



Vishnu Chemicals Limited

CIN: L85200TG1993PLC046359

Regd. & Corporate Office: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500033;

Tel: +91-40-23327723, Fax: +91-40-23314158; Website: www.vishnuchemicals.com;

Mail Id: vishnu@vishnuchemicals.com

POSTAL BALLOT AND E-VOTING NOTICE

(Notice pursuant to Section 108 and 110 of the Companies Act, 2013, read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended)

Dear Members,

Notice is hereby given that, pursuant to Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Rules"), and other applicable laws and regulations, the below resolutions are proposed to be transacted by the Members of Vishnu Chemicals Limited ("the Company") through Postal Ballot/Electronic Voting (e-Voting). The Explanatory Statement pertaining to the resolution setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form for your consideration.

The Board of Directors of the Company ("The Board") has appointed Mr. Lokesh Agarwal, Practising Company Secretary, from P.S. Rao Corporate Advisors LLP, Advisors and Corporate Consultants, Hyderabad, as the Scrutinizer ("Scrutinizer") for conducting the Postal Ballot and E-voting process in accordance with the applicable provisions of the Act and in a fair & transparent manner.

Members are requested to carefully read the instructions printed in the postal ballot form and return the same duly completed in the enclosed self-addressed Business Reply Envelop so as to reach the Company not later than 5:00 pm IST on 26th January, 2018. Postage will be borne and paid by the Company. Postal ballot Forms, if sent at the expense of the members, will also be accepted. The Postal Ballot Forms may also be deposited personally at the address given on the Business Reply Envelop. Please note that the Postal Ballot Forms received after 5:00 pm IST on 26th January, 2018 shall be deemed invalid.

The members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through electronic means'. References to the postal ballot(s) in this Postal Ballot and E-voting Notice include votes received electronically.

1. Issue of further 7% Cumulative Redeemable Preference Shares (CRPS) of face value of Rs.10/- (Rupees Ten only) each under sub-section (3) of section 55 read with section 48 of the Companies Act, 2013 and rules made thereunder:

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

"RESOLVED THAT pursuant to the provisions of Section 55(3) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications, amendments, re-enactments thereof for the time being in force, relevant rules made thereunder, the provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the Hon'ble National Company Law Tribunal, Bench at Hyderabad (hereinafter referred to as "**Tribunal**") as may be applicable, and the confirmation, permission, sanction and approval of the other statutory/regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors (hereinafter referred to as the "**Board**", which term shall be deemed to include any Committee thereof or persons nominated by the Board, exercising the powers conferred on the Board by this Resolution, for the time being) of the Company, consent of the Company be and is hereby accorded to the Board to create, offer and/or invite to subscribe, issue and allot, for other than cash at par, up to 7,66,37,500 (Seven Crore Sixty Six Lakh Thirty Seven Thousand and Five Hundred) further 7% Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten only) each aggregating Rs.76,63,75,000/- (Rupees Seventy Six Crore Sixty Three Lakh Seventy Five Thousand only) to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing unredeemed 4,75,00,000 (Four Crore and Seventy Five Lakh) 7% Cumulative Redeemable Preference Shares of face value of Rs. 10/- (Rupees Ten only) each aggregating Rs.47,50,00,000/- (Rupees Forty Seven Crore and Fifty Lakh only) and the outstanding accumulated dividend thereon amounting to Rs.29,13,75,000/- (Rupees Twenty Nine Crore Thirteen Lakh and Seventy Five Thousand only) as on 31.03.2017, on such terms and conditions as set out under this resolution and in the statement annexed to this postal ballot & e-voting notice and / or to extend the due date for redemption of existing 4,00,00,000 (Four Crore) 7% existing Cumulative Redeemable Preference Shares and 75,00,000 (Seventy Five Lakh) 7% existing Cumulative Redeemable Preference Shares from 31.03.2018 and 30.09.2019 respectively to 31.03.2028."

"RESOLVED FURTHER THAT in accordance with the provisions of Section 55 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, the particulars in respect of aforesaid issue of further 7% Cumulative Redeemable Preference Shares (hereinafter referred to as "**CRPS**") of face of Rs. 10/- (Rupees Ten only) each are, as under:

- a. CRPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend or repayment of capital;
- b. CRPS shall be non-participating in the surplus funds;
- c. CRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company;
- d. Holders of CRPS shall be paid dividend on a cumulative basis;
- e. CRPS shall not be convertible into equity shares;
- f. CRPS shall carry voting rights as per the provisions of Section 47(2) of the Act;
- g. CRPS shall be redeemable at par; and
- h. CRPS shall not be listed.

“RESOLVED FURTHER THAT pursuant to the provisions of section 55(3) of the Companies Act, 2013 read with the rules made thereunder, upon the issue of 7,66,37,500 (Seven Crore Sixty Six Lakh Thirty Seven Thousand and Five Hundred) further 7% Cumulative Redeemable Preference Shares of face value of Rs. 10/- (Rupees Ten only) each by the Company to the existing Preference Shareholders, the unredeemed 4,75,00,000 (Four Core and Seventy Five Lakh) 7% Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each, shall be deemed to have been redeemed”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the aforesaid resolutions and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal, Bench at Hyderabad, while sanctioning the Petition under section 55(3) of the Companies Act, 2013, or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the aforesaid resolution”.

2. Increase in Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association of the Company:

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

“RESOLVED THAT in accordance with the provisions of Sections 13, 61 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board to increase the authorised share capital of the Company from Rs. 75,00,00,000/- (Rupees Seventy Five Crore only) divided into 1,50,00,000 (One Crore and Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each and 6,00,00,000 (Six Crore) 7% Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs. 95,00,00,000/- (Rupees Ninety Five Crore only) divided into 1,50,00,000 (One Crore and Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each and 8,00,00,000 (Eight Crore) Preference Shares of Rs. 10/- (Rupees Ten only) each by creation of additional 2,00,00,000 (Two Crore) Preference shares of Rs. 10/- (Rupees Ten only) each and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following as new Clause V:

V. The Authorised Share Capital of the Company is Rs.95,00,00,000/- (Rupees Ninety Five Crore only) divided into 1,50,00,000 (One Crore and Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each and 8,00,00,000 (Eight Crore) Preference Shares of Rs. 10/- (Rupees Ten only) each, with a power of company to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf.”

“RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary or any other officer of the Company.”

3. Appointment of Mr. Pradip Saha (DIN: 07677683) as an Independent Director of the Company :

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

“RESOLVED THAT Mr. Pradip Saha (DIN: 07677683) who was appointed as an Additional Director, pursuant to provisions of section 161 of the Companies Act, 2013 with effect from 10th November, 2017, be and is hereby appointed as an Independent Director of the Company in terms of Sections 149, 152 and other applicable provisions of the Companies Act,

2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013, to hold office upto 9th November, 2019 and that his office shall not be subject to retirement by rotation.”

**By Order of the Board of Directors
For Vishnu Chemicals Limited**

Date: 14th December, 2017
Place: Hyderabad

**Sd/-
Kishore Kathri
Company Secretary**

Notes:

1. The statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts and reasons for the proposed special business is annexed hereto.
2. In terms of Section 108 and 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, as amended, the items of business set out in the Notice above is sought to be passed through Postal Ballot and E-voting.
3. The Board of Directors has appointed Mr. Lokesh Agarwal, Practising Company Secretary, from P.S. Rao Corporate Advisors LLP, Advisors and Corporate Consultants, having place of office situated at Flat No. 106, Nirmal Towers 200, Near Sai Baba Temple, Dwarkapuri Colony, Punjagutta, Hyderabad – 500 082, as Scrutinizer for conducting postal ballot voting / e-voting process in a fair and transparent manner.
4. Voting period for Postal Ballot shall commence from 28th December, 2017 and shall end on 26th January, 2018.
5. The Postal Ballot and E-voting Notice is being sent through e-mail to the Members whose e-mail addresses are registered / available with the Company / Bigshare Services Private Limited, the Registrar and Transfer Agent (RTA) of the Company.
6. The Notice is being also sent to all the Members, whose names appear in the Register of Members / list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) as on Friday, the 15th day of December, 2017. The Postal Ballot and E-voting Notice is also placed on the Company’s website: www.vishnuchemicals.com and on the CDSL’s website www.evotingindia.com.
7. Notice of Postal Ballot along with Postal Ballot Form is being sent by Registered post and courier to those shareholders who have not registered their email-id with the Company / Depositories/ RTA.
8. In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically as an alternate of dispatching the physical Postal Ballot Form by post/courier. The Company has engaged the services of Central Depository Services (India) Limited for the purpose of providing e-voting facility to all its Members. Please note that e-voting is an alternate mode to cast votes and is optional.
9. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the cut-off date, i.e. Friday, the 15th day of December, 2017 as per the Register of Members / Beneficiary position maintained by the depository. A person who is not a member as on the cut-off date should treat this notice as for information purpose only.
10. The e-voting facility may be available during the following period:
 - a. Commencement of e-voting: From 10.00 a.m. (IST) on Thursday, the 28th day of December, 2017.
 - b. End of e-voting: Up to 5.00 p.m. (IST) on Friday, the 26th day of January, 2018.During this period, members of the Company, holding shares either in physical form or in dematerialized form as on 15th December, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.
11. A member having any grievance pertaining to Postal Ballot process can contact Mr. Kishore Kathri, Company Secretary, Ph: +91-40-23327723, email ID: cs@vishnuchemicals.net and in case of e-voting process call to the CDSL toll-free number 1800225533 (Monday to Friday: from 10:00 am to 6.15 pm and Saturday: from 10:00 am to 2:00 pm) or send an e-mail at mail id helpdesk.evoting@cdslindia.com.
12. Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e voting shall prevail and votes cast through physical postal ballot forms will be treated as invalid. A Member cannot exercise his vote by proxy on postal ballot.
13. Members desiring to exercise vote by physical ballot are requested to carefully read the instructions given in the enclosed Postal Ballot Form. Postal Ballot Form duly completed with the assent (for) or dissent (against) and signed; The same should be reached to the Scrutinizer not later than close of working hours i.e. 5.00 pm IST on Friday, 26th January, 2018 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.

14. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer along with the Postal Ballot Form.
15. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post/courier to declare the final result for each of the resolutions forming part of the notice of Postal Ballot. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
16. After completion of the scrutiny of the Postal Ballot Forms and collation of the votes downloaded from the e-voting system, the Scrutinizer will submit his report to the Chairman of the Company. The result of Postal Ballot would be announced by the Chairman or in his absence by any other Director / Company Secretary of the Company on or before 3rd February, 2018 at the Registered & Corporate Office of the Company. The result of the Postal Ballot along with the Scrutinizer's Report will be displayed on the website of the Company at www.vishnuchemicals.com and subsequently the same shall be informed to the Stock Exchanges, where the shares of the Company are listed. The resolutions shall be taken as passed effectively on the date of declaration of the result, subject to receipt of the requisite number of votes in favour of the resolutions.
17. All the documents referred to in the accompanying notice and explanatory statement shall be open for inspection at the Corporate Office of the Company without any fee on all working days of the Company between 10.00 a.m. and 1.00 p.m. from date of dispatch of notice upto the date of declaration of results of Postal Ballot.

18. The instructions for shareholders voting electronically are as under:

- i. The voting period begins on 28th December, 2017 at 10.00 am IST and ends on 26th January, 2018 at 5.00 pm IST. During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 15th December, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Company Name: Vishnu Chemicals Limited

EVSN: 171220011

- 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
 - c. 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>-Members who have not updated their PAN with the Company/Depository Participant/RTA 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.</p> <p>-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.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company's records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p>
	<p>-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.</p>

- 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 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

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, to the accompanying Postal Ballot and E-voting Notice dated 14th December, 2017

As per the requirements of Section 102(1) read with Section 110 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information to enable the shareholders to consider and approve the Special Resolution / Ordinary Resolutions set out at item nos. 1, 2, and 3 of the annexed Notice.

Item No. 1 and 2:

As you are aware that the Company had issued and allotted 4,75,00,000 (Four Crore and Seventy Five Lakh) 7% Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each (RPS) aggregating Rs.47,50,00,000/- (Rupees Forty Seven Crore and Fifty Lakh only) in two tranches i.e. 4,00,00,000 (Four Crore) 7% RPS vide shareholder's and Board's resolution dated 31.03.2008 and 75,00,000 (Seventy Five Lakh) 7% RPS vide shareholder's and Board's resolution dated 30.09.2009, to the following preference shareholders:

Sl. No.	Name of the Preference Shareholder	Allotment on 31.03.2008	Allotment on 30.09.2009	Total	% of Holding
1.	Mr. Ch Krishna Murthy	36850000	7250000	44100000	92.84
2.	Mrs. Ch. Manjula	3000000	250000	3250000	6.84
3.	Mr. Ch Siddartha	150000	-	150000	0.32
	Total	40000000	7500000	47500000	100.00

As per the terms of the issue, the said RPS would be redeemed on completion of ten years i.e. on 31.03.2018 and on 30.09.2019, respectively and the dividend on the said shares would be cumulative in nature.

However, due to the Company's expansion plans, the Company was unable to pay dividend every year. The Preference shareholders, being the promoters of the Company committed for expansion of operations of the Company, had given their consent for payment of accumulated dividend on the date of redemption. The Company is liable to pay the following amounts to the Preference Shareholders including the amount of dividend as on 31.03.2017 :

Sl. No.	Name of the Preference Shareholder	Amount of redemption (Allotment dated 31.03.2008)	Total accumulated dividend @ 7% as on 31.03.2017	Amount of redemption (Allotment dated 30.09.2009)	Total accumulated dividend as on 31.03.2017	Grand total of the Amount Due
1.	Mr. Ch. Krishna Murthy	36,85,00,000	23,21,55,000	7,25,00,000	3,80,62,500	71,12,17,500
2.	Mrs. Ch. Manjula	3,00,00,000	1,89,00,000	25,00,000	13,12,500	5,27,12,500
3.	Mr. Ch. Siddartha	15,00,000	9,45,000	-	-	24,45,000
	Total	40,00,00,000	25,20,00,000	7,50,00,000	3,93,75,000	76,63,75,000

Therefore, the total amount that is due by the Company to the Preference Shareholders including the amount of redemption of 7% Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten only) each and the dividend thereon as on 31.03.2017 is Rs.76,63,75,000/- (Rupees Seventy Six Crore Sixty Three Lakh and Seventy Five Thousand only).

It is to further inform that the Company has evaluated the possible cash flows into the Company in near future and has ascertained that the redemption of the said RPS (including payment of accumulated dividend) may not be viable considering the current cash flows of the Company. Hence, the Board, upon receipt of written consents from the 100% Preference Shareholders, approved at the meeting held on 14th December, 2017, to issue and allot 7,66,37,500 (Seven Crore Sixty Six Lakh Thirty Seven Thousand and Five Hundred) further 7% Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten only) each aggregating Rs.76,63,75,000/- (Rupees Seventy Six Crore Sixty Three Lakh Seventy Five Thousand only) to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing unredeemed 4,75,00,000 (Four Crore and Seventy Five Lakh) 7% Cumulative Redeemable Preference Shares (CRPS) of face value of Rs.10/- (Rupees Ten only) each aggregating Rs.47,50,00,000/- (Rupees Forty Seven Crore and Fifty Lakh only) and the outstanding accumulated dividend thereon amounting to Rs.29,13,75,000/- (Rupees Twenty Nine Crore Thirteen Lakh and Seventy Five Thousand only) as on 31.03.2017, subject to requisite approvals and confirmations being obtained.

Now, the approval of the Members is accordingly being sought by means of a Special Resolution under Section 55 read with section 48 of the Companies Act, 2013 read with the Rules framed thereunder, for issue and allotment of 7,66,37,500 (Seven Crore Sixty Six Lakh Thirty Seven Thousand and Five Hundred) further 7% Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten only) each aggregating Rs.76,63,75,000/- (Rupees Seventy Six Crore Sixty Three Lakh Seventy Five Thousand only) to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing unredeemed 4,75,00,000 (Four Crore Seventy Five Lakh) 7% Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten only) each aggregating Rs.47,50,00,000/- (Rupees Forty Seven Crore and Fifty Lakh only) and the outstanding accumulated dividend thereon amounting to Rs.29,13,75,000/- (Rupees Twenty Nine Crore Thirteen Lakh and Seventy Five Thousand only) as on 31.03.2017 and / or for extending the due date for redemption of the existing 4,00,00,000 (Four Crore) 7% existing Cumulative Redeemable Preference Shares and 75,00,000 (Seventy Five Lakh) 7% existing Cumulative Redeemable Preference Shares from 31.03.2018 and 30.09.2019 respectively to 31.03.2028.

Given below are the terms of issue of the CRPS and a Statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014:

Issue size	7,66,37,500 (Seven Crore Sixty Six Lakh Thirty Seven Thousand and Five Hundred) further 7% Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten only) each aggregating Rs.76,63,75,000/- (Rupees Seventy Six Crore Sixty Three Lakh Seventy Five Thousand only) to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing unredeemed 4,75,00,000 (Four Crore Seventy Five Lakh) 7% Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten only) each aggregating Rs.47,50,00,000/- (Rupees Forty Seven Crore and Fifty Lakh only) and the outstanding accumulated dividend thereon amounting to Rs.29,13,75,000/- (Rupees Twenty Nine Crore Thirteen Lakh and Seventy Five Thousand only) as on 31.03.2017
Nature of shares	Cumulative Redeemable Preference Shares
The objective of each of the issue	Issue further shares to the extent of the redemption amount on existing 4,75,00,000 (Four Crore and Seventy Five Lakh) unredeemed 7% Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten only) each including the outstanding accumulated dividend thereon amounting to Rs.29,13,75,000/- (Rupees Twenty Nine Crore Thirteen Lakh and Seventy Five Thousand only) as on 31.03.2017, so that the existing 4,75,00,000 (Four Crore and Seventy Five Lakh) unredeemed 7% Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten only) each will be deemed to be redeemed in terms of section 55 (3) of the Companies Act, 2013.
Manner of issue of shares	The CRPS will be issued and offered to the existing preference shareholders in accordance with the provisions of Section 55(3) of the Act.
Issue Price	The CRPS will be issued at par i.e. Rs.10/- (Rupees Ten only) per share.
Basis on which price has been arrived	Not Applicable since the issue is at par.

Rate of Dividend	7% per annum
Listing	The CRPS will not be listed.
Terms of Redemption	Not exceeding 10 years. Other terms may be as determined by the Board subject to provisions of Act.
Manner and mode of Redemption	As may be determined by the Board subject to provisions of the Companies Act, 2013 and rules made thereunder.
Expected dilution in Equity Capital upon conversion of Preference Shares.	Not applicable.

The shareholding pattern of the Company as on December 15, 2017 is, as under:

Sr. No.	Particulars	No. of Shares	Amount (Rs.)	Percentage (%)
A.	Equity Share Capital (Face value of Rs. 10/- each):			
1	Promoter & Promoter Group:			
	a. Mr. Ch. Krishna Murthy	6219790	62197900	52.07
	b. Mrs. Ch. Manjula	1614048	16140480	13.51
	c. Mr. Ch. Siddartha	1125668	11256680	9.42
	Sub-Total	8959506	89595060	75.00
2	Public:	2986514	29865140	25.00
3	Non Promoter-Non Public:	0	0	0
	Total	11946020	119460200	100.00
B.	Preference Share Capital (Face value of Rs. 10/- each):			
1	Promoter & Promoter Group:			
	a. Mr. Ch. Krishna Murthy	44100000	441000000	92.84
	b. Mrs. Ch. Manjula	3250000	32500000	6.84
	c. Mr. Ch. Siddartha	150000	1500000	0.32
	Sub-Total	47500000	475000000	100.00
2	Public:	0	0	0
3	Non Promoter-Non Public:	0	0	0
	Total	47500000	475000000	100.00

Presently, the authorised share capital of the Company is Rs.75,00,00,000 (Rupees Seventy Five Crore only) divided into 1,50,00,000 (One Crore and Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each and 6,00,00,000 (Six Crore) 7% Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each. In order to facilitate issue of further CRPS, as detailed above, and for further requirements, if any, it is proposed to increase the authorised share capital to Rs.95,00,00,000/- (Rupees Ninety Five Crore only) divided into 1,50,00,000 (One Crore and Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each and 8,00,00,000 (Eight Crore) 7% Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each by creation of additional 2,00,00,000 (Two Crore) 7% Cumulative Redeemable Preference shares of Rs.10/- (Rupees Ten only) each.

The aforesaid increase in the authorised share capital would require consequential alteration to the existing Clause V of the Memorandum of Association of the Company. The increase in the authorised share capital and consequential alteration to Clause V of the Memorandum of Association of the Company requires members' approval in terms of Sections 13 and 61 of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 1 and 2 of this Postal Ballot and E-voting Notice except to the extent of their shareholding in the Company.

The Board commends the Resolution at Item Nos. 1 and 2 of the accompanying Postal Ballot and E-voting Notice, for the approval of the Members of the Company by means of Special Resolution and Ordinary Resolution, respectively.

Item No. 3:

Pursuant to provisions of section 161 of the Companies Act, 2013, Mr. Pradip Saha (DIN: 07677683) has been appointed as an Additional Director of the Company by the Board of Directors of the Company vide resolution dated 10th November, 2017. In accordance with the provisions of Section 149 and 152 read with Schedule IV to the Act, appointment of Mr. Pradip Saha as an

Independent Director requires approval of members of the Company. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Pradip Saha (DIN: 07677683), be appointed as an Independent Director on the Board of the Company for a period of 2 years w.e.f 10th November, 2017. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Pradip Saha for the office of Director of the Company. Mr. Pradip Saha is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received a declaration from Mr. Pradip Saha that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Pradip Saha fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Pradip Saha is independent of the management and possesses appropriate skills, experience and knowledge. Brief Profile of Mr. Pradip Saha is provided below in terms the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India. Copy of draft letter of appointment of Mr. Pradip Saha setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

S.No.	Particulars	Mr. Pradip Saha
1	Age	61 years
2	Qualifications	Fellow Member of the Institute of Chartered Accountants of India and The Institute of Company Secretaries of India and have done Executive Finance Management Course from Singapore University.
3	Experience (including expertise in specific functional area)/ Brief Resume	He has more than 40 years of perceptible experience, in the field of accounts & finance, in various reputed FMCG organizations including Colgate Palmolive India Ltd; Hindustan Unilever; Union Carbide India Ltd; and worked at Shaw Wallace & Co Ltd. He was also held the position of Director at Genelec Ltd, Henkel India Ltd and Calcutta Chemicals Co. Ltd, Detergents India Ltd, Camelot Investment Company Ltd. Previously he held the position of Director (Commercial) at Colgate Palmolive India Ltd.

The terms and conditions of his appointment are mentioned in the resolution of Item no.3 of the Postal Ballot Notice and he has not drawn any remuneration/ sitting fee from the Company before his appointment is made. His shareholding in the Company is Nil and currently, he is not holding any Directorships/ Memberships/ Chairmanships of the other Boards. He is not a relative of any the Directors/ Key Managerial Personnels of the Company.

Save and except Mr. Pradip Saha and their relative, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

**By Order of the Board of Directors
For Vishnu Chemicals Limited**

**Sd/-
Kishore Kathri
Company Secretary**

Date: 14th December, 2017
Place: Hyderabad