in Human Resources / Industrial Relations front, including number of people employed.

There is no increase in number of people except replacement due to resignation/retirements. During the year, there were no strikes or lock-outs and the industrial relations are being maintained cordially.



REPORT ON CORPORATE GOVERNANCE

Brief statement on company's philosophy on code of governance

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors and employees. This objective is achieved by adopting corporate practices based on principles of transparency, accountability, fairness and integrity to create long term sustainable value for all its stakeholders.

During the period under review, the Company is in compliance with Regulations 34 and other Regulations of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

1. BOARD OF DIRECTORS

The Company has an Executive Chairman. The Chairman along with the Jt. Managing Director manages the day-to-day affairs of the Company. The Board of the Company has a combination of Two Executive Directors comprising 33% of the Board and Four Non-Executive Directors comprising 67% of the Board as on 31st March 2017.

a. Composition and category of Directors as on 31st March 2017.

Category	Name of Directors
Promoter Directors	Shri Ch. Krishna Murthy, Chairman & Managing Director Smt. Ch. Manjula, Director Shri Ch. Siddartha, Jt. Managing Director
Independent Directors	Shri U. Dileep Kumar Dr. S. Chandrasekhar Shri T.S. Appa Rao

Smt. Ch. Manjula is the spouse of Shri Ch. Krishna Murthy and Shri Ch. Siddartha is his son. None of the other directors are related to any other director on the Board.

All the Directors on the Board of the Company have made necessary declarations / disclosures regarding their other directorships along with Committee positions held by them in other Companies.

b. Attendance of each Director at the Board meetings held during the year 2016-17 and at the last Annual General Meeting.

Name of the Director	Designation	Meetings held during the tenure	Meetings Attended	Last AGM 28.09.2016
Shri. Ch. Krishna Murthy	Chairman & Managing Director	4	4	Yes
Smt. Ch. Manjula	Director	4	2	No
Shri. Ch. Siddartha	Jt. Managing Director	4	4	Yes
Shri. U. Dileep Kumar	Director	4	3	Yes
Dr. S. Chandrasekhar	Director	4	3	No
Shri T.S. Appa Rao	Director	4	4	No



- c. No. of other Boards / Board Committees in which the Directors are either Member or Chairman during the year 2016-17.

Name of the Director	Boards		Committees	
	Chairman	Member	Chairman	Member
Shri Ch Krishna Murthy	Nil	1	Nil	Nil
Smt. Ch. Manjula	Nil	1	Nil	Nil
Shri Ch Siddartha	Nil	2	Nil	Nil
Shri. U. Dileep Kumar	Nil	Nil	Nil	Nil
Dr. S. Chandrasekhar	Nil	Nil	Nil	Nil
Shri T.S. Appa Rao	Nil	1	Nil	Nil

None of the directors on the Board is a member in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are directors.

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the subsequent Board meeting. The Chairman & Managing Director is assisted by the Executive Director/Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted Seven Standing Committees, namely Audit Committee, Management Committee, Share Transfer Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Risk Management Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

A minimum of four Board Meetings are held every year and they are usually held at the Registered Office of the Company. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. Notices of Board Meetings were sent to the Directors as required under Section 173 of the Companies Act, 2013 well in advance. The Agenda along with the explanatory notes are sent in advance to the Directors. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company.

Four Board Meetings were held since 31.03.2016 (closure of last financial year) up to 31.03.2017 (closure of this financial period under review) and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the Board Meetings were held were as follows:

Quarter	No. of Meetings	Dates on which held
Apr-Jun	1	02.05.2016
Jul-Sep	1	06.08.2016
Oct-Dec	1	14.11.2016
Jan-Mar	1	13.02.2017

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including The Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes



are circulated to Board/ Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

2. AUDIT COMMITTEE

The Audit Committee was formed with qualified and independent and executive members of the Board of the Company.

a. Brief description of terms of reference

The terms of reference of the Audit Committee is in conformity with the provisions of Regulations 18 of Listing Regulations entered with the BSE Ltd., The Ahmedabad Stock Exchange Ltd., and National Stock Exchange of India Ltd which inter alia, includes the following.

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;

b. Composition, name of members and Chairman and attendance:

During the year the audit committee met 4 (Four) times and following is the attendance of the members.

Name of the Director	Position Held	No. of Meetings attended
Shri. U. Dileep Kumar	Chairman	3
Dr. S. Chandrasekhar	Member	3
Shri Ch. Siddartha	Member	4
Shri T.S. Appa Rao	Member	4

The following business was conducted during the year.

- Review of quarterly financial statements.
- Review of internal control systems with reference to the audits conducted by the internal auditors.



- Review of Appointment of Directors and Key managerial persons.
- Review of Annual Financial Statements.
- Review of related party disclosures by the Directors.
- Review of Business performance of the Company.

3. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee consists of Three Independent Directors.

Name of the Director	Position Held	No of Meeting attended
Shri. U. Dileep Kumar	Chairman	1
Dr. S. Chandrasekhar	Member	1
Shri T.S. Appa Rao	Member	1

During the year the Nomination & Remuneration Committee met 1 (One) time and following is the attendance of the members.

Name of the Director	No of Meeting held during the tenure	No of Meeting attended
Shri. U. Dileep Kumar	1	1
Dr. S. Chandrasekhar	1	1
Shri T.S. Appa Rao	1	0

a. Terms of Reference

The Company specifically looks into the remuneration payable to Executive Directors and other Key Managerial persons of the Company.

b. Composition, Name of Members and Chair Person

- i) Shri. U. Dileep Kumar - Chairman
- ii) Dr. S. Chandrasekhar - Member
- iii) Shri T.S. Appa Rao - Member

c. Remuneration Policy

The Remuneration Committee of Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The Remuneration recommendations about the remuneration of Directors are subject to the approval of the Members of the Company and the remuneration of the key managerial persons is to be recommended by the remuneration committee to the Board.

Details of remuneration to all the Directors, as per format in main report.

d. Remuneration of Executive Directors

The remuneration packages paid to the Executive Directors are fixed by the Board of Directors and approved by the Shareholders in the General Meetings. The remuneration was paid to the Executive directors out of the profits of the company under Sections, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013. The details of remuneration paid to the Directors are as under:

Sl. No.	Name	Designation	Salary P.A. (Rs.)	Sitting Fee
1	Shri Ch Krishna Murthy	Chairman & Managing Director	66,00,000	Nil
2	Shri Ch Siddartha	Jt. Managing Director	48,00,000	Nil



4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a. Terms of reference

The Committee shall specifically look into the redressing of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

b. Composition, Name of Members and Chair Person

- | | | | |
|------|-------------------------|---|----------|
| i) | Smt. Ch. Manjula | - | Chairman |
| ii) | Shri Ch. Krishna Murthy | - | Member |
| iii) | Shri Ch. Siddartha | - | Member |

Stakeholders Relationship Committee Meeting along with Share Transfer committees meeting as and when required during the financial year 2016-17 and all the grievances received by the Company from the Members of the Company has been resolved by the Company.

c. Name and Designation of compliance officer

Ms. Shruti Gupta, Company Secretary and Compliance Officer is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

d. Prohibition of Insider Trading

With a view to regulate trading in securities by the Directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

e. Details of Shareholders Complaints

Number of shareholders' complaints received so far during the year – 5 (Five) and all the complaints were resolved.

Nature of queries/complaints	Received	Resolved	Un-Resolved
Non receipt of Dividend Warrants	5	5	0
Total	5	5	0

f. No. of pending share transfer

All shares for which applications were received for transfer during the year, were transferred and no transfer was pending as on the date of 31.03.17.

g. Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The said Certificate with regard to the same is submitted to BSE Limited, The National Stock Exchange of India Limited and Ahmedabad Stock Exchange, where the Company's shares are listed..

5. SHARE TRANSFER COMMITTEE

The members of Share Transfer Committee consist of Shri. Ch. Krishna Murthy and Smt. Ch. Manjula. The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013.

**6. MANAGEMENT COMMITTEE**

The Management Committee consists of Managing Director, Jt. Managing Director and Non-Executive non-Independent Director. The role and responsibilities of the Committee are to take decisions relating to banking matters i.e., proposals of opening, closing, change of authorized signatories etc., of Banks Accounts, availing of credit facilities from Banks and Financial Institutions and day to day related issues. The minutes of Management Committee will be confirmed by the Board at their immediate next Meeting.

7. INDEPENDENT DIRECTORS MEETING:

The Meeting is being held inter-alia, with a view to review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and to assess the quality, quantity and timeliness of flow of information between the company management and the Board. The committee consists of Independent Directors and one meeting was held on 11th November, 2016. The minutes of Management Committee will be confirmed by the Board at their immediate next Meeting.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted at the Board Meeting held on 30th May, 2014. The Committee consists of two Executive Directors and one Independent Director. The Committee formulated and recommended the Board, a CSR Policy, amount of expenditure and monitored the Corporate Social Responsibility Policy. The Committee at their meeting held on 13th Feb, 2017 considered the recommendations of the Committee. The activities undertaken by the company and amount spent towards the implementation of policy are given as part of annexure to Director Report.

9. RISK MANAGEMENT COMMITTEE

The members of Risk Management Committee are as follows:

1. Shri Ch. Krishna Murthy
2. Smt. Ch. Manjula
3. Shri Ch. Siddartha

The role and responsibilities of the committee are to formulate and recommend to the Board, a risk management plan, recommend the amount of expenditure to be incurred on the activities referred to in clause and implementing and monitoring the risk management plan of the company from time to time

10. BOARD MEETINGS

Minimum four pre-scheduled Board meetings are held annually. The Board meets at least once in every quarter to review the financial results, operations, markets, growth prospects and industry trends, etc. Notice of the Board meetings together with agenda are sent to all the directors in advance. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation. During the year under review (Four) Board meetings were held.


11. ANNUAL GENERAL MEETINGS

- a. The Details of Annual General Meetings of the company held during the last three years are under:

No. of Annual General Meeting	Venue	Day & Date	Time	Details of Special Resolutions passed
21 st	Hotel I K London, 6-3-656, Somajiguda, Hyderabad – 500082	Tuesday 30.09.2014	10.30 A.M.	Increase of remuneration of Shri Ch. Krishna Murthy, Chairman & Managing Director of the Company. Appointment of Shri Ch. Siddartha, as a Whole-time Director of the Company. Agreement with M/s Vasantha Transport Corporation for a period of 5 years. Agreement with M/s Vishnu Life Sciences Limited for a period of 5 years. Availing of civil construction and related services from M/s K.M.S. Infrastructure Limited for a period of 5 years.
22 nd	Hotel I K London, 6-3-656, Somajiguda, Hyderabad – 500082	Monday, 29 th June, 2015	10.30 A.M.	Appointment of Shri. T.S. Apparao as Director of the Company. Investment in Equity Shares of Solvay Vishnu barium Pvt Ltd Approval of Borrowing Limits along with guarantee or counter guarantee Hypothecation / mortgage / charge of movable and/or immovable properties of the company. Ratification of remuneration of Cost Auditor
23 rd	Hotel I K London, 6-3-656, Somajiguda, Hyderabad – 500082	Wednesday 28 th Sep, 2016	11.00 A.M	Re-Appointment of Shri. Ch. Krishna Murthy as Managing Director Appointment of Dr. S. Chandrasekhar Appointment of Shri. Ch. Siddartha as Jt Managing Director Ratification of remuneration of Cost Auditor Approval of Agreement with Vasantha Transport Corportaion.

- b. The company has not passed any resolution through postal ballot during the financial year 2016-17.

No special resolution is proposed to be conducted through postal ballot



12. DISCLOSURES

- i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

Name of the Party	Description of Relationship	Name of the Interested Director	Nature of Transaction	Business (In Rs.)	Outstanding as on 31.03.2017
Vasanth Transport Corporation	Proprietor	Ch. Krishna Murthy	Transport, hire charges, Purchases	17,83,09,616	(2,35,80,992)
Vishnu Life Sciences Ltd	Member	Ch. Siddartha	Lease Rentals	6,00,000	38,98,622
K.M.S. Infrastructure Ltd	Directors	Ch. Krishna Murthy and Ch. Manjula	Contract Services	0.00	(9,02,028)
Vishnu Barium Pvt Ltd	Director	Ch. Siddartha	Purchase / sale of goods	3,84,66,911	(3,36,06,867)
Vishnu Hong Kong Ltd	Director	Ch. Siddartha	Purchase / sale of goods	0.00	(12,68,772)

- ii. Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There have not been any non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any material related to capital markets, during the period under review.

- iii. Whistle Blower policy and affirmation that, no personnel have been denied access to the audit committee.

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee.

- iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

The Company has complied with all the mandatory requirements of the Listing Regulations during the period under review and the details are furnished wherever necessary in this annual report. The Company complied with the non-mandatory requirements.

13. MEANS OF COMMUNICATION

- i. Quarterly results

The Company's quarterly results are published in one English and one vernacular (Telugu) languages and are displayed on its website (www.vishnuchemicals.com).

- ii. Newspapers wherein results normally published

The Company's results are published normally in the vernacular dailies like Andhra Prabha, Andhra Jyothi, Nava Telangana and Andhra Bhoomi and also in the leading English dailies like the Financial Express and the Business Standard, as per the availability of the space at the time of publishing.



- ii. Any website, where displayed
The Company's website (www.vishnuchemicals.com) contains a separate dedicated section 'Investors' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.
- iii. Whether it also displays official news releases; and
During the period under review, the Company has no official news release.
- v. The presentations made to institutional investors or to the analysts.
During the period under review, the Company has not made any presentations to institutional investors or analysis.
- vi. Annual Report
Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- vii. NSE Electronic Application Processing System (NEAPS) & BSE Corporate Compliance & Listing Centre (the 'Listing Centre').
NEAPS and BSE Listing Centre are web based applications designed by NSE and BSE, respectively, for corporates. The Shareholding pattern, Corporate Governance Report are also filed electronically on NEAPS and BSE Listing Centre in addition to the intimation of the meetings, outcomes of the meetings, postal ballot results, etc.
- viii. SEBI Complaints Redress System (SCORES)
SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. No complaints were received during the period under review.

14. GENERAL SHAREHOLDERS INFORMATION:

General Shareholder information:

- i. Annual General Meeting date, time and venue : Wednesday, the 27th Day of September, 2017, at 04.00 P.M., at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Film Nagar, Jubilee Hills, Hyderabad - 96
- ii. Financial year : 2016-17 (consisting of 12 months)
- iii. Date of Book closure : 23.09.2017 to 27.09.2017 (both days inclusive)
- iv. Listing on Stock Exchanges :
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C/1, G Block
Bandra-kurla Complex Bandra (E)
Mumbai - 400 051

Ahmedabad Stock Exchange Ltd.,
Kamadhenu complex, Opp. Sahajanand College, Panjara Bole Ahmedabad-380 015



v. Stock Codes : BSE Scrip Code : VISHNU (516072)
 NSE Scrip Code : VISHNU
 Ahmedabad Stock Exchange Code : 29091
 Demat ISIN : **INE270I01014**
 CIN : L85200TG1993PLC046359

vi. Market price data; High, Low during each month in the last financial year:

A). BSE Ltd

Month	High Price	Low Price
Apr 16	315.50	264.20
May 16	312.20	240.05
Jun 16	274.00	236.30
Jul 16	303.50	241.60
Aug 16	303.00	223.00
Sep 16	333.00	226.95
Oct 16	345.30	284.95
Nov 16	347.45	225.00
Dec 16	273.85	232.80
Jan 17	323.70	235.00
Feb 17	334.00	268.05
Mar 17	297.50	250.00

B). National Stock Exchange Ltd

Month	High Price	Low Price
Apr-16	317.25	262.70
May-16	313.20	240.10
Jun-16	274.40	234.00
Jul-16	302.00	240.00
Aug-16	302.00	231.00
Sep-16	331.00	231.00
Oct-16	348.00	283.10
Nov-16	347.00	225.00
Dec-16	273.65	232.40
Jan-17	313.80	235.00
Feb-17	310.00	265.00
Mar-17	295.70	250.00



- vii. Registrar and Transfer Agents : Bigshare Services Pvt. Ltd.
306, Right Wing, Amrutha Ville
Opp. Yasodha Hospital
Somajiguda, Raj Bhavan Road
Hyderabad - 500 082.
Ph : 040 – 23374967, 23370295
Fax : 040 – 23370295
Email : bsshyd@bigshareonline.com
- viii. Share transfer system: Your Company has appointed M/s. Bigshare Services Private Limited for dealing in with the shares of the Company in physical and electronic mode. Presently, they are completing the process of transfers within a period of 10 to 12 days from the date of receipt, subject to the documents being valid and complete in all respects.
- ix. Distribution of shareholding

Category	No. of Shares held		Total Shares	% of Holding
	Physical	Demat		
A. Promoters' Holding				
1. Promoters				
a. Indian Promoters**	Nil	8959506	8959506	75.00
b. Foreign Promoters'	-	-	-	-
c. Persons acting in concert	-	-	-	-
SUB-TOTAL	Nil	8959506	8959506	75.00
2. Non-Promoters Holding	-	-	-	-
3. Institutional Investors	-	-	-	-
a. Mutual Funds and UTI	-	-	-	-
b. Banks, Financial Institutions.	-	-	-	-
c. Insurance Companies	-	-	-	-
d. Central / State Govt. Institutions / Non – Government institutions	-	-	-	-
e. FIIs	-	-	-	-
SUB-TOTAL	-	-	-	-
4. Others				
a. Private Corporate Bodies	1375	288624	289999	2.43
b. Indian Public	180789	2202437	2383226	19.94
c. NRIs / OCBs	42240	169887	212127	1.78
d. Any other –Clearing Members	-	101162	101162	0.85
SUB-TOTAL	224404	2762110	2986514	25.00
GRAND TOTAL	224404	11721616	11946020	100.00

*HOLDING OF PERSONS ACTING IN CONCERT IS 'NIL'.



Distribution schedule of shareholding was as below:

Range (in Rs.)	No. of shareholders	% of shareholders	Total shares	% of shares
1 – 5000	5215	87.88	6552820	5.49
5001 – 10000	372	6.30	2744560	2.30
10001 – 20000	174	2.90	2515930	2.11
20001 – 30000	64	1.08	1659980	1.39
30001 – 40000	25	0.42	871690	0.73
40001 – 50000	17	0.28	804800	0.67
50001 – 100000	36	0.61	2423700	2.03
100001 - 500000	21	0.35	4412810	3.69
500001 – 1000000	4	0.07	2762420	2.31
1000001 – 5000000	3	0.05	19580430	16.39
5000001 - above	4	0.06	75131060	62.89
Total	5931	100.00	11946020	100.00

- x. Dematerialization of Shares and liquidity : 98.12% of the Company's Paid-up capital has been dematerialized up to 31.03.2017 as per the following details. The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges.

Particulars	No. of shares	% of share capital
NSDL	8169716	68.39
CDSL	3551900	29.73
Physical	224404	1.88
Total	11946020	100.00

- xiii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants. The details of convertible instruments are as below:

No. of 7% Redeemable Preference Shares	Date of issue	
40000000	31.03.2008	Liable to be redeemed after the expiry of 10 (ten) years from the date of issue.
7500000	30.09.2009	

- xiv. Annual listing fee for the year 2017-18 has been paid by the Company to BSE, NSE.

Annual Custody/Issuer fee for the year 2017-18 has been paid by the Company to NSDL and CDSL.

**14. Plant Locations (Factory):**

- | | |
|---|--|
| 1. SURVEY NO.15
Gaddapotharam
Medak District
Telangana - 502319 | 2. SURVEY NO.18-26
Nandini Road
Bhilai- 490026
Chattishgarh |
| 3. Plot No.57, Phase III
IDA, Jeedimetla
Hyderabad -500055
Telangana | 4. Plot No.29, J.N.Pharma City
IOCL Road - 531019
Visakhapatnam Dist
Andhra Pradesh |

15. Address for Correspondence

(Registered Office)
Plot No. C-23, Road No.8
Film Nagar Jubilee Hills,
Hyderabad - 500033
Ph : 040-23396817; Fax : 040-2331 4158

Declaration for Compliance with Code of Conduct

Pursuant to Clause 49(I)(D) of the Listing Agreement, I hereby declare that the company has adopted a Code of Conduct for Directors and Senior Management Personnel of the company at the meeting of the Board of Directors.

A Statement of allegiance to the Code of Conduct has been obtained from all the senior management personnel and functional heads and such statement of allegiance will be obtained on an annual basis from all the Directors, senior management personnel and functional heads.

Place : Hyderabad

Date : 28.08.2017

For VISHNU CHEMICALS LIMITED

Sd/-

Ch. Krishna Murthy
Chairman & Managing Director



CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER OF THE LISTING REGULATIONS.

To
The Members,
VISHNU CHEMICALS LIMITED,
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by M/s VISHNU CHEMICALS LIMITED ("the Company") for the year ended on March 31, 2017 as stipulated in the Listing Regulations of the said company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Holders / Investors Grievance Committee.

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

For L D Reddy & Co.,
Company Secretaries

Place : Hyderabad
Date : 28.08.2017

Sd/-
L. Dhananjaya Reddy
C P No : 3752



CERTIFICATE BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

We, Ch. Krishna Murthy, Managing Director and T. Ramakrishna, Chief Financial Officer of Vishnu Chemicals Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and have evaluated the effectiveness of internal controls systems of the Company and have also disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any and what we have done or propose to do to rectify these
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions) :
 - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - b. Any significant changes in internal controls during the year covered by this report.
 - c. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
 - d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report

Sd/-

T. Ramakrishna
Chief Financial Officer

Sd/-

Ch. Krishna Murthy
Chairman & Managing Director

Place: Hyderabad

Date. 28.08.2017

**INDEPENDENT AUDITOR'S REPORT****To
The Members of VISHNU CHEMICALS LIMITED
Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of **VISHNU CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure – 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) (i) of the Companies Act, 2013, we give in Annexure – 2, the report on Internal Financial Controls over Financial Reporting.
3. As required by section 143(3) of the Act, 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 purpose 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, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. 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, 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 financial statements;
 - ii. The Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses;
 - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and in our opinion the same are in accordance with the books of accounts maintained by the Company.

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

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

HYDERABAD
May 29, 2017


ANNEXURE - 1 TO THE INDEPENDENT AUDITORS' REPORT:

(Referred to in Paragraph 1 under section 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- 1.1. According to the information and explanations given to us, the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- 1.3. All the title deeds of the immovable properties are held in the name of the Company.
2. 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.
3. In our opinion and according to the information and explanations given to us, the Company has granted *interest-free unsecured loans* to its wholly owned subsidiary companies covered in the register maintained under Section 189 of the Companies Act, 2013. The total loan amount granted was Rs. 996.26 lakhs and the amount outstanding as on March 31, 2017 with respect to the said loans / advances given is Rs.996.26 Lakhs. According to the information and explanations given to us, the terms and conditions of the grant of such loans are not prima facie prejudicial to the interest of the Company. *As no specific terms and conditions with regard to repayment have been specified, we are not able to comment on the repayment and overdue amount.*
4. In our opinion and according to the information and explanations given to us, in respect of loans and investments, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with except for the granting of interest free loan/advance of Rs. 996.26 lakhs to its wholly owned subsidiaries.
5. According to the information and explanations given to us, the Company has not accepted any 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 Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7.1 According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as are applicable, with the appropriate authorities.

According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable, except for Entry Tax of Rs. 267.92 lakhs pertaining to the financial years 2009-10 and 2010-11 and Income Tax of Rs. 882.68 lakhs pertaining to the financial year 2015-16 which are still outstanding.

- 7.2 According to the information and explanations given to us, the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as follows:

Nature of dues	Rs. in lakhs	Period to which the amount relates	Forum where the dispute is pending
Central Excise	46.82	1998-99	CESTAT, Bengaluru
Central Excise	121.28	2006-07	CESTAT, New Delhi
Central Excise	446.04	2006-12	CESTAT, New Delhi
Sales Tax	5.81	1998-99	STAT, Hyderabad
Sales Tax	8.96	2008-10	AC, Sales Tax, Cuttack



8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions or banks.
9. According to the information and explanations given to us, during the year under review, the Company has not raised any money by way of initial public offer or further public offer. According to the information given to us, during the year, the Company has received the disbursement of term loan of Rs. 7354.01 lakhs towards capital expenditure which was sanctioned during the previous year and the same was applied for the purpose for which it was raised.
10. According to the information and explanations given to us and based upon the audit procedures performed by us, no fraud by the Company or on the Company committed by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration paid or provided during the year is in compliance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. As the Company is not a Nidhi Company in terms of the provisions of the Companies Act, 2013 read with Nidhi Rules, 2014, the matters to be reported under clause (xii) are not applicable.
13. According to the information and explanations given to us, in our opinion, with respect to the transactions with related parties, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013, wherever applicable. In our opinion, the details as required by the applicable accounting standards have been disclosed in the financial statements for the year under review.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, reporting requirement on compliance with Section 42 of the Companies Act, 2013 and purpose of application of the funds so raised is not applicable.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence, reporting requirement on compliance with the provisions of Section 192 of the Companies Act, 2013 is not applicable.
16. According to the information and explanations given to us and in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

***HYDERABAD
May 29, 2017***

**ANNEXURE – 2 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** (“the Company”) as of March 31, 2017 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 Company’s management 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 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 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

***HYDERABAD
May 29, 2017***


BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	31-Mar-17 ₹	31-Mar-16 ₹
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	1	594,460,200	594,460,200
b. Reserves and Surplus	2	1,134,888,949	1,014,904,865
		1,729,349,149	1,609,365,065
2. NON-CURRENT LIABILITIES			
a. Long Term Borrowings	3	1,098,508,897	550,941,451
b. Deferred Tax Liabilities (Net)	4	340,820,836	290,705,045
c. Other Long Term Liabilities	5	300,000,000	385,000,000
d. Long Term Provisions	6	19,414,230	12,199,572
		1,758,743,963	1,238,846,067
3. CURRENT LIABILITIES			
a. Short Term Borrowings	7	1,239,186,413	1,243,786,235
b. Trade Payables	8	1,191,251,013	1,129,451,764
c. Other Current Liabilities	9	506,210,495	508,401,445
d. Short Term Provisions	10	127,680,801	88,223,473
		3,064,328,722	2,969,862,917
TOTAL		6,552,421,834	5,818,074,049
II. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets	11		
i. Tangible Assets		2,705,534,623	1,807,589,184
ii. Intangible Assets		281,084	354,367
iii. Capital Works-in-progress		541,090,565	616,798,357
		3,246,906,272	2,424,741,908
b. Non-Current Investments	12	15,902,225	15,902,225
c. Long Term Loans and Advances	13	270,984,792	148,527,261
		3,533,793,289	2,589,171,393
2. CURRENT ASSETS			
a. Inventories	14	1,601,651,088	1,636,291,680
b. Trade Receivables	15	858,874,082	1,116,079,923
c. Cash and Bank Balances	16	127,268,134	107,473,705
d. Short Term Loans and Advances	17	399,885,687	338,890,346
e. Other Current Assets	18	30,949,554	30,167,003
		3,018,628,545	3,228,902,655
TOTAL		6,552,421,834	5,818,074,049

Refer to Accompanying Notes to Financial Statements
Per our Report of even date
For and on behalf of the Board of Directors
For JAMPANI & ASSOCIATES
Chartered Accountants
FRN: 016581S
Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274
Sd/-
Cherukuri Manjula
Director
DIN: 01546339
Sd/-
J. Ram Sesh Choudary
Partner
M.No: 202150
Sd/-
T. Rama Krishna
Chief Financial Officer
Sd/-
Shruti Gupta
Company Secretary
Hyderabad
May 29, 2017


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Note No.	2016-17 ₹	2015-16 ₹
1. REVENUE			
a. Revenue from Operations	19	4,722,625,738	5,000,086,528
Less: Excise Duty		334,794,239	367,382,396
Net Revenue from Operations		4,387,831,499	4,632,704,132
b. Other Income	20	64,388,275	20,351,373
Total Revenue		4,452,219,774	4,653,055,505
2. EXPENSES			
a. Cost of Materials Consumed	21	1,904,989,750	2,379,728,429
b. Changes in Inventories of Finished Goods & Work-in-Progress	22	142,279,649	(415,306,701)
c. Employee Benefit Expense	23	198,554,139	184,641,168
d. Finance Costs	24	317,773,483	327,918,519
e. Depreciation and Amortisation Expense	11	133,160,965	117,489,728
f. Corporate Social Responsibility Expenses	25	3,201,278	1,979,181
g. Other Expenses	26	1,562,119,262	1,650,553,770
Total Expenses		4,262,078,526	4,247,004,093
3. PROFIT BEFORE TAX		190,141,248	406,051,412
4. Tax Expense			
a. Current Tax (MAT/Regular Tax)		42,472,577	140,538,246
Less: MAT Credit Entitlement		(23,167,952)	-
Net Current Tax		19,304,625	140,538,246
b. Tax Pertaining to Earlier Years		736,748	3,609,521
c. Deferred Tax	4	50,115,791	1,545,737
		70,157,164	145,693,504
5. PROFIT FOR THE YEAR AFTER TAX		119,984,084	260,357,908
EARNINGS PER SHARE			
Par Value Per Share Rs. 10/-			
Basic & Diluted		6.69	18.43

Refer to Accompanying Notes to Financial Statements
Per our Report of even date
For and on behalf of the Board of Directors
For JAMPANI & ASSOCIATES
Chartered Accountants
FRN: 016581S
Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274
Sd/-
Cherukuri Manjula
Director
DIN: 01546339
Sd/-
J. Ram Sesh Choudary
Partner
M.No: 202150
Sd/-
T. Rama Krishna
Chief Financial Officer
Sd/-
Shruti Gupta
Company Secretary
Hyderabad
May 29, 2017


CASH FLOW STATEMENT FOR THE YEAR 2016-17

	2016-17 ₹	2015-16 ₹
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax and Extraordinary items	119,984,084	260,357,908
Adjustments for :		
Depreciation	133,160,965	117,489,728
Deferred Tax	50,115,791	1,545,737
Net Income Tax Provision	19,304,625	140,538,246
Income Tax pertaining to earlier years	736,748	3,609,521
Interest Paid	317,773,483	327,918,519
Interest Earnings	(10,925,738)	(11,662,671)
Sundry Balances written back	(6,808,701)	-
Operating profit before working Capital changes	623,341,256	839,796,988
Adjustments for Changes in:		
Trade Receivables	257,205,841	(222,221,053)
Inventories	34,640,592	(480,158,427)
Trade Payables	68,607,950	542,157,038
Other Current, Non current liabilities and Provisions	(111,872,927)	(99,369,882)
Loans and Advances and Other current Assets	(164,020,969)	(116,753,392)
Net changes in working capital	84,560,487	(376,345,716)
Direct Tax paid	(736,748)	(76,720,661)
	83,823,739	(453,066,377)
Net Cash Flow from operating activities	707,164,996	386,730,610
B. CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets / capital work in progress	(955,325,329)	(262,856,911)
Investments	-	(12,781,300)
Interest Received	10,925,738	11,662,671
Net Cash Flow from Investing Activities	(944,399,591)	(263,975,540)
C. CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from long-term borrowings	735,400,792	184,598,676
Repayment of term liabilities	(168,308,883)	(144,318,101)
Increase in Bank Borrowings Working Capital	(17,978,635)	184,644,413
Other Un Secured Loans	20,268,201	(9,543,264)
Interest Paid	(312,352,451)	(319,300,890)
Dividend Paid including Dividend Distribution Tax	-	(28,891,410)
Net Cash Flow from financing activities	257,029,024	(132,810,576)
Net increase / Decrease in cash and cash equivalents	19,794,429	(10,055,505)
Cash and cash equivalents as at 01.04.2016	107,473,705	117,529,210
Cash and Cash equivalents as at 31.03.2017	127,268,134	107,473,705

Refer to Accompanying Notes to Financial Statements
Per our Report of even date
For and on behalf of the Board of Directors
For JAMPANI & ASSOCIATES
Chartered Accountants
FRN: 016581S
Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274
Sd/-
Cherukuri Manjula
Director
DIN: 01546339
Sd/-
J. Ram Sesh Choudary
Partner
M.No: 202150
Sd/-
T. Rama Krishna
Chief Financial Officer
Sd/-
Shruti Gupta
Company Secretary
Hyderabad
May 29, 2017

**Significant Accounting Policies:****a) Accounting Convention and Basis:**

The financial statements are prepared under the historical cost convention as a going concern in accordance with the generally accepted accounting principles and are based on accrual concept of accounting.

b) Use of Estimates:

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

c) Fixed Assets and Capital Work-in-Progress:

Fixed assets are stated at cost (net of Cenvat credit & Vat) less accumulated depreciation and inclusive of all costs including financial expenses incurred till the asset is available for use. Indirect & Pre-operative expenses related or attributable to the Capital works up to commencement of commercial production are added to the cost of fixed assets in the year of commencement of commercial Production.

d) Depreciation:

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 Kazipalli Unit, by considering the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

e) Impairment of Assets:

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with accounting standard 28 on "Impairment of Assets" issued by ICAI. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized is reversed if there has been a change in the estimate of recoverable amount.

f) Inventories:

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

g) Sales:

Gross Sales comprise of Sale Value net of returns, internal transfers, Sales Tax & rebates and are inclusive of excise duty and Freight.

h) Revenue recognition:

Revenue is recognized on the transfer of property of goods as per contractual terms.

i) Borrowing Costs:

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

**j) Excise duty and Sales Tax:**

The liability of excise duty on finished goods lying in stock at the close of the year is provided for in the accounts and included in the valuation of Inventory as per the guidance note issued by ICAI.

k) Employee Benefits:

- i) Contribution to Provident and pension Funds are funded with appropriate authorities and charged to the profit and loss account.
- ii) Liability for gratuity and leave encashment is provided on the basis of actuarial valuation based on the projected unit credit method. Actuarial gains or losses are recognized in the Statement of Profit and Loss.

l) Investments:

Long term investments are stated at cost net of provision for diminution in value other than temporary, if any. Current investments are carried at lower of cost or fair market value.

m) Research & Development Expenditure:

Capital Expenditure incurred is disclosed separately in schedule of fixed assets and revenue expenditure incurred during the Research phase is charged to the Profit and Loss in the year of incurrence.

n) Foreign Currency Transactions:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are recognized using the exchange rate as on that date. Gains/Losses arising from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are accounted for in the Statement of Profit and Loss.

o) Taxes on Income:

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to consideration of prudence, on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.


1. SHARE CAPITAL

	31-Mar-17 ₹	31-Mar-16 ₹
Authorised Share Capital		
15,000,000 Equity Shares of ₹10/- par value	150,000,000	150,000,000
60,000,000 7% Redeemable Preference Shares of ₹ 10/- par value	600,000,000	600,000,000
	750,000,000	750,000,000
Issued, Subscribed and Fully Paid-up Capital		
<u>EQUITY SHARE CAPITAL:</u>		
<i>At the beginning and close of the year</i>		
11,946,020 Equity Shares of ₹10/- par value	119,460,200	119,460,200
<u>PREFERENCE SHARE CAPITAL</u>		
<i>At the beginning and close of the year</i>		
47,500,000 7% Redeemable Preference Shares of ₹ 10/- par value	475,000,000	475,000,000
	594,460,200	594,460,200

Disclosures:

- All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.
- 7% Redeemable Preference Shares which are cumulative in nature are liable to be redeemed at par after the expiry of ten years ending with March, 2018 (₹ 4000 Lakhs) and September, 2019 (₹ 750 Lakhs)
- Dividend on Redeemable Preference Share Capital:** Dividends on the 7% Redeemable Preference Share Capital of ₹ 4750 Lakhs has not been provided for the year 2016-17. However, as the Preference Shares are cumulative in nature, the amount payable as dividend for the year of ₹ 332.50 Lakhs (₹332.50 Lakhs) is being shown as a Contingent liability.
- Names of shareholders holding more than 5% of the Share capital and their shareholding.

EQUITY SHARES

S.No.	Name of shareholder		31.03.2017	31.03.2016
1	Ch. Krishna Murthy	- No of Shares	6,219,790	6,219,790
		- % held	52.07	52.07
2	Ch. Manjula	- No of Shares	1,614,048	1,614,048
		- % held	13.51	13.51
3	Ch. Sidhartha	- No of Shares	1,125,668	1,125,668
		- % held	9.42	9.42

PREFERENCE SHARES

S.No.	Name of shareholder		31.03.2017	31.03.2016
1	Ch. Krishna Murthy	- No of Shares	44,100,000	44,100,000
		- % held	92.84	92.84
2	Ch. Manjula	- No of Shares	3,250,000	3,250,000
		- % held	6.84	6.84
3	Ch. Sidhartha	- No of Shares	150,000	150,000
		- % held	0.32	0.32


Note 2
RESERVES & SURPLUS

	31-Mar-17 ₹	31-Mar-16 ₹
1. Capital Reserve		
At the beginning and close of the year	86,040	86,040
2. Other Reserves:		
General Reserve		
Balance at the beginning of the year	65,907,106	50,907,106
Addition during the year	-	15,000,000
Balance at the closing of the year	65,907,106	65,907,106
3. Surplus		
Balance brought forward from previous year	948,911,719	739,596,516
Less: Capitalisation of interest with fixed assets during the construction period adjusted	-	21,597,000
Balance available	948,911,719	717,999,516
Add: Transfer from Statement of Profit and Loss for the year	119,984,084	260,357,908
Balance available for Appropriations	1,068,895,803	978,357,424
Appropriations:		
a Interim Dividend	-	11,946,020
b Tax on Dividend	-	2,499,685
c Transfer to General Reserve	-	15,000,000
Balance carried forward to next year	1,068,895,803	948,911,719
	1,134,888,949	1,014,904,865

Note 3
LONG TERM BORROWINGS

	31-Mar-17 ₹	31-Mar-16 ₹
A. Secured:		
1. Term Loans:		
From Banks	1,000,893,456	462,195,923
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	3,277,559	1,297,036
B. Unsecured:		
1. Loans and Advances from Related Parties:		
Loans from directors	94,337,882	87,448,492
	1,098,508,897	550,941,451

Disclosures:

Terms & Conditions of the above Loans are given below:

A) Secured Loans:

- Term Loans from banks represents loans from Consortium of Bankers - State Bank of Hyderabad, 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 including mortgage of building constructed and charge on entire existing movable/immovable assets of the Company. The above loans are further secured by personal guarantee of Directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
- The term loans are repayable in equated periodic instalments outstanding up to 7 years (7 Years) period from the date of respective loan. These are repayable by 2023-24 (2022-23) and carry an average interest of 13.175% p.a. The aggregate amount of instalments outstanding as on March 31, 2017 is ₹12163.43 Lakhs (Rs. 6476.46 Lakhs)
- The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2017 is ₹ 286.76 lakhs (₹257.82 lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease as defined in Accounting Standard 19 on "Leases". Installment payment are apportioned between Finance charge and Principal which is disclosed under secured loans. The details are as follows:-



Particulars	Minimum Lease Payments outstanding	Future Interest on outstanding Lease payments	Present Value of Minimum Lease Payments
Within one Year	2,699,220 (6,622,840)	143,101 (480,574)	2,556,119 (6,142,266)
Later than one year and not later than 5 years	4,229,940 (1,397,700)	952,381 (100,664)	3,277,559 (1,297,036)

Figures in the brackets relate to Previous Financial Year

B) Unsecured Loans:

Terms and Conditions:

- a. Loans from Directors (Non-interest bearing): No terms specified

Note 4 DEFERRED TAX LIABILITIES (NET)

	31-Mar-17 ₹	31-Mar-16 ₹
Timing Differences resulting in		
1. Deferred Tax Liability		
On account of difference in Depreciation on Fixed Assets	1,007,174,424	852,193,344
2. Deferred Tax Assets		
Provision for Gratuity and Leave Encashment	22,370,807	12,199,572
Net timing differences at the end of the year	984,803,617	839,993,772
Provision for Deferred Tax at the beginning of the year	290,705,045	289,159,308
Deferred Tax for the year	50,115,791	1,545,737
Deferred Tax Liability / (Asset) - Total	340,820,836	290,705,045

Disclosures:

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS 22) 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:

Note 5 OTHER LONG TERM LIABILITIES

Security Deposits from customers & suppliers	275,000,000	340,000,000
Other long term liabilities	25,000,000	45,000,000
	300,000,000	385,000,000

Note 6 LONG TERM PROVISIONS

Provision for Employee Benefits (Net of Fund Assets)	19,414,230	12,199,572
	19,414,230	12,199,572

Note 7 SHORT TERM BORROWINGS

A. Secured:		
Loans repayable on demand		
From Banks :	1,191,077,365	1,209,056,000
B. Unsecured:		
From Others :		
Inter Corporate Loans	-	1,632,000
Others	48,109,048	33,098,235
	48,109,048	34,730,235
	1,239,186,413	1,243,786,235


Disclosures:
A) Secured Loans:

1. The Rate of Interest for Loans repayable on demand from Banks ranges from respective Banks Base Rate +2.50% to +4.00%

- 2 **Security:**

Working Capital Loans from Consortium Bankers consisting of State Bank of Hyderabad, State Bank of India, Union Bank of India, Indian Overseas Bank, Andhra Bank and State Bank of Mysore 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 security i.e Land, Plots, Buildings & Shares etc.

- 3 **Guarantees:**

All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:

- 1 **Inter Corporate Loans:**

These loans carry Interest rate of 15.5% and are repayable on demand

Note 8 TRADE PAYABLES

	31-Mar-17 ₹	31-Mar-16 ₹
Trade payables	1,191,251,013	1,129,451,764
	1,191,251,013	1,129,451,764

Disclosure:

The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.

Note 9 OTHER CURRENT LIABILITIES

Current maturities of long term debt (Refer Note 3)	196,700,000	166,700,000
Current maturities of finance lease obligations (Refer Note 3)	2,556,119	6,142,266
Interest accrued and due on borrowings	14,038,661	8,617,629
Term Loan Instalment due but not paid	18,750,000	18,750,000
Advance from Subsidiary against sales	65,293,133	-
Creditors for Capital Expenditure	17,984,464	29,982,066
Advance from Customers secured against Bank Guarantee	64,838,600	132,665,800
Advance from Customers	16,486,761	3,663,053
Advance from others	721,713	455,812
Unpaid dividends	578,396	3,392,390
Other payables		
a. Sales Tax Deferment	-	1,337,720
b. Statutory dues Payable	108,262,648	136,694,709
	506,210,495	508,401,445

Note 10
SHORT TERM PROVISIONS

1. Provision for Employee Benefits(Net)	2,956,577	982,127
2. Others:		
Provision for Tax (Net of TDS)	124,724,224	139,511,735
Less : MAT Credit Utilisation	-	52,270,388
Net Provision for Tax	124,724,224	87,241,346
	127,680,801	88,223,473



NOTE 11 : STATEMENT OF FIXED ASSETS & DEPRECIATION AS ON MARCH 31, 2017

SL. No.	DESCRIPTION OF THE PROPERTY	GROSS BLOCK			DEPRECIATION AND AMORTISATION EXPENSES				NET BLOCK	
		As at 01.04.2016	Additions during the Year	Capitalised during the Year	As at 31.03.2017	As at 01.04.2016	Depreciation for the Year	Deletion of assets whose useful life has expired	As at 31.03.2017	As at 31.03.2016
A	Tangible Assets									
1	Land	77,004,872	-	-	77,004,872	-	-	-	77,004,872	77,004,872
2	Buildings	668,608,347	3,975,000	180,537,990	853,121,337	187,720,465	31,653,143	-	633,747,729	480,887,881
3	Plant & Machinery	1,961,212,653	824,237,816	143,141	2,778,180,031	749,823,197	82,846,277	-	1,945,510,557	1,211,389,455
4	Lab Equipments	5,381,135	-	12,801,729	18,182,864	4,979,735	2,949,560	-	10,253,570	401,400
5	R & D Equipment	39,282,883	-	-	39,282,883	28,536,112	9,035,205	-	1,711,566	10,746,771
6	Data Process Equipment	7,382,770	567,159	-	7,949,929	6,653,898	461,955	-	834,076	728,872
7	Office Equipment	7,089,033	847,873	7,304,771	15,241,677	4,979,541	745,549	-	9,516,587	2,109,492
8	Furniture & Fixtures	11,596,480	158,280	1,299,867	13,054,627	6,877,910	980,480	-	5,196,237	4,718,569
9	Vehicles	40,826,960	6,573,074	-	47,400,034	21,225,089	4,415,515	-	25,640,604	19,601,871
	Total (A)	2,818,385,132	12,945,623	1,018,087,499	3,849,418,254	1,010,795,947	133,087,682	-	1,143,883,629	1,807,589,183
B	Intangible Assets									
10	Computer Software	1,707,439	-	-	1,707,439	1,353,072	73,283	-	1,426,355	354,367
	Total (B)	1,707,439	-	-	1,707,439	1,353,072	73,283	-	1,426,355	354,367
C	Capital Works in Progress:									
11	Civil Works Under Construction	113,725,920	82,593,413	169,017,252	27,302,081	-	-	-	27,302,081	113,725,920
12	Plant & Machinery under erection	487,405,325	678,978,279	705,879,366	460,504,238	-	-	-	460,504,238	487,405,325
13	Pre-Operative Exp., Pending Capitalisation	15,667,113	180,808,014	143,190,881	53,284,245	-	-	-	53,284,245	15,667,113
	Total (C)	616,798,357	942,379,706	1,018,087,499	541,090,565	-	-	-	541,090,565	616,798,357
	TOTAL (A+B+C)	3,436,890,928	955,325,329	2,036,174,998	4,392,216,258	1,012,149,019	133,160,965	-	3,246,906,272	2,424,741,908
	Previous Year	3,206,604,907	340,540,247	-	3,436,890,928	905,633,181	117,489,728	10,973,890	2,424,741,908	2,300,971,725

Disclosures:

During the year, the Company has capitalised interest of Rs. 99,74,612 with buildings and Rs. 4,11,51,362 with plant & machinery in accordance with the provisions of Accounting Standard 16 "Borrowing Cost".


Note 12
NON-CURRENT INVESTMENTS

	31-Mar-17 ₹	31-Mar-16 ₹
1. Trade Investments - Unquoted (At Cost)		
i Investment in Equity Instruments of Subsidiary		
a. 2,83,000 Equity Shares of HKD 1 each in Vishnu Hong Kong Limited	2,362,225	2,362,225
b. 86,394,950 Equity Shares of Rs.10/- each in Vishnu Barium Private Limited	10,000,000	10,000,000
2. Non Trade Investments - Unquoted (At Cost)		
i Investment in Equity Instruments		
a. Equity Shares in Koganti Power Limited (60,000 Nos each Rs.10/- Fully paid up)	600,000	600,000
b. Equity Shares in Sireen Drugs Private Limited (1,000 Nos each Rs.10/- Fully paid up)	10,000	10,000
ii Investment in Bonds		
a. IDBI Bonds - 6 Bonds of Rs. 5000/- each	30,000	30,000
3. Non Trade Investments - Quoted (At Cost)		
a. 39138 Units (39138) - PNB Mutual Fund	1,000,000	1,000,000
b. 39990 Units (39990) - UBI Mutual Fund	400,000	400,000
c. 12136 Units (12136) - SBI Mutual Funds	500,000	500,000
d. 26959 Units (26959) - SBI Life Wealth Builder	1,000,000	1,000,000
	15,902,225	15,902,225

Disclosures:

	31.03.2017	31.03.2016
1. Investment in Equity instruments of Subsidiary		
a. No of Equity Shares of HKD 1 each in Vishnu Hong Kong Limited	283,000	283,000
b. % of Share Holding	100%	100%
c. No of Equity Shares of Rs.10/- each in Solvay Vishnu Barium P Ltd	863,949,500	863,949,500
d. % of Share Holding	100%	100%
2. Quoted Investments:		
1. Aggregate Value	2,900,000	2,900,000
2. Market Value	4,711,736	4,027,545
3. Unquoted Investment - Aggregate Value	13,002,225	13,002,225

Note 13
LONG TERM LOANS & ADVANCES

Unsecured, Considered Good:		
1. Capital Advances	119,415,983	107,297,752
2. Deposits	52,668,810	41,229,509
3. Advances to Subsidiaries (Refer Note 35)	98,900,000	-
	270,984,792	148,527,261


Note 14
INVENTORIES

	31-Mar-17 ₹	31-Mar-16 ₹
Valued at Cost or Realisable Value, whichever is lower		
Raw Materials	551,674,713	419,905,698
Work-in-progress	283,994,722	267,061,554
Finished Goods	658,186,524	809,776,621
Stores, Spares & Packing Material	107,795,129	139,547,807
	1,601,651,088	1,636,291,680

Disclosures:

Details of Stock in transit included in the above:

a Raw Material	42,890,332	-
b Finished Goods	10,085,626	2,462,906
c Stores, Spares & Packing Material	-	190,000

Note 15
TRADE RECEIVABLES

Unsecured, Considered Good		
1. Outstanding for a Period Exceeding Six Months	196,402,429	197,361,477
2. Other Receivables	662,471,653	918,718,446
	858,874,082	1,116,079,923

Disclosures:

The above Debtors include Rs. 542,504 (Previous Year : Rs. 3,50,41,950) receivable from the Subsidiary Company.

Note 16

CASH AND BANK BALANCES		
1. Cash & Cash Equivalents:		
a. Balances with Banks	8,788,211	3,211,027
b. Cash on Hand	225,660	1,236,189
2. Other Bank Balances		
a. Margin Money Deposit in Banks against LCs & BGs	117,675,867	99,634,098
b. Unpaid Dividend Accounts	578,396	3,392,390
	127,268,134	107,473,705


Note 17
SHORT TERM LOANS AND ADVANCES

	31-Mar-17 ₹	31-Mar-16 ₹
Unsecured, Considered Good		
1. Loans and Advances to Related Parties		
a. Advances to an interested concern against services	24,829,718	29,847,844
b. Advances to Subsidiary for purchases	-	30,148,086
c. Advances to Subsidiary (Refer Note 35)	726,268	73,068
2. Others		
a. Advances to Suppliers	106,936,949	106,757,369
b. Other Advances	3,447,344	9,450,976
c. Balances with Government Authorities	235,861,483	154,573,667
d. Prepaid Expenses	4,915,972	5,085,837
e. MAT Credit Entitlement	23,167,952	2,953,500
	399,885,687	338,890,346

Note 18
OTHER CURRENT ASSETS

Interest Receivable	5,044,354	4,013,925
Power Incentives Receivable	25,905,200	26,153,078
	30,949,554	30,167,003

Note 19
REVENUE FROM OPERATIONS

PARTICULARS	2016-17 ₹	2015-16 ₹
1. Sale of Products	4,675,251,393	4,953,436,187
2. Other Operating Revenues		
a. Sale of Scrap	9,105,022	8,868,865
b. Testing Charges	6,940,413	6,539,801
c. Export Incentives	31,328,910	31,241,675
	47,374,345	46,650,341
	4,722,625,738	5,000,086,528

Note 20
OTHER INCOME

1. Interest Income Earned	10,925,738	11,662,671
2. Other Non-Operating Income		
a. Insurance Claim Received	15,463,973	8,688,702
b. Net Gain on Foreign Currency Translation and Transactions	31,189,864	-
b. Balances Written Back (Net)	6,808,701	-
	64,388,275	20,351,373


Note 21

COST OF MATERIAL CONSUMED	2016-17	2015-16
	₹	₹
Opening Stock	419,905,698	341,175,750
Add: Purchase	1,993,868,433	2,458,458,376
Total	2,413,774,131	2,799,634,127
Less: Closing Stock	508,784,381	419,905,698
	1,904,989,750	2,379,728,429

Note 22
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

1. Finished Goods		
a. Opening Stock:	807,313,715	417,598,960
b. Closing Stock:	648,100,898	807,313,715
	159,212,817	(389,714,755)
2. Work-in-progress		
a. Opening Stock:	267,061,554	241,469,608
b. Closing Stock:	283,994,722	267,061,554
	(16,933,168)	(25,591,946)
Total Decrease / (Increase)	142,279,649	(415,306,701)

Note 23

EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	171,325,004	170,762,287
Contribution to Provident and Other Funds	18,180,384	7,168,770
Staff Welfare Expenses	9,048,751	6,710,111
	198,554,139	184,641,168

Note 24
FINANCE COSTS

Interest Expense	232,961,851	251,167,809
Interest on Others	50,739,077	27,342,347
Interest on Income Tax	6,033,112	5,909,465
Other Borrowing Costs	28,039,443	43,498,897
	317,773,483	327,918,519


Note 25
CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Water Treatment Plant & Swacha Bharat	3,022,078	561,400
Plantation Expenses	179,200	187,781
Swacha Bharat Mission Programme	-	600,000
Center for Training Research & Development of Srikakulam	-	630,000
	3,201,278	1,979,181

Disclosures

a. Gross amount required to be spent by the company during the year	6,128,688	3,932,037
b. Amount spent during the year	3,201,278	1,979,181

Note 26
OTHER EXPENSES

Consumables - Furnace Oil , Diesel & Pet Coke	287,581,522	366,430,587
Consumables - Husk & Coal	92,089,913	97,211,974
Power	226,754,893	251,660,784
Rent	55,376,535	39,754,211
Equipment Hire Charges	43,283,248	35,650,833
Repairs & Maintenance - Buildings	4,956,132	3,461,717
Repairs & Maintenance - Machinery	146,154,096	110,844,269
Insurance	14,548,298	14,065,188
Rates & Taxes	28,385,326	21,987,488
Labour costs	28,181,618	36,240,350
Packing Charges	122,502,028	114,027,752
Shipping & forwarding Charges	177,251,739	200,594,372
Other Selling Cost	49,710,194	39,651,602
Bank charges	21,962,721	25,794,585
Transportation Charges	76,490,675	70,203,930
Effluent Disposal Expenses	112,975,016	72,602,251
Net Loss on Foreign Currency Transaction & Translation	-	24,804,739
Factory/Godown Maintenance	26,611,551	24,460,471
Travelling, Vehicle Maintenance & Conveyance	30,409,590	26,093,178
Professional & Consultancy Charges	16,768,497	5,739,628
Security Charges	5,657,051	5,371,502
Excise Duty Adjustment on Closing Stock	(27,386,488)	24,913,375
Miscellaneous Expenses	21,855,107	38,988,987
	1,562,119,262	1,650,553,770


27. CONTINGENT LIABILITIES AND COMMITMENTS (To the Extent Not Provided For):
(Rs. in lakhs)

SI Particulars	As on 31.03.2017	As on 31.03.2016
1. Contingent Liabilities:		
a. Claims against company not acknowledged as debt.	628.92	671.99
b. Indemnity given by company to the banks for Bank guarantees and Letters of Credit	1318.92	1126.29
2. Commitments:		
a. Dividend on 7% Cumulative Redeemable Preference Shares including Dividend Tax	3431.45	3031.26
b. Estimated amount of contracts remaining to be executed on capital account and not provided for	1229.14	793.26

28. Disclosure on Specified Bank Notes

During the year, the Company has Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification are as follows:

(Rs.in Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1.20	10.32	11.52
Add: Permitted Receipts	—	14.58	14.58
Less: Permitted payments	—	(13.79)	(13.79)
Less: Amount deposited in Banks	(1.20)	—	(1.20)
Closing cash in hand as on 30.12.2016	—	11.11	11.11

29. The Board of Directors of the Company (Transferee Company) have proposed the scheme of amalgamation with its wholly owned subsidiary Vishnu Barium Private Limited (Transferor Company) which was approved by the Board of Directors of the respective companies and in-principle approval of the Stock Exchanges was also taken during the year. Pursuant to the provisions of Section 233 of the Companies Act, 2013 and other applicable provisions, the Company, in its Extra Ordinary General Meeting held on April 07, 2017 has taken the approval of its members for the scheme of arrangement with the transferor company providing for amalgamation of the transferor company with the transferee company on a going concern basis with effect from April 01, 2016. The Company has made an application to Regional Director which is under process as on the date.


30. Segment Reporting:
Geographic Segment:

The Company has two (2) geographical segments, i.e., (1) Domestic and (2) Overseas.

a) Details of Revenue attributable to location of customers: (Rs. in Lakhs)

Geographic Location	2016-17	2015-16	2016-17 %	2015-16 %
Domestic	29651.01	31692.40	63.42	63.98
Overseas	17101.50	17841.96	36.58	36.02

b) Details of Trade Receivables based on location of customers: (Rs. in Lakhs)

Geographic Location	As on 31.03.2017	As on 31.03.2016	31.03.2017 %	31.03.2016 %
Domestic	4575.71	5446.60	53.28	48.80
Overseas	4013.03	5714.20	46.72	51.20

c) Other Disclosures: (Rs. in Lakhs)

Geographic location	Carrying amount of Segment Assets		Additions to Fixed Assets.	
	As on 31.03.2017	As on 31.03.2016	2016-17	2015-16
India	61511.19	52466.54	10310.33	869.73

There are no units / assets outside India except overseas debtors.

31. Related Party Disclosures:
a) Details of Related Parties:

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 T. Rama Krishna	Chief Financial Officer
5	Ms. Sruthi Gupta	Company Secretary
6	M/s. Vasantha Transport Corporation	Entity in which Key Management Personnel are interested
7	KMS Infrastructure Limited	Entity in which Key Management Personnel are interested
8	Vishnu Life Sciences Limited	Entity in which Key Management Personnel are interested
9	Vishnu Hongkong Limited	Wholly Owned Subsidiary
10	Vishnu Barium Private Limited	Wholly Owned Subsidiary


b) Details of Transactions:
(Rs. in Lakhs)

Nature of Transaction	Key Management Personnel		Concerns in which Key Management is interested	
	2016-17	2015-16	2016-17	2015-16
Remuneration	136.74	141.63	—	—
Rent		6.00	6.00	
Transportation Charges	—	—	1737.00	1798.41
Purchases	—	—	209.74	824.30
Sales	—	—	174.93	1026.76
Hire Charges	3.60	3.60	46.10	42.26
Contract Service	—	—	—	16.46
Advances to Interested Concerns against services	—	—	248.29	298.48
Advances to Subsidiary	—	—	996.26	0.73
Advances from Subsidiary against Sales	—	—	652.93	-
Advances to Subsidiary against Purchases	—	—	-	301.48
Trade Receivables from Subsidiary			5.43	350.42
Payables as on 31 st March 2017	—	—	38.99	36.78

32. Earnings per share		2016-17	2015-16
Profit after Tax (Rs. in lakh)		1199.84	2603.58
Less: Preference Dividend for the year and Dividend Tax thereon (Rs. in lakh)		400.18	402.07
Profit available to Equity Share holders (a) (Rs. in lakh)		799.66	2201.51
Weighted Average no of Shares for Basic & Diluted EPS (b)		11,946,020	11,946,020
Earning per Share Basic & Diluted (a)/(b) (Rs. per share)		6.69	18.43

- 33.** There is no change in Equity Share Capital during the year. The Public Shareholding as on March 31, 2017 is 25%.
- 34.** The entire Preference Share Capital is held by the Promoters of the Company. In order to keep sufficient cash flows in the Company, the preference shareholders have given their consent, to defer the payment of dividend on their Shares. However, the dividend payable on Preference Share Capital has been shown as Contingent Liability.


35. Employee Benefits:

 Defined benefit plans as per actuarial valuation as on 31st March, 2017. (Rs. in lakhs)

	Gratuity (Funded) 2016-17	Gratuity (Funded) 2015-16	Leave Encashment (Funded) 2016-17	Leave Encashment (Funded) 2015-16
1 Assumptions:				
Discount Rate	6.69%	7.46%	6.69%	7.46%
Escalation	3%	3%	3%	3%
2 Changes in present value of obligations:				
Present value of obligations at beginning of year	165.84	111.63	69.09	59.76
Interest Cost	12.26	8.48	5.14	4.58
Current Service Cost	16.52	8.99	18.61	15.78
Benefits Paid	(3.09)	(5.05)	(0.29)	(1.53)
Actuarial (gain)/ loss on obligation	42.09	41.79	5.96	(9.50)
Present Value of obligation at end of year	233.62	165.84	98.51	69.09
3 Changes in fair value of plan assets:				
Fair value of plan assets at beginning of year	40.31	36.05	62.81	58.41
Adjustment to Opening balance	(0.78)	5.98	(0.12)	0.95
Expected return on plan assets	2.98	3.30	4.82	4.89
Contributions	1.22	0.02	0.05	0.05
Benefits paid	(3.09)	(5.05)	(0.29)	(1.53)
Actuarial gain /(loss) on plan assets	0.23	0.02	0.35	0.03
Fair value of plan assets at the end of year	40.86	40.31	67.56	62.81
4 Fair value of plan assets:				
Fair value of plan assets at beginning of year	40.31	36.05	62.81	58.41
Adjustment to Opening balance	(0.78)	5.98	(0.12)	0.95
Actual return on plan assets	3.21	3.32	5.17	4.92
Contributions	1.22	0.02	-	0.05
Benefits paid	(3.09)	(5.05)	(0.29)	(1.53)
Fair value of plan assets at the end of year	40.86	40.31	67.56	62.81
Funded status	(192.76)	(125.53)	(30.95)	(6.28)
Excess of actual over estimated return on plan assets (actual rate of return = estimated rate of return as ARD falls on 31 st March)	0.23	0.02	0.35	0.03
5 Actuarial gain/(loss) for the year – Recognized:				
Actuarial gain/(loss) for the year – Obligation	(42.09)	(41.79)	(5.96)	9.50
Actuarial gain/(loss) for the year – Plan Assets	0.23	(0.02)	0.34	0.03
Total (gain)/ loss for the year	(41.86)	(41.77)	(5.61)	9.53
Actuarial (gain)/loss recognized in the year	(41.86)	(41.77)	(5.61)	9.53



6 The amounts to be recognized in the balance sheet and Statements of Profit and Loss:				
Present value of obligations as at the end of year	233.62	165.84	98.51	69.09
Fair value of plan assets as at the end of the year	40.86	40.31	67.56	62.81
Funded status	(192.76)	(125.53)	(30.95)	(6.28)
Net assets / (liabilities) recognized in balance sheet	(192.76)	(125.53)	(30.95)	(6.28)
7 Expenses recognized in statement of profit & loss:				
Current service cost	16.52	8.99	18.61	15.78
Interest Cost	12.25	8.48	5.14	4.58
Expected return on plan assets	(2.98)	(3.30)	(4.82)	(4.89)
Net actuarial (gain)/ loss recognized in the year	41.86	41.77	5.61	(9.53)
Expenses recognized in statement of Profit & loss	67.66	55.94	24.54	5.94

36. 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:

(Rs. in Lakhs)

Name of the Subsidiary Company	Amount outstanding as at		Maximum amount outstanding during the year	
	31.03.2017	31.03.2016	2016-17	2015-16
Vishnu Barium Private Limited	989.00	-	989.00	-
Vishnu Hong Kong Limited	7.26	0.73	7.26	0.73

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

37. Unhedged Foreign Currency Exposure:

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

(Rs. in Lakhs)

Particulars	31.03.2017	31.03.2016
Trade Receivables	4013.03	5714.20
Trade Payables	4813.59	4989.15
Advances given	388.40	234.35
Advances received	769.00	1332.92



38. Additional information pursuant to the provisions of Part II of the Schedule III of the Companies Act, 2013:

Particulars			2016-17 (Rs. in Lakhs)	2015-2016 (Rs. in Lakhs)
A. Percentage of Raw Material Consumed:	2016-17 %	2015-16 %		
Imported	66.11%	54.87%	12592.89	13058.17
Indigenous	33.89%	45.13%	6457.01	10739.11
Total	100.00%	100.00%	19049.90	23797.28
B. Value of Imports on CIF Basis:				
Raw Material(Including High Sea Purchases)			14216.23	12672.24
Packing Material			538.81	363.95
Consumables			633.15	950.40
Capital Goods			61.13	192.57
C. Earnings in Foreign Currency:				
Exports on FOB basis			16508.86	17078.94
D. Expenditure in Foreign Currency:				
Foreign Travel & Sales Expenses			96.96	97.11
Professional Services			57.38	42.07
Sales Commission			60.25	22.78
Exhibitions			10.20	13.00
Others			28.00	27.30
E. Auditor's Remuneration:				
Audit Fee			7.50	6.50
For Taxation Matters			4.00	3.00
For Other Services			0.72	0.55

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

Per our Report of even date

For JAMPANI & ASSOCIATES

Chartered Accountants

FRN: 016581S

Sd/-

J.Ram Sesh Choudary

M.No: 202150

Hyderabad

May 29, 2017

For and on behalf of the Board of Directors

Sd/-

Ch. Krishna Murthy

Chairman & Managing Director

DIN: 00030274

Sd/-

T. Rama Krishna

Chief Financial Officer

Sd/-

Ch. Manjula

Director

DIN: 01546339

Sd/-

Shruti Gupta

Company Secretary

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF VISHNU CHEMICALS LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **VISHNU CHEMICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "The Act") 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 irregularities; the 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

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 the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs.1,215,389 as at 31st March, 2017, and Net Loss of Rs.3,885,322 for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditor whose report has 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 the 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 the reports of the other auditor.

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 matter with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. 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 and the reports of the other auditors.
- 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company and subsidiary company incorporated in India as on 31st March, 2017 and taken on record by the Board of Directors of the Holding Company and Subsidiary Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 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, does not have any material foreseeable losses on long-term contracts including



derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and the subsidiary has no amounts which are required to be transferred to the Investor Education and Protection Fund.

For JAMPANI & ASSOCIATES
Chartered Accountants
(F.R.No. 016581S)

Sd/-
J. RAM SESH CHAUDARY
Partner
M.No. 202150

HYDERABAD
May 29, 2017



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 incorporated in India as of March 31, 2017 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 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JAMPANI & ASSOCIATES
Chartered Accountants
(F.R.No. 016581S)

Sd/-
J. RAM SESH CHoudary
Partner
M.No. 202150

HYDERABAD
May 29, 2017


CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	2016-17 ₹	2015-16 ₹
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	1	594,460,200	594,460,200
b. Reserves and Surplus	2	1,201,280,355	1,064,988,898
		1,795,740,555	1,659,449,098
2. NON-CURRENT LIABILITIES			
a. Long Term Borrowings	3	1,177,842,228	648,941,451
b. Deferred Tax Liabilities (Net)	4	340,820,836	290,705,045
c. Other Long Term Liabilities	5	329,000,000	385,231,287
d. Long Term Provisions	6	26,470,681	17,810,515
		1,874,133,745	1,342,688,297
3. CURRENT LIABILITIES			
a. Short Term Borrowings	7	1,380,715,199	1,318,780,631
b. Trade Payables	8	1,257,956,218	1,240,061,294
c. Other Current Liabilities	9	526,677,784	549,259,925
d. Short Term Provisions	10	127,961,609	93,032,470
		3,293,310,810	3,201,134,321
TOTAL		6,963,185,110	6,203,271,716
II. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets	11		
i. Tangible Assets		2,895,161,921	2,022,626,471
ii. Intangible Assets		281,084	354,367
iii. Capital Works-in-progress		623,302,856	661,197,075
		3,518,745,861	2,684,177,913
b. Non-Current Investments	12	4,040,000	3,940,000
c. Long Term Loans and Advances	13	181,829,428	162,995,615
		3,704,615,289	2,851,113,528
2. CURRENT ASSETS			
a. Inventories	14	1,703,758,200	1,729,241,582
b. Trade Receivables	15	955,975,866	1,153,700,244
c. Cash and Bank Balances	16	132,634,653	110,605,051
d. Short Term Loans and Advances	17	429,757,773	327,674,548
e. Other Current Assets	18	36,443,329	30,936,764
		3,258,569,821	3,352,158,189
TOTAL		6,963,185,110	6,203,271,716

Refer to Accompanying Notes to Financial Statements
Per our Report of even date
For and on behalf of the Board of Directors
For JAMPANI & ASSOCIATES
Chartered Accountants
FRN: 016581S
Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274
Sd/-
Cherukuri Manjula
Director
DIN: 01546339
Sd/-
J. Ram Sesh Choudary
Partner
M.No: 202150
Sd/-
T. Rama Krishna
Chief Financial Officer
Sd/-
Shruti Gupta
Company Secretary
Hyderabad
May 29, 2017


CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

	Note No.	2016-17 ₹	2015-16 ₹
1. REVENUE			
a. Revenue from Operations	19	5,455,258,598	5,190,035,456
Less: Excise Duty		386,637,444	389,023,275
Net Revenue from Operations		5,068,621,154	4,801,012,181
b. Other Income	20	72,038,299	20,232,376
Total Revenue		5,140,659,452	4,821,244,557
2. EXPENSES			
a. Cost of Materials Consumed		2,139,456,603	2,469,580,337
b. Changes in Inventories of Finished Goods & Work-in-Progress	21	168,406,907	(456,568,043)
c. Employee Benefit Expense	22	247,878,918	211,836,363
d. Finance Costs	23	346,297,544	344,249,629
e. Depreciation and Amortisation Expense	11	158,883,239	133,785,328
f. Corporate Social Responsibility Expenses	24	3,401,278	1,979,181
g. Other Expenses	25	1,869,959,926	1,758,119,994
Total Expenses		4,934,284,414	4,462,982,788
3. Profit before Prior Period Items		206,375,038	358,261,769
4. PROFIT BEFORE TAX		206,375,038	358,261,769
5. Tax Expense			
a. Current Tax		42,472,576	140,600,467
Less: MAT Credit Entitlement		23,167,952	-
Net Current Tax		19,304,625	140,600,467
b. Tax Pertaining to Earlier Years		736,748	3,609,521
c. Deferred Tax	4	50,115,791	1,545,737
		70,157,163	145,755,725
6. PROFIT FOR THE YEAR AFTER TAX		136,217,875	212,506,044
EARNINGS PER SHARE			
Par Value Per Share Rs.10/-			
Basic & Diluted		8.05	14.42

Refer to Accompanying Notes to Financial Statements
Per our Report of even date
For and on behalf of the Board of Directors
For JAMPANI & ASSOCIATES
Chartered Accountants
FRN: 016581S
Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274
Sd/-
Cherukuri Manjula
Director
DIN: 01546339
Sd/-
J. Ram Sesh Choudary
Partner
M.No: 202150
Sd/-
T. Rama Krishna
Chief Financial Officer
Sd/-
Shruti Gupta
Company Secretary
Hyderabad
May 29, 2017



Consolidated Cash flow statement for the year ended March 31, 2017

	2016-17 (Audited)	2015-16 (Audited)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax and Extraordinary items	136,217,875	212,506,044
Adjustments for :		
Depreciation	158,883,239	133,785,328
Deferred Tax	50,115,791	1,545,737
Provision for Tax (Net)	19,304,625	140,600,467
Difference in foreign exchange	73,583	(16,031)
Tax Pertaining to Earlier Years	736,748	3,609,521
Interest Paid	346,297,544	344,249,629
Interest Earned	(11,033,517)	(11,543,674)
Dividend from investments in Mutual Funds	(20,911)	-
Operating profit before working Capital changes	700,574,976	824,737,021
Adjustments for :		
(Increase)/Decrease in Trade Receivables	197,724,378	(259,841,374)
(Increase)/Decrease in Inventories	25,483,382	(573,108,328)
(Increase)/Decrease on Loans & Advances and Other current assets	(103,255,592)	(121,875,295)
Increase/(Decrease) in Trade Payables	17,894,924	652,531,406
Increase/(Decrease) in Other current liabilities and Provisions	(118,554,024)	(59,266,849)
	19,293,068	(361,560,440)
Direct Tax paid	(736,748)	(75,694,150)
Net Cash Flow from operating activities	719,131,295	387,482,430
B. CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets and Capital work in progress (Net)	(993,451,247)	(440,386,295)
Investments	(100,000)	(900,000)
Interest Received	11,033,517	11,543,674
Dividend from investments in Mutual Funds	20,911	-
Net Cash used in investing activities	(982,496,819)	(429,742,621)
C. CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from long-term borrowings	735,400,792	296,598,676
Repayment of term liabilities	(172,532,081)	(140,855,701)
Increase in Bank Borrowings Working Capital	48,555,755	259,638,809
Other Un Secured Loans	20,268,203	(9,543,263)
Interest Paid	(346,297,544)	(344,249,629)
Dividend Paid (including Dividend Distribution Tax)	-	(26,391,725)
Net Cash used in financing activities	285,395,126	35,197,168
Net increase / Decrease in cash and cash equivalents	22,029,602	(7,063,022)
Cash and cash equivalents as at the beginning of the year	110,605,051	117,668,073
Cash and Cash equivalents as at the end of the year	132,634,653	110,605,051

Refer to Accompanying Notes to Financial Statements

Per our Report of even date

For and on behalf of the Board of Directors

For JAMPANI & ASSOCIATES
Chartered Accountants
FRN: 016581S

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

Sd/-
Cherukuri Manjula
Director
DIN: 01546339

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

Sd/-
T. Rama Krishna
Chief Financial Officer

Sd/-
Shruti Gupta
Company Secretary

Hyderabad
May 29, 2017

**Significant Accounting Policies:****a) Accounting Convention and Basis:**

The financial statements are prepared under the historical cost convention as a going concern in accordance with the generally accepted accounting principles and are based on accrual concept of accounting.

b) Basis of Consolidation:

The Consolidated Financial Statements relate to Vishnu Chemicals Limited (the Holding Company) and its foreign subsidiary, Vishnu Hong Kong Limited and its Indian Subsidiary, Vishnu Barium Private Limited. ("The group").

The financial statements are prepared in accordance with Accounting Standard 21 (AS 21), Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

All intercompany transactions, balances and unrealized surplus and deficit on transactions between the companies are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances as stipulated in the provisions of AS 21.

As the Subsidiaries are Wholly Owned by Vishnu Chemicals Limited, there is no minority interest involved.

c) Use of Estimates:

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

d) Fixed Assets and Capital Work-in-Progress:

Fixed assets are stated at cost (net of Cenvat credit & Vat) less accumulated depreciation and inclusive of all costs including financial expenses incurred till the asset is available for use. Indirect & Pre-operative expenses related or attributable to the Capital works up to commencement of commercial production are added to the cost of fixed assets in the year of commencement of commercial Production.

e) Depreciation:

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 Kazipalli Unit, by considering the useful life of the assets as specified in the Schedule II of the Companies Act, 2013. Depreciation is provided on Straight Line Method for its Wholly Owned subsidiary Company, M/s. Vishnu Barium Private Limited. However, No Depreciation is provided for its Foreign Subsidiary Company, Vishnu Hong Kong Limited as it has no assets.

f) Impairment of Assets:

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with accounting standard 28 on "Impairment of Assets" issued by ICAI. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized is reversed if there has been a change in the estimate of recoverable amount.

g) Inventories:

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

**h) Sales:**

Gross Sales comprise of Sale Value net of returns, internal transfers, Sales Tax & rebates and are inclusive of excise duty and Freight.

i) Revenue recognition:

Revenue is recognized on the transfer of property of goods as per contractual terms.

j) Borrowing Costs:

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

k) Excise duty and Sales Tax:

The liability of excise duty on finished goods lying in stock at the close of the year is provided for in the accounts and included in the valuation of Inventory as per the guidance note issued by ICAI.

l) Employee Benefits:

- i) Contribution to Provident and pension Funds are funded with appropriate authorities and charged to the profit and loss account.
- ii) In case of Holding Company, liability for gratuity and leave encashment is provided on the basis of actuarial valuation based on the projected unit credit method. Actuarial gains or losses are recognized in the Statement of Profit and Loss. In case of Subsidiary Company, liability for gratuity is provided on the basis of actuarial valuation and liability for leave encashment is provided on the basis of Company's norms.

m) Investments:

Long term investments are stated at cost net of provision for diminution in value other than temporary, if any. Current investments are carried at lower of cost or fair market value.

n) Research & Development Expenditure:

Capital Expenditure incurred is disclosed separately in schedule of fixed assets and revenue expenditure incurred during the Research phase is charged to the Profit and Loss in the year of incurrence.

o) Foreign Currency Transactions:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are recognized using the exchange rate as on that date. Gains/Losses arising from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are accounted for in the Statement of Profit and Loss.

The assets and liabilities, both monetary and non-monetary, of the subsidiary company (being non-integral foreign operation) are translated at the closing rate and items of income & expense are translated at the average rate for the period and the resulting exchange differences are accumulated in the foreign currency translation reserve until the disposal of net investment as per the provisions of AS 11, issued by ICAI.

p) Taxes on Income:

Holding Company:

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to consideration of prudence, on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Foreign Subsidiary:

The foreign subsidiary recognizes the tax liability as per the tax rates and tax laws of that Country.


Note 1
SHARE CAPITAL

	31.03.2017 ₹	31.03.2016 ₹
Authorised Share Capital		
15,000,000 Equity Shares of ₹10/- par value	150,000,000	150,000,000
60,000,000 7% Redeemable Preference Shares of ₹ 10/- par value	600,000,000	600,000,000
	750,000,000	750,000,000
Issued,Subscribed and Fully Paid-up Capital		
<u>EQUITY SHARE CAPITAL</u>		
<i>At the beginning and close of the year</i>		
11,946,020 Equity Shares of ₹10/- par value	119,460,200	119,460,200
<u>PREFERENCE SHARE CAPITAL</u>		
<i>At the beginning and close of the year</i>		
47,500,000 7% Redeemable Preference Shares of ₹10/- par value	475,000,000	475,000,000
	594,460,200	594,460,200

Disclosures:

- All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.
- 7% Redeemable Preference Shares which are cumulative in nature are liable to be redeemed at par after the expiry of ten years ending with March, 2018 (₹ 4000 Lakhs) and September, 2019 (₹ 750 Lakhs)
- Dividend on Redeemable Preference Share Capital:**Dividends on the 7% Redeemable Preference Share Capital of ₹ 4750 Lakhs has not been provided for the year 2015-16. However, as the Preference Shares are cumulative in nature, the amount payable as dividend for the year of ₹ 332.50 Lakhs (₹ 332.50 Lakhs) is being shown as a Contingent liability.
- Names of shareholders holding more than 5% of the Share capital and their shareholding.

EQUITY SHARES

S.No.	Name of shareholder	31.03.2017	31.03.2016
1	Ch. Krishna Murthy - No of Shares - % held	6,219,790 52.07	6,219,790 52.07
2	Ch. Manjula - No of Shares - % held	1,614,048 13.51	1,614,048 13.51
3	Ch. Sidhartha - No of Shares - % held	1,125,668 9.42	1,125,668 9.42

PREFERENCE SHARES

S.No.	Name of shareholder	31.03.2017	31.03.2016
1	Ch. Krishna Murthy - No of Shares - % held	44,100,000 92.84	44,100,000 92.84
2	Ch. Manjula - No of Shares - % held	3,250,000 6.84	3,250,000 6.84
3	Ch. Sidhartha - No of Shares - % held	150,000 0.32	150,000 0.32


Note 2
RESERVES & SURPLUS

1. Capital Reserve		
At the beginning and close of the year	98,288,261	98,288,261
2 Foreign Currency Translation Reserve		
Balance at the beginning of the year	(16,765)	(3,153)
Addition during the year	10,060	(13,612)
Balance at the closing of the year	(6,705)	(16,765)
3 General Reserve		
Balance at the beginning of the year	65,907,106	50,907,106
Addition during the year	-	15,000,000
Balance at the closing of the year	65,907,106	65,907,106
4 Surplus		
Balance brought forward from previous year	900,810,296	739,349,376
Less: Capitalisation of interest with fixed assets during construction period adjusted	-	21,597,000
Due to Foreign Exchange fluctuation	63,523	2,419
Balance available	900,873,819	717,749,957
Add: Transfer from Statement of Profit and Loss for the year	136,217,875	212,506,044
Balance available for Appropriations	1,037,091,694	930,256,001
Appropriations:		
Transfer to General Reserve		
a Interim Dividend	-	11,946,020
b Tax on Dividend	-	2,499,685
c Transfer to General Reserve	-	15,000,000
Balance carried forward to next year	1,037,091,694	900,810,296
	1,201,280,355	1,064,988,898

Note 3
LONG TERM BORROWINGS

A. Secured:		
1. Term Loans:		
From Banks	1,080,226,787	560,195,923
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	3,277,559	1,297,036
B. Unsecured:		
1. Loans and Advances from Related Parties:		
Loans from directors	94,337,882	87,448,492
	1,177,842,228	648,941,451

Disclosures:

Terms & Conditions of the above Loans are given below:


A) Secured Loans:

1. Term Loans from banks represents loans from Consortium of Bankers - State Bank of Hyderabad, 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 including mortgage of building constructed 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 equated periodic instalments outstanding up to 7 years (7 Years) period from the date of respective loan. These are repayable by 2023-24 (2022-23) and carry an average interest of 13.175% p.a. The aggregate amount of instalments outstanding as on March 31, 2017 is Rs. 13190.10 Lakhs (Rs.7596.46 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 2017 is Rs 2,86,76,877 (Rs. 2,57,82,362). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease as defined in Accounting Standard 19 on "Leases". Installment payment are apportioned between Finance charge and Principal which is disclosed under secured loans. The details are as follows:-

Particulars	Minimum Lease Payments outstanding	Future Interest on outstanding Lease payments	Present Value of Minimum Lease Payments
Within one Year	2,699,220 (6,622,840)	143,101 (480,574)	2,556,119 (6,142,266)
Later than one year and not later than 5 years	4,229,940 (1,397,700)	952,381 (100,664)	3,277,559 (1,297,036)

Figures in the brackets relate to Previous Financial Year

B) Unsecured Loans:

Terms and Conditions:

Loans from Directors (Non-interest bearing) : No terms specified

Note 4
DEFERRED TAX LIABILITIES (NET)
Timing Differences resulting in

1. Deferred Tax Liability		
- On account of difference in Depreciation on Fixed Assets	1,007,174,424	852,193,344
2. Deferred Tax Assets		
Provision for Gratuity and Leave Encashment	22,370,807	12,199,572
Net timing differences at the end of the year	984,803,617	839,993,772
Provision for Deferred Tax at the beginning of the year	290,705,045	289,159,308
Deferred Tax for the year	50,115,791	1,545,737
Deferred Tax Liability / (Asset) - Total	340,820,836	290,705,045

Disclosures:

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS 22) 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:


Note 5
OTHER LONG TERM LIABILITIES

Security Deposits from Customers and Suppliers	304,000,000	340,231,287
Other long term liabilities	25,000,000	45,000,000
	329,000,000	385,231,287

Note 6
LONG TERM PROVISIONS

Provision for Employee Benefits (Funded)	26,470,681	17,810,515
	26,470,681	17,810,515

Note 7
SHORT TERM BORROWINGS

A. Secured:		
Loans repayable on demand		
From Banks :	1,332,606,151	1,284,050,396
B. Unsecured:		
From Others :		
Inter Corporate Loans	-	1,632,000
Others	48,109,048	33,098,235
	48,109,048	34,730,235
	1,380,715,199	1,318,780,631

Disclosures:
A) Secured Loans:

- The Rate of Interest for Loans repayable on demand from Banks ranges from respective Banks Base Rate +2.50% to +4.00%
- Security:**
Working Capital Loans from Consortium Bankers consisting of State Bank of Hyderabad, State Bank of India, Union Bank of India, Indian Overseas Bank, Andhra Bank and State Bank of Mysore 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 security i.e Land, Plots, Buildings & Shares etc.
- Guarantees:**
All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:
1 Inter Corporate Loans:

These loans carry Interest rate of 15.5% and are repayable on demand


Note 8
TRADE PAYABLES

Trade payables	1,257,956,218	1,240,061,294
	1,257,956,218	1,240,061,294

Disclosure:

The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.

Note 9
OTHER CURRENT LIABILITIES

Current maturities of long term debt (Refer Note 3)	215,366,668	180,700,000
Current maturities of finance lease obligations (Refer Note 3)	2,556,119	6,142,266
Interest accrued and due on borrowings	15,253,187	10,143,052
Term Loan Instalment due but not paid	23,416,667	18,750,000
Others - Laibilities	7,766,818	-
Creditors for Capital Expenditure	17,984,464	29,982,066
Advance from Customers secured against Bank Guarantee	64,838,600	147,301,159
Advance from Customers	62,799,373	4,804,310
Advance from others	1,151,642	455,812
Unpaid dividends	578,396	3,392,390
Other payables		
a. Sales Tax Deferment	-	1,337,720
b. Statutory dues Payable	114,965,850	146,251,150
	526,677,784	549,259,925

Note 10
SHORT TERM PROVISIONS

1. Provision for Employee Benefits(Net)	3,176,518	5,728,905
2. Others		
Provision for Tax (Net of TDS)	124,785,091	139,573,954
Less : MAT Credit Utilisation	-	52,270,388
Net Provision for Tax	124,785,091	87,303,565
	127,961,609	93,032,470



NOTE 11 : STATEMENT OF FIXED ASSETS & DEPRECIATION AS ON MARCH 31, 2017

Sl. No.	DESCRIPTION OF THE PROPERTY	GROSS BLOCK				DEPRECIATION AND AMORTISATION EXPENSES				NET BLOCK	
		As at 01.04.2016	Additions during the Year	Capitalised during the Year	Deletions/ Adjustments during the Year	As at 31.03.2017	As at 01.04.2016	Depreciation for the Year	Deletion of assets whose useful life has expired	As at 31.03.2017	As at 31.03.2016
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A	Tangible Assets										
1	Land	80,656,172	-	-	-	80,656,172	-	-	-	-	80,656,172
2	Buildings	739,812,582	3,975,000	180,537,990	-	924,325,572	224,866,693	34,022,448	-	258,891,140	514,943,888
3	Plant & Machinery	2,450,061,914	824,237	816,143,141	-	3,267,029,292	1,064,285,461	105,503,621	-	1,169,789,081	1,385,776,454
4	Lab Equipments	5,381,135	-	12,801,729	-	18,182,864	4,979,735	2,949,560	-	7,929,294	10,253,570
5	R & D Equipment	39,282,883	-	-	-	39,282,883	28,536,112	9,035,205	-	37,571,317	10,746,771
6	Data Process Equipment	9,648,579	717,758	-	-	10,366,337	8,901,465	578,324	-	9,479,789	747,114
7	Office Equipment	9,491,023	1,009,618	7,304,771	-	17,805,412	6,896,445	976,905	-	7,873,349	2,594,578
8	Furniture & Fixtures	14,763,413	158,280	1,299,867	-	16,221,560	9,824,887	1,008,680	-	10,833,567	4,938,525
9	Vehicles	43,534,928	6,573,074	-	-	50,108,002	21,713,419	4,735,215	-	26,448,633	21,821,509
	Total (A)	3,392,632,629	13,257,967	1,018,087,499	-	4,423,978,095	1,370,006,215	158,809,956	-	1,528,816,171	2,022,626,412
B	Intangible Assets										
10	Computer Software	1,707,439	-	-	-	1,707,439	1,353,072	73,283	-	1,426,355	354,367
	Total (B)	1,707,439	-	-	-	1,707,439	1,353,072	73,283	-	1,426,355	354,367
C	Capital Works in Progress:										
11	Civil Works Under Construction	113,725,920	82,593,413	169,017,252	-	27,302,081	-	-	-	-	113,725,920
12	Plant & Machinery under erection	531,804,042	716,791,853	705,879,366	-	542,716,529	-	-	-	-	531,804,041
13	Pre-Operative Exp., Pending Capitalisation	15,667,113	180,808,014	143,190,881	-	53,284,245	-	-	-	-	15,667,113
	Total (C)	661,197,074	980,193,280	1,018,087,499	-	623,302,856	-	-	-	-	661,197,074
	TOTAL (A+B+C)	4,055,537,142	993,451,247	-	-	5,048,988,389	1,371,359,287	158,883,239	-	1,530,242,526	2,684,177,853
	Previous Year	3,754,602,652	300,934,490	-	32,570,890	4,011,138,425	1,247,206,766	133,773,282	10,973,890	1,371,359,287	2,308,770,764


Note 12
NON-CURRENT INVESTMENTS

1 Non Trade Investments - Unquoted (At Cost)		
i Investment in Equity Instruments		
a Equity Shares in Koganti Power Ltd (60,000 Nos each Rs. 10/- Fully paid up)	600,000	600,000
b Equity Shares in Sireen Drugs P Ltd (1,000 Nos each Rs. 10/- Fully paid up)	10,000	10,000
ii Investment in Bonds		
a IDBI Bonds - 6 Bonds of Rs. 5000/- each	30,000	30,000
2 Non Trade Investments - Quoted (At Cost)		
a 39138 units (39138) - PNB Mutual Fund	1,000,000	1,000,000
b 79980 Units (89990) - UBI Mutual Fund	900,000	800,000
c 12136 Units (12136) - SBI Mutual Fund	500,000	500,000
d 26959 Units (26959) - SBI Life Wealth Builder fund	1,000,000	1,000,000
	4,040,000	3,940,000

Disclosures:

a Quoted Investments:		
- Aggregate Value	3,400,000	3,300,000
- Market Value	5,251,809	3,912,441
b Unquoted Investments - Aggregate Value	640,000	640,000

Note 13
LONG TERM LOANS & ADVANCES

Unsecured, Considered Good:		
1. Capital Advances	122,415,983	108,797,752
2. Deposits	59,413,445	54,197,863
	181,829,428	162,995,615

Note 14
INVENTORIES

Valued at Cost or Realisable Value, whichever is lower		
Raw Materials	565,702,776	429,679,179
Work-in-progress	300,194,082	274,438,857
Finished Goods	684,988,172	871,527,584
Stores, Spares & Packing	152,873,170	153,595,961
	1,703,758,200	1,729,241,582

Disclosures:

Details of Stock in transit included in the above:

a Raw Material	42,890,332	-
b Finished Goods	10,085,626	2,462,906
c Stores, Spares & Packing Material	-	190,000


Note 15
TRADE RECEIVABLES

<i>Unsecured, Considered Good</i>		
1. Outstanding for a Period Exceeding Six Months	196,070,621	197,361,477
2. Other Receivables	759,905,245	956,338,767
	955,975,866	1,153,700,244

Note 16
CASH AND BANK BALANCES

1. Cash & Cash Equivalents:		
1. Balances with Banks	10,151,372	6,342,374
2. Cash on Hand	239,018	1,236,189
2. Other Bank Balances		
a. Margin Money Deposit in Banks against LCs & BGs	121,665,867	99,634,098
b. Unpaid Dividend Accounts	578,396	3,392,390
	132,634,653	110,605,051

Note 17
SHORT TERM LOANS AND ADVANCES

<i>Unsecured, Considered Good</i>		
1. Loans and Advances to Related Parties		
a. Advances against Services to an interested concern	24,829,718	29,847,844
2. Others		
a. Advances to Suppliers	117,902,751	106,757,369
b. Other Advances	4,275,858	20,317,458
c. Balances with Government Authorities	253,964,459	162,712,541
d. Prepaid Expenses	5,532,491	5,085,837
e. Prepaid Taxes	84,545	-
f. MAT Credit Entitlement	23,167,952	2,953,500
	429,757,774	327,674,548

Note 18
OTHER CURRENT ASSETS

Interest Receivable	5,078,789	4,783,686
Export / Power Incentives Receivable	31,364,540	26,153,078
	36,443,329	30,936,764


Note 19
REVENUE FROM OPERATIONS

PARTICULARS	2016-17 ₹	2015-16 ₹
1. Sale of Products	5,397,969,060	5,142,197,745
2. Other Operating Revenues		
a. Sale of Scrap	11,945,222	10,056,235
b. Testing Charges	6,940,413	6,539,801
c. Export Incentives	38,403,903	31,241,675
	57,289,538	47,837,711
	5,455,258,598	5,190,035,456

Note 20
OTHER INCOME

1. Interest Income Earned	11,033,517	11,543,674
2. Other Non-Operating Income		
a. Insurance Claim Received	15,463,973	8,688,702
b. Dividend from Non Current Investments	20,911	-
c. Net Gain on Foreign Currency Translation and Transactions	35,059,112	-
d. Balances Written Back (Net)	10,460,786	-
	72,038,299	20,232,376

Note 21
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

1. Finished Goods		
a. Opening Stock:	869,064,678	445,465,884
b. Closing Stock:	674,902,546	869,064,678
	194,162,132	(423,598,794)
2. Work-in-progress		
a. Opening Stock:	274,438,857	241,469,608
b. Closing Stock:	300,194,082	274,438,857
	(25,755,225)	(32,969,249)
Total Decrease / (Increase)	168,406,907	(456,568,043)

Note 22
EMPLOYEE BENEFITS EXPENSE

Salaries & Wages	208,946,145	194,118,571
Contribution to Provident and Other Funds	21,836,394	8,743,280
Staff Welfare Expenses	17,096,379	8,974,512
	247,878,918	211,836,363


Note 23
FINANCE COSTS

Interest Expense	259,604,599	267,432,801
Interest on Others	52,037,220	27,342,347
Interest on Income Tax	6,033,112	5,909,465
Other Borrowing Costs	28,622,613	43,565,015
	346,297,544	344,249,629

Note 24
CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Purchase of Water Tanker for a Village	-	561,400
Water Treatment plant & Swacha Bharat Mission	3,022,078	
Plantation Expenses	379,200	187,781
Swacha Bharat Mission Programme	-	600,000
Center for Training Research & Devolopment of Srikakulam	-	630,000
	3,401,278	1,979,181

Note 25
OTHER EXPENSES

Consumables - Furnace Oil , Diesel & Pet Coke	287,581,522	366,430,587
Consumables - Husk & Coal	219,454,182	143,251,998
Power	292,555,935	278,196,862
Rent	55,988,669	40,259,877
Equipment Hire Charges	44,975,027	35,650,833
Repairs & Maintenance - Buildings	5,137,508	3,818,679
Repairs & Maintenance - Machinery	174,177,298	117,546,141
Insurance	16,854,731	14,800,510
Rates & Taxes	30,757,636	22,987,386
Labour costs	40,942,373	36,240,350
Packing Charges	132,433,308	117,505,294
Shipping & forwarding Charges	206,406,457	204,889,439
Other Selling Cost	57,105,498	40,813,784
Bank charges	23,054,584	27,550,931
Transportation Charges	81,212,522	70,203,930
Effluent Disposal Expenses	112,975,016	72,602,251
Net Loss on Foreign Currency Transaction & Translation	-	26,055,940
Factory/Godown Maintenance	28,068,907	26,857,602
Travelling, Vehicle Maintenance & Conveyance	32,628,027	28,726,280
Professional & Consultancy Charges	23,240,710	6,980,019
Security Charges	7,720,082	5,371,502
Excise Duty Adjustment on Closing Stock	(31,107,056)	28,678,268
Miscellaneous Expenses	27,796,991	42,701,532
	1,869,959,926	1,758,119,994


Notes to Consolidate Financial Statements:

26. Vishnu Hong Kong Limited and Vishnu Barium Private Limited are the wholly owned subsidiaries of the Company.

27. CONTINGENT LIABILITIES AND COMMITMENTS (To the Extent Not Provided For):

(Rs. in Lakhs)

	As on 31.03.2017	As on 31.03.2016
1. Contingent Liabilities:		
a. Claims against company not acknowledged as debt.	864.60	671.99
b. Indemnity given by company to the banks for Bank guarantees and Letters of Credit	1518.39	1126.28
2. Commitments:		
a. Dividend on 7% Cumulative Redeemable Preference Shares including Dividend Tax	3431.45	3031.26
b. Capital Contracts pending	1231.37	793.26

28. Segment Reporting:

Geographic Segment:

The Company has two (2) geographical segments, i.e., (1) Domestic: (2) Overseas.

Revenue attributable to location of customers is as follows:

(Rs. in Lakhs)

Geographic Location	2016-17 Revenue	2015-16 Revenue	2016-17 %	2015-16 %
Domestic	33726.46	33094.24	62.48	64.36
Overseas	20253.23	18327.74	37.52	35.64

Sundry Debtors based on geographical location:

(Rs. in lakhs)

Geographic Location	As on 31.03.2017	As on 31.03.2016	31.03.2017 %	31.03.2016 %
Domestic	5277.89	5488.45	55.21	47.57
Overseas	4281.86	6048.56	44.79	52.43

There are no units / assets outside India except overseas debtors.

(Rs. in lakhs)

Geographic location	Carrying amount of Segment Assets		Additions to Fixed Assets.	
	2016-17	2015-16	2016-17	2015-16
India	67110.65	55984.16	10313.45	888.17


29. Employee Benefits:

 Defined benefit plans as per actuarial valuation on 31st March, 2017

(Rs. in lakhs)

	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Funded)	Leave Encashment (Funded)
	2016-17	2015-16	2016-17	2015-16
1 Assumptions:				
Discount Rate	6.69%	7.46%	6.69%	7.46%
Escalation	3%	3%	3%	3%
2 Changes in present value of obligations:				
Present value of obligations at beginning of year	274.92	192.02	69.09	59.76
Interest Cost	19.49	14.66	5.14	4.58
Current Service Cost	28.16	18.65	18.61	15.78
Benefits Paid	(27.55)	(6.69)	(0.29)	(1.53)
Actuarial (gain)/ loss on obligation	1.1	56.27	5.96	(9.50)
Present Value of obligation at end of year	296.12	274.92	98.51	69.09
3 Changes in fair value of plan assets:				
Fair value of plan assets at beginning of year	74.73	70.47	62.81	58.41
Adjustment to Opening balance	(0.78)	5.98	(0.12)	0.95
Expected return on plan assets	4.82	6.31	4.82	4.89
Contributions	4.59	0	0.05	0.05
Benefits paid	(27.55)	0	(0.29)	(1.53)
Actuarial gain /(loss) on plan assets	0.01	(2.99)	0.35	0.03
Fair value of plan assets at the end of year	55.81	74.73	67.56	62.81
4 The amounts to be recognized in the balance sheet and Statements of Profit and Loss				
Present value of obligations as at the end of year	296.12	274.92	98.51	69.09
Fair value of plan assets as at the end of the year	55.81	74.73	67.56	62.81
Funded status	(240.31)	(200.19)	(30.95)	(6.28)
Net assets / (liabilities) recognized in balance sheet	(240.31)	(200.19)	(30.95)	(6.28)
5 Expenses recognized in statement of profit & loss				
Current service cost	28.16	18.65	18.61	15.78
Interest Cost	19.48	14.66	5.14	4.58
Expected return on plan assets	(4.82)	(6.31)	(4.82)	(4.89)
Net actuarial (gain)/ loss recognized in the year	1.1	59.27	5.61	(9.53)
Expenses recognized in statement of Profit & loss	43.92	86.27	24.54	5.94

30. Related Party Disclosures:
Key Management Personnel:

1. Shri. Ch. Krishna Murthy, CMD
2. Smt. Ch. Manjula, Director
3. Shri Ch. Siddartha, Jt. Managing Director
4. Shri. T. Rama Krishna, CFO
5. Ms. Shruthi Gupta, CS


Concerns in which key management personnel are proprietors/directors:

1. Vasantha Transport Corporation
2. KMS Infrastructure Limited
3. Vishnu Life Sciences Limited

Details of Transactions:
(Rs. in Lakhs)

Nature of Transaction	Key Management Personnel		Concerns in which Key Management is interested	
	2016-17	2015-16	2016-17	2015-16
Remuneration	138.90	141.63	-	-
Rent	-	-	6.00	6.00
Transportation Charges	-	-	1737.00	1798.41
Purchases	-	-	-	59.33
Hire Charges	3.60	3.60	46.10	42.26
Contract Service	-	-	-	16.46
Advances to Interested Concerns	-	-	248.29	298.48
Payables as on 31 st March	-	-	38.99	36.78

31. Earnings per share
(Rs. In lakhs)

	2016-17	2015-16
Profit after Tax	1362.18	2125.06
Less: Preference Dividend for the year and Dividend Tax thereon	400.18	402.07
Profit available to Equity Share holders (a)	962.00	1722.99
Weighted Average no of Shares Basic & Diluted (b)	11,946,020	11,946,020
Earning per Share Basic & Diluted (a)/(b)(₹)	8.05	14.42

32. Additional information pursuant to section 129 of the Companies Act, 2013 pertaining to the salient features of the financial statements of the Subsidiary:

Sl.No	Particulars	
1.	Name of the Subsidiary	Vishnu Hong Kong Limited
2.	Percentage of Shareholding	100%
3.	Reporting Currency of the Subsidiary	HKD

Summary of the Financial Information:		HKD	INR
1.	Share Capital	283,000	23,61,906
2.	Reserves & Surplus	(307,508)	(25,66,449)
3.	Total Assets	145,626	12,15,388
4.	Total Liabilities	92,634	7,73,119
5.	Total Revenue for the Year	0.00	0.00
6.	Net Profit / (Loss) for the Year	(453,203)	(38,85,322)

Note: Exchange Rate of Rs. 8.345958 per HKD as on 31.03.2017 is adopted for translation.



Sl.No	Particulars	
1.	Name of the Subsidiary	Vishnu Barium Private Limited
2.	Percentage of Shareholding	100%
3.	Reporting Currency of the Subsidiary	INR

Summary of the Financial Information:		INR
1.	Share Capital	863,949,500
2.	Reserves & Surplus	(784,984,939)
3.	Total Assets	587,372,018
4.	Total Liabilities	508,407,457
5.	Total Revenue for the Year	747,037,586
6.	Net Profit / (Loss) for the Year	20,119,113

33. Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013:

Sl	Name of the Entity	Net Assets		Share in Profit / (Loss)	
		Amount ₹ in Lakhs	As % of Consolidated Net Assets	Amount ₹ in Lakhs	As % of Consolidated Net Profit
1.	Holding Company Vishnu Chemicals Limited	17293.49	96.30	1199.84	88.08
2.	Subsidiaries: Indian Subsidiary Vishnu Barium Private Limited Foreign Subsidiary Vishnu Hong Kong Limited TOTAL	689.64 (25.73) 17957.40	3.84 (0.14) 100.00	201.19 (38.85) 1362.18	14.77 (2.85) 100.00

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

Per our Report of even date

For and on behalf of the Board of Directors

For JAMPANI & ASSOCIATES

Chartered Accountants

Firm Reg No. 016581S

Sd/-

J.RAM SESH CHOUDARY

M.No: 202150

Sd/-

CH. KRISHNA MURTHY

Chairman & Managing Director

Sd/-

CH. MANJULA

Director

Sd/-

T. RAMA KRISHNA
Chief Financial Officer

Sd/-

SHRUTI GUPTA
Company Secretary

Place: Hyderabad

Date: May 29, 2017



THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK


VISHNU CHEMICALS LIMITED

CIN: L85200TG1993PLC046359
Reg. Office: Plot No. : C-23, Road No. 8,
Film Nagar, Jubilee Hills, Hyderabad - 500033

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and administration) Rules, 2014)

Name of the members(s)			
Registered Address:			
E-mail Id:			
Folio No. / Client Id:		DP ID	

I / We, being the member(s) ofShares of Vishnu Chemicals Limited hereby appoint:

1.	Name		
	E-mail ID		
	Address	Signature	

Or failing him

2.	Name		
	E-mail ID		
	Address	Signature	

Or failing him

3.	Name		
	E-mail ID		
	Address	Signature	

Or failing him

4.	Name		
	E-mail ID		
	Address	Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 24th Annual General Meeting of the Company to be held on Wednesday, the 27th day of September, 2017 at 04.00 P.M at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Jubilee Hills, Hyderabad - 96 and at any adjournment thereof in respect of such resolutions as are indicated below:



Sl.No.	Resolutions	Optional*	
		For	Against
ORDINARY BUSINESS			
1.	Adoption of Financial Statement for the year ended 31 st March, 2017		
2.	Re-appointment of Shri. Ch. Siddartha as Director who retires by rotation.		
3.	Appointment of Statutory Auditors of the Company and to fix remuneration.		
SPECIAL BUSINESS			
4.	To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2018.		

Signed this Day of2017.

Affix Re.1
Revenue
Stamp

Signature of shareholder : _____

Signature of Proxy holder (s) : _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. * It is optional to put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Please complete all details including details of member(s) in above box before submission.



VISHNU CHEMICALS LIMITED

CIN: L85200TG1993PLC046359
Reg. Office: Plot No. : C-23, Road No. 8,
Film Nagar, Jubilee Hills, Hyderabad - 500033

ATTENDANCE SLIP

24th ANNUAL GENERAL MEETING, 27th SEPTEMBER, 2017

Regd Folio./DP Id.- Client Id.	
Name of the Shareholder in Block Letters	
No. of shares held	
Name of the Proxy (if any) in Block Letters	

I Certify that, I am a member / proxy for the member of the Company

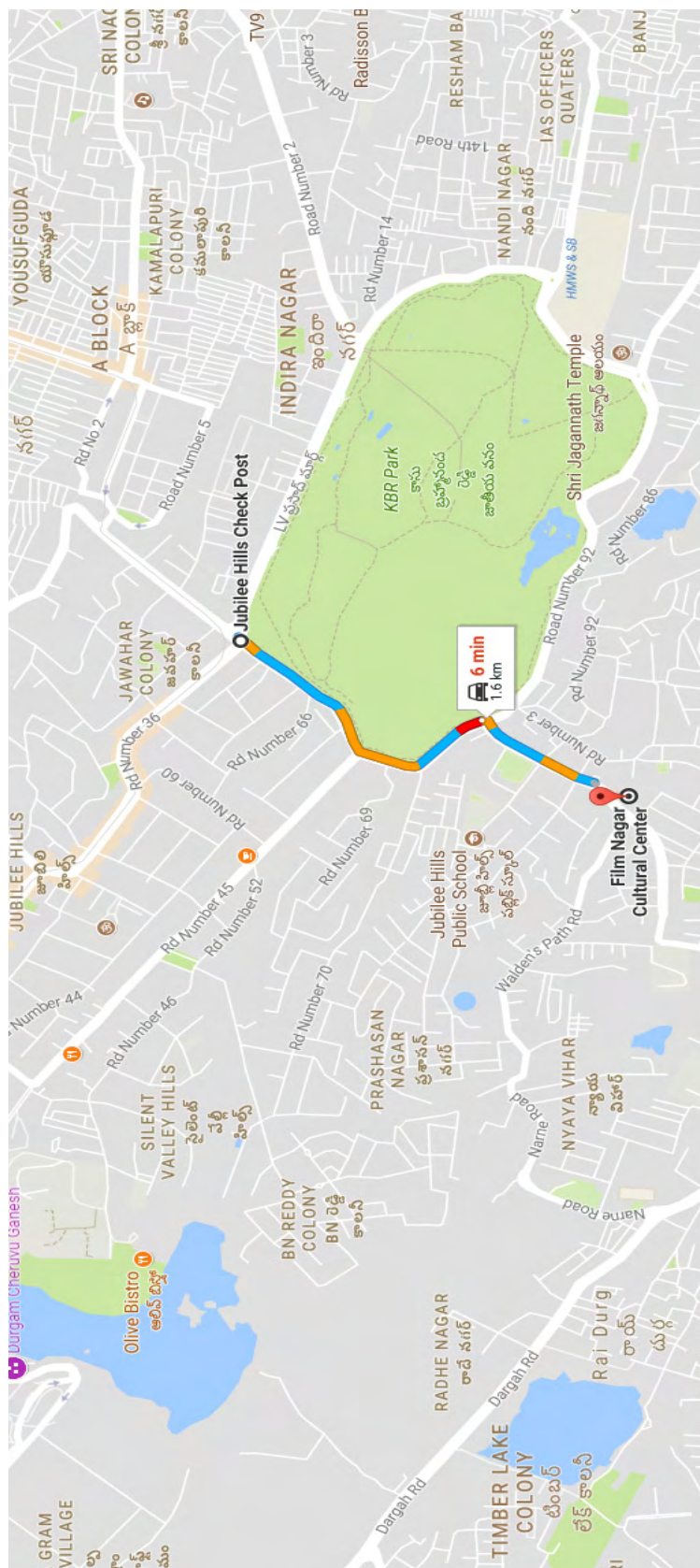
I hereby record my presence at the 24th Annual General Meeting of the company being held on Wednesday, the 27th day of September, 2017, at 04.00 P.M at Film Nagar Cultural Centre, Dr. D. Ramanaidu Building, Road No. 6, Jubilee Hills, Hyderabad - 96.

Member / Proxy's signature

Note: Please complete the form and handover at the entrance of the hall.



AGM ROUTE MAP



[illegible]

If undelivered, please return to :



VISHNU CHEMICALS LIMITED

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