The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

Preliminary Placement Document
Subject to Completion
Not for circulation
Private and confidential
Serial No.____

VISHNU CHEMICALS LIMITED

Vishnu Chemicals Limited ("**Issuer**" or our "**Company**") was originally incorporated as "*Keystone Industries Limited*" in Mumbai, Maharashtra on January 15, 1993 as a public limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Maharashtra. We received our certificate of commencement of business on February 11, 1993. The registered office of our Company was changed from State of Maharashtra to State of Andhra Pradesh, pursuant to certificate of registration of regional director order dated January 19, 2005, for change of state issued by the Registrar of Companies, Hyderabad ("**RoC**") with effect from January 19, 2005. Subsequently, pursuant to the scheme of amalgamation approved vide order of the High Court of Judicature, Andhra Pradesh, Hyderabad dated December 15, 2005, Vishnu Chemicals Private Limited was amalgamated with our Company, with the appointed date being April 1, 2004 and the name of our Company was changed to "*Vishnu Chemicals Limited*" pursuant a fresh certificate of incorporation dated January 2, 2006, consequent upon change of name was issued by the RoC. For further details, please see the section entitled "*General Information*" on page 194.

Registered and Corporate Office: H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad – 500 096, Telangana, **Telephone No:** +91 40 – 2339 6817

Corporate Identity Number: L85200TG1993PLC046359

Contact Person: Vibha Shinde, Company Secretary and Compliance Officer; **Email**: cs@vishnuchemicals.com; **Website:** www.vishnuchemicals.com

Issue of up to [●] equity shares of face value ₹2 each (the "**Equity Shares**") at a price of ₹[●] per Equity Share (the "**Issue Price**"), including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] million (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 29.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER.

Our Company's Equity Shares are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", together with NSE, the "**Stock Exchanges**"). The closing prices of the outstanding Equity Shares on BSE and NSE as on July 25, 2023 was ₹367.70 and ₹367.45 per Equity Share, respectively. Our Company has received in- principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE each on July 26, 2023. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS ("QIBs"). YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" BEGINNING ON PAGE 38 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT OWN ADVISORS.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" beginning on page 151. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

Except for this Preliminary Placement Document, the information on the websites of our Company, Subsidiaries, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, or the website of the Book Running Lead Manager (as defined hereinafter) or its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "*Selling Restrictions*" on page 169. Also see, "*Transfer Restrictions*" on page 173 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated July 26, 2023.

BOOK RUNNING LEAD MANAGER

Your success is our success

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

CONTENTS

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, its Subsidiaries and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company and its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, its Subsidiaries and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

The Book Running Lead Manager has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, its Subsidiaries and the Issue of the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares. Prospective investors should not construe the contents of this Preliminary Placement Document legal, tax, accounting or investment advice.

No person is authorized to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or on behalf of the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The distribution of this Preliminary Placement Document and the issue of Equity Shares and the offering of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the

Equity Shares in the Issue in certain jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on page 169 and 173, respectively.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "***Selling Restrictions***" on page 169. Also see, "***Transfer Restrictions***" on page 173 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiaries and the Equity Shares and the terms of the Issue, including merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, our Company and the Book Running Lead Manager is not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, subscriber, offeree or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and rules made thereunder, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website, viz, www.vishnuchemicals.com or any website directly or indirectly linked to our Company or on the website of the Book Running Lead Manager or any of its respective affiliates, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of the Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" on page 169 and 173, respectively.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" in this section are to the prospective investors in the Issue. By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 169 and 173, respectively, and to have represented, warranted, acknowledged to and agreed with our Company and the BRLM, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiary which is not set forth in this Preliminary Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Further, the aggregate limit of all FPIs investments, is up to 100%, being the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You will provide the information as required under the provisions of the Companies Act the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges. For more information, see *"**Selling Restrictions**"* and *"**Transfer Restrictions**"* on pages 169 and 173, respectively;

- You are eligible to invest in and hold the Equity Shares of the Company in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign investments can only be made through the Government approval route, as prescribed in the FEMA Regulations;

- You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be registered as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document has been filed (and the Placement Document shall be filed) with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLM. The BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in a fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our Company, or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company or Subsidiary's present and future business strategies and environment in which our Company or Subsidiary will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that in terms of the requirements of the Companies Act upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety; including, in particular, "***Risk Factors***" on page 38;

- In making your investment decision, you have (i) relied on your own examination of the Company, its Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company and its Subsidiaries, the Equity Shares and the terms of the Issue based on information as is publicly available, and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company nor the BRLM nor any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLM or its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the BRLM or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a "promoter" (as defined under the Companies Act and the SEBI ICDR Regulations) of our Company and are not a person related to any of our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any of our 'Promoters', or members of our 'Promoter Group' (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares;

- You agree that in terms of Section 42(7) of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible, as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance, if any with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation;

  (i) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

  (ii) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Company nor the BRLM nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLM has entered into a Placement Agreement with our Company whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- You understand the contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the BRLM nor any person acting on its behalf or any of the counsel or advisors to the Issue has, or shall have, any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person, and neither the BRLM nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLM and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "***Selling Restrictions***" on page 169 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "***Selling Restrictions***" on page 169;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Transfer Restrictions***" on page 173 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "***Transfer Restrictions***" on page 173;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- You are outside the United States, and you are subscribing for the Equity Shares in an "offshore transaction" as defined in and in compliance with Regulation S, and are not our Company's or the BRLMs' affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Hyderabad, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLM and its respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLM;

- You represent that you are not an affiliate of our Company or the BRLM or a person acting on behalf of such affiliate;

- Our Company, the BRLM, its respective affiliates, directors, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLM; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the BRLM, which is registered as a category I FPIs may issue, subscribe to or otherwise deal in offshore derivate instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified from the SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis **("Investment Restrictions")**. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these Investment Restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own

financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of this Preliminary Placement Document;

(2) warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to ‘you’, ‘your’, ‘bidder(s)’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investor(s)’, ‘prospective investor(s)’ and ‘potential investor(s)’ are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, and references to ‘our Company’, ‘Company’, ‘the Company’ and the ‘Issuer’, are to Vishnu Chemicals Limited on a standalone basis and references to ‘we’, ‘us’ or ‘the Group’ are to Vishnu Chemicals Limited together with its Subsidiaries on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, all references to ‘₹’, ‘INR’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of Republic of India and ‘$’, ‘USD’and ‘Dollar’ are legal currency of United States of America and “Euro” or “€” are to the Euro, the official currency of the European Union. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to “India” are to the Republic of India and its territories and possessions and all references herein to the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

All the numbers in this Preliminary Placement Document have been presented in ₹ million, unless stated otherwise. Financial statements in our Audited Financial Statements and Consolidated Unaudited Financial Results, are presented in ₹Lakhs. In this Preliminary Placement Document, references to “Lakhs” or “Lacs” represents “100,000”, “million” represents “10 lakh” or “1,000,000”, “Crore” represents “10,000,000” or “10 million” or “100 lakhs”, and “billion” represents “1,000,000,000” or “1,000 million” or “100 Crore”.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company reports its financial statements in Indian Rupees.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

Financial Data and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular ‘financial year’, ‘Fiscal Year’, ‘fiscal’ or ‘FY’ are to the twelve-month period ended on March 31 of that year and references to a particular ‘year’ are to the calendar year ending on December 31 of that year.

In this Preliminary Placement Document, we have included the following financial statements of our Company prepared in accordance with Indian Accounting Standard notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended read with Section 133 of the Companies Act (“**Ind AS**”): (i) the audited consolidated financial statements as of and for the Fiscal ended March 31, 2021 read along with the notes thereto (the “**Fiscal 2021 Audited Consolidated Financial Statements**”); (ii) the audited consolidated financial statements for as of and for the Fiscal ended March 31, 2022 read along with the notes thereto (the “**Fiscal 2022 Audited Consolidated Financial Statements**”); and (iii) the audited consolidated financial statements as of and for the Fiscal ended March 31, 2023 read along with the notes thereto (the "**Fiscal 2023 Audited Consolidated Financial Statements**", and collectively with Fiscal 2021 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**").

The Audited Consolidated Financial Statements should be read along with the respective audit reports should be read along with the respective review report. Our Audited Consolidated Financial Statements were audited by M/s. Jampani & Associates, Chartered Accountants, our Statutory Auditors.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**") and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, "*Risk Factors –Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.*" on page 38.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 81. All numerical and financial information as set out and presented in this Preliminary Placement Document, except for the information in the section "Industry Overview", for the sake of consistency and convenience have been rounded off or expressed in two decimal places in ₹ million. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given. The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year' or 'Fiscal' or 'FY' are to the twelve-months period ended on March 31 of that year.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margins, ROE, Debt/Equity, Interest Coverage Ratio, ROCE, RONW, ROE, PAT Margins, etc. (together referred as "Non-GAAP Measures") presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardized term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Statements*" starting on page 197.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in "*Industry Overview*" on page 105.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Global Chromium and Barium Chemicals Market: Industry Trends, Share, Growth, Opportunity and Forecast 2023- 2028*", dated May 16, 2023 (the "**IMARC Report**"), which is a report commissioned and paid for by our Company and prepared by IMARC Services Private Limited pursuant to an engagement letter dated February 20, 2023, in connection with the Issue.

The IMARC Report contains the following disclaimer:

"All contents and data of this publication, including forecasts, data analysis and opinion have been based on information and sources believed to be accurate and reliable at the time of publishing. IMARC makes no representation of warranty of any kind as to the accuracy or completeness of any Information provided. IMARC accepts no liability whatsoever for any loss or damage resulting from opinion, errors or inaccuracies if any found in this publication."

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – We have referred to the data derived from the industry report commissioned from IMARC Services Private Limited*" on page 38.

Further, the calculation of certain statistical and/or financial information / ratios specified in the sections titled "***Business***", "***Risk Factors***", "***Management's Discussions and Analysis of Results of Operations and Financial Condition***" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the IMARC Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could' 'estimate', 'expect', 'goal', 'intend', 'may', 'will', 'plan', 'objective', 'potential', 'project', 'pursue', 'seek to', 'shall', 'should', 'will', 'would', 'will likely result', 'will continue', 'will pursue', 'will achieve', 'is likely' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document regarding matters that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Dependence on the success of our relationships with our customers, many of whom are multinational corporations and any adverse developments or inability to enter into or maintain such relationships;
- Dependence on our manufacturing facilities and any unscheduled, unplanned or prolonged disruption of our manufacturing operations;
- Loss of one or more of our customers, which contribute a significant portion towards our revenue, the deterioration of their financial condition or prospects, or a reduction in their demand for our products;
- Significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements;
- Business and operational risks consequent to our operations, such as, the manufacture, usage and storage of various hazardous substances;
- Absence of long-term agreements with most of our suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials;
- Our operations in a competitive environment and the uncertainty to be able to compete successfully with similar products or that of substitute, if any;
- Any adverse developments in the markets from where we derive significant portion of our revenues;
- Failure to raise additional funds in the future to support our growth strategies.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Business*" and on pages 38, 81, 105 and 121, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure prospective investors that such expectations will prove to be correct. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither our Company nor the BRLM nor any of their respective affiliates undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. All of our Directors and Senior Management named herein are residents of India and all of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code (as defined below), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally, any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the BRLM cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchange. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹per US$), for the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US$)

	Period End(1)	Average(2)	High(3)	Low(4)
Fiscal Ended:				
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.20	76.81	72.29
Months ended:				
June 30, 2023	82.04	82.33	82.64	81.88
May 31, 2023	82.68	82.34	82.80	81.74
April 30, 2023	81.78	82.02	82.39	81.65
March 31, 2023	82.22	82.29	82.68	81.74
February 28, 2023	82.68	82.61	82.91	81.85
January 31, 2023	81.74	81.90	82.91	81.22

Source: www.rbi.org,in and www.fbil.org.in, as applicable.
Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places. The RBI reference rates are rounded off to two decimal places.

Notes:
1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Statement of Possible Special Tax Benefits*", "*Industry Overview*", "*Financial Statements*" and "*Legal Proceedings*" beginning on page 184, 105, 197 and 189, respectively, shall have the meaning given to such terms in such sections.

General and Company Related Terms

Term	Description
"Issuer", "Vishnu Chemcials", "Company", "Our Company", "the Company"	Unless the context otherwise indicates or implies, refers to Vishnu Chemicals Limited, a limited company incorporated under the Companies Act, 1956 having its registered and corporate office at H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad – 500 096, Telangana.
"we", "us" or "our" or "Group"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, namely Vishnu Barium Private Limited and Vishnu South Africa (Pty) Limited on a consolidated basis
Audit Committee	The audit committee of our Board of Directors
Articles or Articles of Association	Articles of association of our Company, as amended from time to time.
Audited Consolidated Financial Statements	Collectively Fiscal 2023 Audited Consolidated Financial Statements, Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2021 Audited Consolidated Financial Statements
Auditors / Statutory Auditors	Statutory auditors of our Company namely M/s. Jampani & Associates, Chartered Accountants
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof.
Chief Financial Officer	The chief financial officer of our Company, being Mahesh Bhatter
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Vibha Shinde
Director(s)	The director(s) of our Company presently on our Board.
Equity Share(s)	The equity shares of our Company of face value of ₹ 2 each.
Fiscal 2023 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2023, comprising the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2023, read along with the notes thereto
Fiscal 2022 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2022, comprising the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2022, read along with the notes thereto
Fiscal 2021 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2021, comprising the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the

Term	Description
	consolidated statement of changes in equity, for the year ended March 31, 2021, read along with the notes thereto
IMARC Report	The report titled "*Global Chromium and Barium Chemicals Market: Industry Trends, Share, Growth, Opportunity and Forecast 2023- 2028*", dated May 16, 2023 prepared and commissioned by our Company from IMARC Services Private Limited.
Independent Director(s)	The independent Director(s) of our Company as per section 2(47) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations, being Tirthankar Mitra, Chetan Navinchandra Shah, Veeramachaneni Vimalanand and Sita Vanka.
Memorandum or Memorandum of Association/ MoA	Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors
Promoter(s)	Krishna Murthy Cherukuri, Manjula Cherukuri and Siddartha Cherukuri
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Qualified Institutions Placement Committee	The qualified institutions placement committee constituted by our Board of Directors.
Registered and Corporate Office	H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad – 500 096, Telangana
Registrar of Companies/RoC	The Registrar of Companies, Telangana at Hyderabad
Risk Management Committee	The risk management committee constituted by our Board of Directors
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "*Board of Directors and Senior Management Personnel*" on page 136.
Scheme of Arrangement	Scheme of amalgamation between Keystone Industries Limited, Vishnu Chemicals Private Limited and their respective Shareholders approved vide order of the High Court of Judicature, Andhra Pradesh, Hyderabad dated December 15, 2005
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Subsidiaries	The subsidiaries of our Company namely Vishnu Barium Private Limited and Vishnu South Africa (Pty) Limited

Issue related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VI of the SEBI ICDR Regulations.
Allot/ Allotment/ Allotted	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue.
Application Amount / Bid Amount	The aggregate amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period. An indicative format of such form is set forth in "Sample Application Form" beginning on page 325.

Term	Description
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interst thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid/Issue Closing Date	July 31, 2023, the date after which our Company (or BRLM on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Bid/Issue Opening Date	July 26, 2023, the date on which our Company (or the BRLM on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Bid/Issue Period	Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids including any revision and/or modifications thereof.
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form.
Book Running Lead Manager/ BRLM	Emkay Global Financial Services Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and shall include details of amount to be refunded, if any, to such Bidders
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about July 31, 2023.
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Allottee's demat account, as applicable to the respective Allottee
Eligible FPI(s)	Foreign portfolio investor, as defined under, the SEBI FPI Regutions and any other applicable law, that are eligible to participate in the Issue, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an eligible FPI participating through Schedule II of the FEMA Rules. However, FVCIs are not permitted to participate in the Issue.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form.
Escrow Agent/ Escrow Bank	State Bank of India
Escrow Agreement	Agreement dated July 26, 2023 entered into amongst our Company, the Escrow Agent and the BRLM for collection of the Application Amounts and for remitting refunds, if any, of the amounts collected, to the unsuccessful Bidders
Floor Price	The floor price of ₹353.15 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through their special resolution passed by way of postal ballot on March 22, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Issue	The offer, issue and allotment of [●] Equity Shares at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating ₹ [●] million to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of Companies Act and the rules made thereunder.
Issue Price	₹ [●] per Equity Share
Issue Size	The issue of up to [●] Equity Shares aggregating up to ₹ [●] million.

Term	Description
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated July 26, 2023 entered into between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of proceeds in relation to the Issue.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Agreement dated July 26, 2023 entered into amongst our Company and the BRLM
Placement Document	The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and rules made thereunder
Preliminary Placement Document	This preliminary placement document cum application form dated July 26, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and rules made thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and section 42 along with other applicable sections of the Companies Act, 2013, read with applicable provisions of the PAS Rules.
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts.
Relevant Date	July 26, 2023 which is the date of the meeting of the Fund Raising Committee of the Board, a committee duly authorised by our Board, deciding to open the Issue.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulation.
Working Day	Any day other than the second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading holiday of the Stock Exchanges, as applicable.

Technical and Industry Related Terms

Terms	Description
BCS	Basic Chromium Sulphate
ECHA	European Chemicals Agency
IMARC	IMARC Services Private Limited
IMARC Report	Report titled "*Chromium Chemicals and Barium Chemicals Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2023 2028*" dated May 16, 2023

Conventional and General Terms/Abbreviations

Terms	Description
₹ / Rs. / Re./ Rupees / INR	Indian Rupee

Terms	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India, as required under the Companies Act.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/Base Year Value)^ (1/No. of years between Base year and end year) – 1 (^ denotes 'raised to')
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CRPS	7% Cumulative Redeemable Preference Shares
CSR	Corporate social responsibility.
Depositories Act	The Depositories Act, 1996, as amended
Depository	NSDL and CDSL, depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DDT	Dividend distribution tax
DIN	Director Identification Number
EBIT	Earnings Before Interest and Tax
EGM	Extraordinary General Meeting
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization and impairment excluding other income
ESG	Environment, social and governance
EPS	Earnings per share
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended and the Regulations issued thereunder
FEMA Non-Debt Rules/ FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and any notifications, circulars or clarifications issued thereunder
Finance Act	The Finance Act, 2023
Financial Year / Fiscal Year/ Fiscal/ FY	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI/ Foreign Portfolio Investor(s)	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FPI Operational Guidelines	SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling
GDP	Gross domestic product
GoI / Government	Government of India, unless otherwise specified
GST	Goods and services tax

Terms	Description
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income tax Act, 1961
Lakh/Lac	Lakhs
MCA	Ministry of Corporate Affairs, GoI
Mn/ mn	Million
N.A./ NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
Non-Resident Indian(s) / NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended.
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
S&P CNX NIFTY	Regional stock market index endorsed by Standard & Poor's which is composed of 50 of the largest and most liquid stocks found on the National Stock Exchange of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Stock Exchanges	Collectively, BSE and NSE
STT	Securities Transaction Tax
TDS	Tax deducted at source
USA or U.S. or United States	The United States of America, its territories and possessions, and State of the United States and the District of Columbia
U.S. GAAP	Generally accepted accounting principles in the United States of America
$/ U.S.$ / USD / U.S.	United States Dollar, the legal currency of the United States of America

Terms	Description
dollar	
U.S. Securities Act / Securities Act	The United States Securities Act of 1933
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

SUMMARY OF BUSINESS

Vishnu Chemicals Limited is the "*largest integrated producer*" of chromium based speciality chemicals in India and one of the leading producers globally. Also, Vishnu Barium Private Limited ("**VBPL**"), our Subsidiary is "*largest producer and exporter*" of barium-based speciality chemicals in India *(Source: Imarc Report)*. We are primarily focused on producing a diversified portfolio of speciality chemicals involving complex and differentiated chemistries and technologies. Specialty chemicals are those chemicals that impart value adding properties to a product. As of May 31, 2023, our product portfolio comprised of ten primary and derivative products having over 10 application industries across various industries in India and across the world.

Our products have applications across a wide spectrum of industries including the pharmaceuticals, functional plating, decorative plating, refractory bricks, pigments & sport surfaces, roofing & ceramic tiles, construction equipment, textiles, leather, detergent, timber treatment etc. As of May 31, 2023, we marketed our products to over 250 domestic and export customers across 40+ countries. Our diversification into flexible derivative mix has allowed us to explore a wide range of applications across different industries.

We commenced our business as a manufacturer of chromium based specialty chemicals in the year 1993 – 1994 under the erstwhile Keystone Industries Limited. Further, pursuant to the scheme of amalgamation between erstwhile Keystone Industries Limited and Vishnu Chemicals Private Limited ("**Scheme of Amalgamation**") vide order dated December 15, 2005 passed by the High Court of Andhra Pradesh, Hyderabad, Vishnu Chemicals Private Limited was amalgamated in our Company with the appointed date being April 1, 2004. Subsequently, the name of our Company was changed to Vishnu Chemicals Limited with effect from January 2, 2006. In fiscal 2016, we have acquired entire shareholding of Solvay Vishnu Barium Private Limited from Solvay group (Belgium Chemical Group) and it became wholly owned subsidiary of our Company, subsequent to which its name was changed to Vishnu Barium Private Limited. With our established track record of operations of three decades, we have established a market position of being a preferred vendor for our global customers in some of our key products across chromium and barium chemicals.

Our business is divided into two major product categories (1) Chromium Chemicals; and (2) Barium Chemicals (through our wholly owned Subsidiary, Vishnu Barium Private Limited). We manufacture a variety of chromium-based chemicals with sodium dichromate being the primary product which largely finds application in industries such as pharmaceuticals, pigments & dyes and to manufacture other chromium chemicals, which are derivatives of sodium dichromate. Since Fiscal 2019, we pivoted to focus on manufacturing a range of chromium chemicals to reduce product concentration risk. Our portfolio of chromium chemicals products includes (a) Sodium Dichromate, (b) Basic Chromium Sulphate, (c) Chromic Acid, (d) Chrome Oxide Green, (e) Sodium Sulphate and (f) Potassium Dichromate. Subsequently, we expanded our end-user industry base to more than 10 application industries, including electroplating, master batches, refractories, wood preservatives, paper and FMCG.

We also currently manufacture and supply industry-grade barium carbonate and precipitated barium sulphate that finds applications in the manufacture of ceramic, tiles, paints, batteries, glass and enamel products. Infrastructural development, increasing urbanization and expansion in construction industry has fuelled the demand for barium chemicals. Within the Barium segment, we have introduced a new product – precipitated barium sulphate and sodium sulphide in the year 2023 used in various application industries such as powder coating, paints and batteries.

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our sales of chromium based speciality chemicals constituted 87.71%, 84.73% and 84.16% respectively, of our consolidated revenue from operations and our sales of barium based speciality chemicals constituted 12.29%, 15.27% and 15.84%, respectively, of our revenue from operations. Our range of products are an essential input for Industrial applications and across Pharmaceuticals and Consumer sector, mainly due to their corrosion resistance, colour and uniformity and low co-efficiency against friction, among other beneficial properties.

We have four integrated and strategically located manufacturing facilities in India, situated at (1) Visakhapatnam, Andhra Pradesh (2) Bhilai, Chhattisgarh (3) Hyderabad, Telangana, and (4) Srikalahasti, Andhra Pradesh (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited). As of March 31, 2023, our manufacturing facilities had an installed capacity of 80,000 MT and 60,000 MT for Chromium Chemicals and Barium Chemicals respectively. Our manufacturing facilities are equipped with modern machinery and equipment which enables us to undertake various chemistry processes. Our manufacturing facilities are multi-purpose whereby the same plant is able to produce different products to meet customer demand, with significant backward and forward integration linkages, providing us the flexibility to change the product mix to cater to market requirements. We have ISO

9001:2015 certifications for marketing, purchase, HR training activities, and dispatch of Sodium Dichromate as well as Basic Chromium Sulphate and Sodium Sulphate, for our manufacturing facilities located at Visakhapatnam, Andhra Pradesh and Bhilai, Chhattisgarh.

We are an innovation led company with a track-record of successfully executing complex chemical processes and development of specialised chemical products customised to customer requirements. We have an in-house quality control unit at all our manufacturing facilities. We have a team comprising of chemical engineers and PhDs in the field of chemistry. Our quality and research is focused on (i) new product development, (ii) process innovation and to serve the niche requirements of our customers, (iii) improvement of our productivity and yields and (iv) reduction of our resource consumption.

Our products are predominantly used as industrial intermediates and / or raw materials and hence we operate as a business-to-business manufacturing company. We market our products to over 250 domestic and export customers across 40+ countries across six continents. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our top 10 customers contributed 36.25%, 34.90%, 32.10%, respectively, of our revenue from operations. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our top 10 customers in Fiscal 2023. We export our products to more than 40 countries across six continents. In Fiscal 2023 our top five export destinations were Brazil, USA, Mexico, Korea and Italy. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, 48.94%, 51.13% and 50.69%, respectively, of our revenue from operations were from exports.

Our Promoters, Krishna Murthy Cherukuri and Siddartha Cherukuri have an experience of approximately 30 years and 15 years, respectively, in the chemicals industry. Our management team is backed by a core operational team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products which our Company is catering to.

SUMMARY OF THE ISSUE

The following is a general summary of the term of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including under the sections *“**Risk Factors**”, “**Use of Proceeds**”, “**Placement and Lock Up**”, “**Issue Procedure**” and “**Description of the Equity Shares**” beginning on pages 38, 68, 166, 151 and 179, respectively.*

Issuer	Vishnu Chemicals Limited
Face Value	₹ 2 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ [●] per Equity Share. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution passed through a postal ballot dated March 22, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of [●] Equity Shares aggregating up to ₹[●] million. A minimum of 10% of the Issue Size i.e. [●] Equity Shares shall be available for Allocation to Mutual Funds only, and balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution approving the Issue	February 10, 2023
Date of Shareholders’ Resolution approving the Issue	March 22, 2023
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see “***Issue Procedure***”, “***Selling Restrictions***” **and** “***Transfer Restrictions***” on pages 151, 169 and 173, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the Book Running Lead Manager
Dividend	Please see section “***Description of the Equity Shares***”, “***Dividends***” **and** “***Statement of Possible Special Tax Benefits***” on pages 179, 79 and 184, respectively of this Preliminary Placement Document.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see “***Issue Procedure***” on page 151.
Taxation	Please see section “***Statement of Possible Special Tax Benefits***” on page 184.
Equity Shares issued and outstanding immediately prior to the Issue	59,730,100 Equity Shares, being fully paid-up.
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares.
Listing	Our Company has received in-principle approvals from the BSE and the NSE each dated July 26, 2023 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.

	Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.
Lock-up	For details of the lock-up, see "***Placement – Lock-up***" on page 166.
Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Please see section "***Transfer Restrictions***" and "***Selling Restrictions***" on pages 169 and 173, respectively, of this Preliminary Placement Document.
Use of Proceeds	The gross proceeds of the Issue will aggregate to approximately ₹[●] million. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹[●] million. See "***Use of Proceeds***" on page 68 for information regarding the use of Net Proceeds from the Issue.
Risk Factors	Please see section "***Risk Factors***" on page 38 for a discussion of risks you should consider before investing in the Equity Shares.
Closing Date	The Allotment of the Equity Shares, expected to be made on or about July 31, 2023.
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The Shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. Please see sections "***Dividends***" and "***Description of the Equity Shares***" on pages 79 and 179, respectively.
Security Codes/ Symbols for the Equity Shares	**ISIN**: INE270I01022 **BSE Code**: 516072 **NSE Symbol**: VISHNU

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the more detailed information contained in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and the Audited Consolidated Financial Statements included in "***Financial Statements***" on pages 79 and 197, respectively.

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Consolidated Balance Sheet information as on March 31, 2023, 2022 and 2021

(₹ in million)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4,646.44	4,632.46	3,874.62
(b) Capital work-in-progress	979.61	54.14	239.64
(c) Intangible Assets	0.10	0.04	0.02
(d) Financial Assets			
(i) Investments	2.33	2.25	10.10
(e) Other non-current assets	198.50	284.73	120.69
Total Non-Current Assets	**5,826.98**	**4,973.62**	**4,245.07**
(2) Current assets			
(a) Inventories	2,074.39	1,677.59	1,907.49
(b) Financial Assets			
(i) Investments	14.36	24.64	-
(ii) Trade receivables	1,809.26	1,908.33	1,156.92
(iii) Cash and cash equivalents	6.56	3.35	3.24
(iv) Bank balances other than (iii) above	203.31	150.00	103.65
(v) Other Financial Assets	10.46	7.88	7.45
(c) Other current assets	564.01	384.78	304.86
(d) Assets classified as held for sale	-	19.00	-
Total Current Assets	**4,682.35**	**4,175.57**	**3,483.61**
Total Assets	**10,509.33**	**9,149.19**	**7,728.68**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	119.46	119.46	119.46
(b) Other Equity	4,024.28	2,649.27	1,841.95
Total Equity	**4,143.74**	**2,768.73**	**1,961.41**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	2,215.78	2,063.70	1,749.09
(ii) Lease Liabilities	4.19	8.26	-
(b) Provisions	5.95	26.76	40.03
(c) Deferred tax liabilities (Net)	470.20	429.77	367.06
(d) Other Non-Current Liabilities	-	152.38	333.82
Total Non-current Liabilities	**2,696.12**	**2,680.87**	**2,490.00**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,569.57	1,569.85	1,313.24
(ii) Trade payables			
Total Outstanding dues of micro small & medium enterprises	5.41	2.86	6.05
Total O/S of Creditors other than micro small & medium	1,761.61	1,712.13	1,364.05
(iii) Lease liabilities	4.43	6.27	-
(iv) Other financial liabilities	35.35	14.24	426.06
(b) Other current liabilities	155.01	220.23	134.84
(c) Provisions	2.06	4.50	4.94
(d) Current Tax Liabilities (Net)	136.04	169.51	28.09

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Total Current Liabilities	**3,669.47**	**3,699.59**	**3,277.27**
Total Equity and Liabilities	**10,509.33**	**9,149.19**	**7,728.68**

Consolidated Profit and Loss Account information for the years ended as on March 31, 2023, 2022 and 2021

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1 Income			
(a) Income from operations	13,876.56	10,658.76	6,717.62
(b) Other Operating Income	33.38	31.26	69.19
Revenue from Operations	**13,909.94**	**10,690.02**	**6,786.81**
(c) Other Income	152.09	57.57	28.23
Total Income	**14,062.03**	**10,747.59**	**6,815.04**
2 Expenses			
(a) Cost of Materials consumed	5,508.47	3,997.93	2,755.95
(b) Purchase of Stock in Trade	91.97	150.67	-
(c) Cost of Consumables	2,157.21	1,548.70	846.72
(d) Change in Inventories of Finished Goods, Work-in-Progress, and Stock in Trade	(230.69)	145.86	121.75
(e) Employee benefit expense	460.37	414.97	342.88
(f) Finance costs	333.71	260.95	259.71
(g) Depreciation and amortization expenses	264.63	229.84	202.98
(h) Power Cost	631.71	454.19	313.62
(i) Manufacturing Expenses	1,417.41	957.86	742.42
(j) Selling & Administrative Expenses	1,561.11	1,456.63	875.09
(k) Corporate Social Responsibilty Expenses	11.64	6.65	13.89
Total Expenses	**12,207.54**	**9,624.26**	**6,475.01**
3 Profit before tax (1-2)	**1,854.49**	**1,123.33**	**340.03**
4 Tax expense			
(a) Current tax	447.86	245.85	38.67
(b) Tax pertaining to earlier years	2.45	(0.53)	(13.68)
(c) MAT reversal	-	-	78.58
(d) Deferred Tax reversal due to change in tax rate	-	-	(132.85)
(e) Deferred tax	38.55	64.08	24.36
Total Tax expense	**488.85**	**309.41**	**(4.92)**
5 Net Profit for the period (3-4)	**1,365.64**	**813.93**	**344.95**
6 Other comprehensive income			
Items that will not be classified subsequently to profit or loss			
Remuneration gains/ (losses) on defined benefit Plans	7.46	(7.02)	2.27
Tax on remeasurement of defined benefit plans	(1.88)	1.38	(0.68)
Total other comprehensive income/(loss), net of tax	**5.58**	**(5.64)**	**1.58**
7 Total comprehensive income	**1,371.25**	**808.28**	**346.53**
8 Earning per Share (face value of ₹ 2 each)			
Basic and Diluted	22.86	13. 63	-
Earning per Share (face value of ₹ 10 each)			
Basic and Diluted	-	-	28.88

Consolidated Cash Flow Statement information for the years ended March 31, 2023, 2022 and 2021

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**1,854.49**	**1,123.33**	**340.03**
Cash flows used in/from operating activities			
Adjustments for:			
Depreciation of property, plant and equipment	264.63	229.84	202.98
Profit on sale of Property, Plant and equipment	(39.28)	(0.05)	(1.24)
Profit on sale of Investments	(0.08)	(0.36)	(0.08)
Interest income	(11.08)	(6.61)	(8.17)
Unwinding of interest on interest free security deposits received from suppliers	(0.03)	0.52	(0.42)
Interest expenses	312.51	226.59	231.72
Unwinding of interest expenses on Loan from Promoter Directors	18.68	22.01	18.55
Amortisation of Processing Fees of Long Term Loans	0.87	0.59	0.89
Fair value (Gain)/ Loss on investments (net)	(0.07)	(2.06)	(2.82)
Obsolete Stock provision	4.56	1.68	1.65
Re-measurement of defined employee benefit plans	7.49	(7.02)	2.27
Provision for Bad/doubtful debts	-	-	1.59
Advances and bad debts written back (Net)	-	-	3.67
Assets wrttien off / Discarded	5.83	-	-
Operating profit before working capital changes	**2,418.52**	**1,588.46**	**790.62**
Movement in working capital:			
(Increase)/ Decrease in inventories	(401.36)	228.23	167.49
(Increase)/ Decrease in trade receivables	99.07	(751.41)	(248.14)
(Increase)/ Decrease in Financial & Non Financial Assets	(95.57)	(308.15)	(6.20)
(Decrease)/ Increase in trade payables	52.03	344.89	(11.87)
Increase/ (Decrease) in Financial & Non Financial Liabilities & Provisions	(246.38)	(100.84)	48.32
Cash generated from operations	**1,826.30**	**1,001.17**	**740.22**
Income tax paid	(483.78)	(103.91)	(66.56)
Net cash flows used in / from operating activities (A)	**1,342.53**	**897.27**	**673.67**
Cash flows used in / from investing activities			
Purchase of property, plant and equipment, including capital work in progress less Capital Advances	(1,173.68)	(832.98)	(544.59)
Proceeds from Sale of Property Plant & Equipment	21.98	11.83	2.01
Investments in mutual funds	(4.84)	(18.21)	(1.04)
Proceeds from Sale of investments in mutual funds	15.19	21.26	5.96
Movement in Other Bank Balances	(53.31)	-	11.30
Interest received	11.08	6.61	8.17
Net cash flows used in / from investing activities (B)	**(1,183.58)**	**(811.50)**	**(518.19)**
Net cash flows used in / from financing activities			
(Decrease)/Increase in Long Term Borrowings	246.94	351.81	151.35
(Decrease)/Increase in Short Term Borrowings	(92.95)	(81.53)	(98.89)
Interest Paid	(278.02)	(226.59)	(231.72)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend Paid	(31.70)	(129.35)	(11.95)
Net cash flows used in/from financing activities (C)	**(155.73)**	**(85.66)**	**(191.21)**
Net decrease in cash and cash equivalents (A+B+C)	3.21	0.11	(35.74)
Cash and cash equivalents at the beginning of the year	3.35	3.24	38.98
Cash and cash equivalents at the year end	**6.56**	**3.35**	**3.24**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during: (i) Fiscal 2023; (ii) Fiscal 2022; and (iii) Fiscal 2021, as per the requirements in accordance with Indian Accounting Standard ("*Ind AS*") notified under the Ind AS Rules read with Section 133 of the Companies Act, see "*Financial Information – Note 42 – Related Party Disclosures*", "*Financial Information – Note 42 – Related Party Disclosures*" and "*Financial Information – Note 42 – Related Party Disclosures*" on pages 232, 276 and 315.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and Subsidiaries, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 121, 105 and 81, respectively, as well as the financial, statistical and other information contained in this Preliminary Placement Document. The Preliminary Placement Document also contains certain forward looking statements that also involve risks and uncertainties. Actual risks could differ materially from those anticipated in these forward looking statements as a result of certain factors, including considerations described below and in the section titled "Forward Looking Statements" on page 16. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to Vishnu Chemicals Limited and its Subsidiaries on a consolidated basis, and references to "the Issuer" are to Vishnu Chemicals Limited and its Subsidiaries on a consolidated basis.

Our fiscal year ends on March 31 of each year. Accordingly, references to "Fiscal", are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2023, Fiscal 2022 and Fiscal 2021 has been extracted from our Audited Consolidated Financial Statements beginning on page 197.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Global Chromium and Barium Chemicals Market: Industry Trends, Share, Growth, Opportunity and Forecast 2023- 2028" dated May 16, 2023 (the "**Imarc Report**") prepared and released by IMARC Services Private Limited and commissioned and paid by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the industry Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Presentation of Financial Information and Other Conventions" on page 13.*

Risks Relating to Our Business

1. Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.

We conduct our operations through four manufacturing facilities in India, located at (1) Visakhapatnam, Andhra Pradesh (2) Bhilai, Chhattisgarh (3) Hyderabad, Telangana, and (4) Srikalahasti, Andhra Pradesh (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited). Our manufacturing facilities operate as a continuous process and our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, equipment, reactors, automation systems, IT systems or any other part of our manufacturing processes or systems (together, our "**Manufacturing Assets**") may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned and unplanned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

As of May 31, 2023, we had over 500 employees (excluding trainees) and more than 800 contract workers and trainees. Success of our operations depend on availability of labour and good relationships with our labour force. Strikes and lockouts as a result of disputes with our labour force could adversely affect our operations. Although we have not experienced any work stoppages due to labour disputes or cessation of work in the last three fiscal years, we cannot provide an assurance that we will not experience such strikes or lockouts in the future. Such events could impact our operations and may have a material adverse effect on our business, financial condition and results of operations.

Although we have not experienced any significant disruptions at our manufacturing facilities in the past three years (save in respect of the COVID-19 pandemic), we cannot assure you that there will not be any disruptions in our operations in the future save and except during a force majeure situation like we have witnessed during covid. Our inability, if any, to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, financial condition and results of operations.

2. ***We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various substances. In addition, non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations.***

Our manufacturing processes involve reactions, chemical processes and storing and handling of chemicals that may result in accidents, which could cause injury to our employees, contract labour and other persons at our manufacturing facilities and warehouses or that could also damage our equipment, machines and properties. In the event of any such accidents, our business operations may be interrupted, and this may adversely affect our production schedules, costs and sales and our ability to meet customer demand. In addition, any such accidents may expose us to civil or criminal liability, which could have an adverse effect on our business, financial condition and results of operations. Further, certain environmental laws impose strict liability for accidents and damages and any failure to comply with such laws may lead to closure, penalties, fines and imprisonment. We may experience similar or more severe accidents in the future. If we experience, any such industrial accidents in the future our business, financial condition and results of operations may be adversely impacted.

In addition, we are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health and we are also inspected at regular intervals by various agencies to ensure our compliance with applicable laws and regulations. We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits often require us to purchase and install pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees. Further, our compliance with these laws and regulations and our obtaining the necessary governmental permits are often a prerequisite for customer orders. Any non-compliance with manufacturing standards as prescribes under law may have an adverse effect on our business, financial condition and results of operations

3. ***Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies. We also engage in hedging transactions which involves certain risks.***

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly in U.S. Dollars and Euros. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar and Euro. During the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our revenues from our exports amounted to ₹6,792.38 million, ₹5,450.79 million and ₹3,405.74 million, respectively, which constituted 48.94%, 51.13%, and 50.69%, respectively, of our consolidated revenues from operations. Further, during the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our cost of materials consumed amounted to ₹5,508.47 million, ₹3,997.93 million, ₹ 2,755.95 million, respectively, and constituted 45.12%, 41.54% and 42.56%, respectively, of our total expenditure. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements.

Since we have significant exposure in foreign exchanges, we hedge risks arising out of exchange rate fluctuations and fluctuations in interest rates through various hedging instruments. If the hedging instrument expires, or is sold, terminated or exercised without replacement or rollover or if its designation as hedges is revoked certain risks which, if materializes, could adversely affect our profitability.

While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and we cannot assure you whether hedging or other risk management strategies will be effective. Accordingly, while we enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar, Euro or other foreign currencies. Additionally, we have had gains due to these fluctuations in foreign currency in the Fiscal 2023 and Fiscal 2022 of ₹97.45 million and ₹34.81 million respectively and a loss in Fiscal 2021 of (₹8.03) million. These gains and losses were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted or hedged. For further information on our exchange rate risk management, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Results of Operations – Foreign Exchange Rate Risk*".

4. ***We face competition mainly from international manufacturers and our inability to compete effectively may have a material adverse impact on our business, financial condition and results of operations.***

Although the specialty chemicals industry provides for significant entry barriers, competition in our business is based on pricing, relationships with customers, research and development, product quality, customisation, and innovation. Moreover, Indian chemical companies are faced with limitations in infrastructure facilities, which imposes difficulties in raw material procurement and at a cost competitive price. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors especially from Turkey, South Africa, USA and Russia which could adversely affect our business, financial condition and results of operations. Additionally, some of our competitors in the speciality chemicals business may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovative new products, offer competitive prices due to economies of scale and also ensure product quality and compliance.

5. ***We do not have any long term agreements with most of our customers, and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We typically do not have firm commitment or long-term supply agreements with our customers and instead rely on short term or spot purchases purchase orders to govern the volume and other terms of our sales of products, from our customers. The purchase orders we receive from our customers specify a price per unit, delivery schedule, and the quantities to be delivered, however, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our revenue and production schedules.

Additionally, certain customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations and specifications could result in the cancellation or non-renewal of contracts or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may demand, among others, price reductions, setoff any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by any significant customer(s) could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. We may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss.

6. Our investments in new products may not be successful and may be less profitable or may be loss-making.

In accordance with our strategy, we continuously invest in developing new speciality chemicals to add to our product mix. In particular, we are planning to set up a manufacturing facility for chrome metal. Chrome metal has a chrome content close to 100% and finds its applications in the manufacturing of super alloys used in aerospace, defence, rocket, gas turbine, welding, electrical and automotive industries. Further, we have started manufacturing of precipitated barium sulphate and sodium sulphide in India with our newly commissioned facility at Srikalahasti, Andhra Pradesh. Although we follow a careful plan and strategy to develop our products, the development of new products is subject to number of risks including, but not limited to, our failure to develop products that meet market demands and market requirements, our failure to meet competition and our failure to comply with applicable regulation. In addition, our new products may require significant capital expenditure for development and roll out and may take substantial management time. Accordingly, our proposed products may not be successful for these and other reasons. Further, our investments in new products, may be less profitable than what we have experienced historically or estimated, may be loss-making, may consume substantial financial resources and/or may divert management's attention from existing operations, all of which could materially and adversely affect our business, results of operations and financial condition.

7. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

We have four integrated manufacturing facilities in India, which are strategically located in close proximity to their raw material sources and to various seaports, situated at (1) Visakhapatnam, Andhra Pradesh (2) Bhilai, Chhattisgarh (3) Hyderabad, Telangana, and (4) Srikalahasti, Andhra Pradesh (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited). As of March 31, 2023, our manufacturing facilities had an installed capacity of 80,000 TPA and 60,000 MTPA for Chromium Chemicals and Barium Chemicals respectively. The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. The product requirements of, and procurement practice followed by, our customers also affect our capacity utilization. In recent times, we have made significant investments for the expansion of our manufacturing capacities and are continuing to undertake additional investments to increase our existing capacity. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. Our aggregate capacity utilization for the chromium plants were approximately 79.00%, 91.00% and 74.00% in Fiscals 2023, 2022 and 2021, respectively, and for the barium plant was approximately 57.00%, 76.00% and 76.00% in Fiscals 2023, 2022 and 2021, respectively. For further information, see "*Our Business - Capacity and Capacity Utilization*" on page 121. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

We also face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies, which may result in reduced quantities being manufactured by us resulting in under-utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

8. Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key

Management Personnel/Senior Management as well as our ability to attract and retain personnel with technical expertise. Any loss of our Promoters, Directors, Key Management Personnel/Senior Management or our ability to attract and retain them and other personnel with technical expertise could adversely affect our business, financial condition and results of operations.

Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Management Personnel/Senior Management as well as our ability to attract and retain skilled personnel. Any loss of our Promoters, Directors and Key Management Personnel/Senior Management or our inability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations. We depend on the management skills and guidance of our Promoters and Directors for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we depend on the expertise, experience and continued efforts of our Key Management Personnel/Senior Management. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Management Personnel/Senior Management are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, financial condition and results of operations could be adversely affected.

In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires.

There is significant competition for management and other skilled personnel in the speciality chemicals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further information, see "*Board of Directors and Senior Management Personnel*" on page 136.

9. We are subject to strict quality requirements, regular inspections and audits by our customers, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our business, financial condition and results of operations.

We develop, manufacture and market a diverse range of speciality chemicals which have applications across a wide spectrum of uses in pharmaceuticals, construction equipment, textiles, leather, detergent, pigments and sport surfaces, roofing and ceramic tiles, functional plating, refractory bricks, decorative plating and timber treatment amongst other industries. Some of our customers maintain strict qualification and/or certification procedures. Our products go through various quality checks at various stages including random sampling check and quality check internally. Some of our key customers have audited and approved our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. These successful audits play a critical role in customer retention, and any issues that arise in the course of these audit may lead to loss of the particular customer. Further, failure of our products to meet prescribed quality standards may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products and could adversely affect our business, financial condition and results of operations.

We have ISO 9001:2015 certifications for marketing, purchase, HR training activities, and dispatch of Sodium Bichromate as well as Basic Chromium Sulphate and Sodium Sulphate (anhydrous), for our manufacturing facilities located at Visakhapatnam, Andhra Pradesh and Bhilai, Chhattisgarh which also includes management system standards. While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, financial condition, results of operations and prospects.

10. Our failure to manage growth effectively may adversely impact our business, financial condition and results of operations.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. For further information, see "*Our Business – Strategies*" on page 121. Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as globally, our ability to continue to develop specialty chemicals, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business, financial condition and results of operations.

Our business growth could strain our managerial, operational, and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures, and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition, and profitability.

11. ***Fluctuation in the prices of raw materials may affect our ability to price our products competitively. In addition, restrictions on import of raw materials and an increase in shipment cost may adversely impact our business, financial condition and results of operations.***

The raw materials we use in our manufacturing process are primarily sourced from third party suppliers. For Fiscal 2023, Fiscal 2022 and Fiscal 2021, our cost of materials consumed amounted to ₹5,508.47 million, ₹3,997.93 million, ₹ 2,755.95 million, respectively, and constituted 45.12%, 41.54% and 42.56%, respectively, of our total expenses. Our raw materials include chrome ore, sodium carbonate and barytes, the prices of which have been volatile in the past. As a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations which could result in declining operating margins and adversely affect our business, financial condition and results of operations.

While we have been able to pass on increase in prices of raw material to our customers, there have also been occasions when we have been unable to pass on increases in raw materials prices to our customers. Any such increases in prices of raw materials in future could adversely affect our ability to price our products competitively. Some of our raw material imports may be regulated that, inter alia, allows the concerned authority to stop any import if it is deemed that the chemicals proposed to be imported may cause major accidents. We are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, and our business, financial condition and results of operations.

Further, in the future, if there are any trade restrictions, sanctions or higher tariffs being placed by India on imports from another country or similar restrictions placed by the exporting country for supply of products to India, such trade restrictions, sanctions or higher tariffs may significantly impact our sourcing decisions and It may lead to increased cost of purchase, and shortages of materials, which could impact our supply commitment to our customers and adversely affect our manufacturing activities. Accordingly, such trade restrictions, sanctions or higher tariffs could have a material adverse effect on our business, financial condition and results of operations.

12. ***We have entered into a number of related party transactions and may continue to enter into such transactions under Ind AS 24, in the future, and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have, in the past, entered into related party transactions with various parties aggregating to ₹436.96 million, ₹344.21 million and ₹289.50 million for the Fiscals 2023, 2022 and 2021, respectively, in the ordinary course of our business. For further details, see "*Related Party Transactions*" beginning on page 37.

While we believe that all of our related party transactions have been conducted on an arm's length basis in the ordinary course of business, we cannot assure you that we could have achieved more favourable terms had such transactions been entered into with unrelated parties. Furthermore, we may continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our business, financial condition or results of operations. Further, the transactions with our related parties may potentially involve conflicts of interest and we cannot assure you that such disputes arising between us and related parties will be resolved in our favour.

13. There are outstanding legal proceedings involving our Company and our Subsidiaries. Any adverse outcome in any of these proceedings may adversely affect our reputation, business, operations, financial condition and results of operations.

There are certain outstanding legal proceedings and claims involving our Company and our Subsidiaries, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could increase our expenses and our liabilities and could materially and adversely affect our reputation, business, operations, prospects or financial results. A summary of the material litigation involving our Company and our Subsidiaries is set out below.

Nature of Cases	Number of cases	Aggregate amount involved* (₹ in million)
Litigations involving our Company		
A. Civil proceedings involving our Company		
- Filed by our Company	1	3,438.01
- Filed against our Company	NIL	NIL
B. Criminal Proceedings involving our Company	NIL	NIL
C. Tax Matters		
- Direct Tax	NIL	NIL
- Indirect Tax	6	88.72
Litigation involving our Subsidiaries		
D. Civil proceedings involving Subsidiaries	Nil	Nil
E. Criminal Proceedings involving our Subsidiaries		
- Filed by our Company	1	0.17
- Filed against our Company	NIL	NIL
F. Tax Matters involving our Subsidiaries		
- Direct Tax	NIL	NIL
- Indirect Tax	NIL	NIL
G. Proceedings involving our Directors	NIL	NIL
H. Proceedings involving our Promoters	NIL	NIL
Total	8	3,526.90

**To the extent ascertainable and quantifiable.*

In addition, should any new development arise such as changes in India law or rulings against us by appellate court or tribunals, we may need to make provisions in our financial statements which could increase our expenses and current liabilities. We cannot assure you that any of the outstanding legal proceedings will be settled favourably, or that no additional liability will arise out of these proceedings. For further details, see "*Legal Proceedings*" on page 189.

14. Our business may expose us to potential product liability claims and recalls, which could adversely affect our results operation, goodwill and the marketability of our products.

We develop, manufacture, and sell a range of chemicals, which are primarily used as raw materials for products in end-use industries such as pharmaceuticals, functional plating, decorative plating, refractory bricks, pigments & sport surfaces, roofing & ceramic tiles, construction equipment, textiles, leather, detergent, timber treatment etc. The products that we produce are subject to risks such as contamination, adulteration and product tampering during their production, transportation, or storage. Accordingly, we may be exposed to risks of products recalls and returns. In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. Although we have not experienced any such claims in the past, we have taken insurance to protect us from such claims; however, this insurance coverage may be inadequate or not applicable to a particular set of claims. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products.

Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Accordingly, such product liability claims may adversely affect our results of operations, goodwill and the marketability of our products.

15. If any of our products or the products of our customer's cause, or are perceived to cause, severe side effects, our business, financial condition and results of operations could be adversely affected.

We develop, manufacture and market a diverse range of chemical products including hazardous substances, which are primarily used as raw materials for a variety of end user applications. If our products or our customers' products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. As a result of these consequences, our business, financial condition and results of operations may be adversely affected.

16. Any adverse changes in regulations governing our business, products and the products of our customers, may adversely impact our business, prospects and results of operations.

Government regulations and policies of India as well as the countries to which we export our products can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations.

Our Company may be required to alter manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

17. Our commercial success depends on the success of our customer's products with end consumers. Any decline in the demand for our customer's products would adversely impact the demand for our products.

Our products are used by our customers on various applications across a wide spectrum of industries including the pharmaceuticals, construction equipment, textiles, leather, detergent, pigments & sport surfaces, roofing & ceramic tiles, functional plating, refractory bricks, decorative plating, timber treatment etc. Our commercial success also depends to a large extent on the success of our customers' products with end consumers. The success of the end products manufactured by our customers depends on our customers' ability to identify early on, and correctly assess consumer market preferences. We cannot assure you that our customers will correctly assess consumer preferences in a timely manner or that demand for goods in which our products are used will not decline. If the demand for the products in which our products are used declines, it could have a material adverse effect on our business, financial condition and results of operations.

18. Our performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory or working capital.

We maintain adequate inventory of raw material requirements for the manufacture of the products and we forecast the demand for raw materials on the basis of our operating levels and market insights on demand. Efficient inventory management is a key component of the success of our business, financial condition and results of operations. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a client defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result, or have resulted, in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, financial condition and results of operations.

19. We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. Also, we are required to obtain and maintain several statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facility such as registrations and licenses granted under the Factories Act, 1948 and Industries (Development and Regulation) Act, 1951, to name a few. Additionally, our government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval and require us to make substantial expenditure. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements, including but not limited to regularly monitoring emissions in the work environment and segregating and disposing off waste, boiler ash and other materials, if any, as per the guidelines laid down in the environmental clearance approval, and we cannot assure you that these conditions will be met at all times or that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

Further, some of these approvals & licenses are valid only for a fixed period of time subject to renewals and accreditations. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business and operations may be adversely affected.

20. The demand of our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business and results of operations.

A significant portion of our revenue is generated from the sale of exports across Europe, South America, North America and Asia. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, revenue from operations from exports accounted for 48.94%, 51.13% and 50.69%, respectively, of our revenue from operations in such periods. For further information on revenues from the various geographies where we export our products, see "*Our Business – Exports*" on page 121. Therefore, any developments in the global specialty chemical industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition.

21. ***We have incurred significant capital expenditure during the last three Fiscal Years. We may require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.***

During the Fiscal 2023, Fiscal 2022 and Fiscal 2021, we incurred capital expenditure of ₹1,173.67 million, ₹832.98 million and ₹544.59 million, respectively. A significant amount of our capital expenditure in these periods was aimed at increasing our manufacturing capacities. Our management adopts and implements business strategies that take into account a number of macro and micro economic considerations, including our current financial condition and expected levels of growth over the medium to long term.

There can be no assurance that our expansion plans will be implemented as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. If we experience significant delays or mishaps in the implementation of the expansion plans or if there are significant cost overruns, then the overall benefit of such plans to our revenues and profitability may decline. To the extent that the planned expansion does not produce anticipated or desired output, revenue or cost-reduction outcomes, our business, financial condition and results of operations will be adversely affected.

In the future, we may require substantial capital for our business operations and planned capital expenditure to maintain and grow our existing infrastructure, purchase equipment and develop and implement new technologies in our new and existing manufacturing facilities. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your investment in our Company and could adversely impact our Equity Share price.

22. ***Failure or disruption of our IT, manufacturing automation systems and/or ERP systems may adversely affect our business, financial condition and results of operations.***

We have implemented various information technology ("**IT**") and/or enterprise resource planning ("**ERP**") solutions to cover key areas of our operations, procurement, dispatch and accounting. We also have various automation systems and software that automate our manufacturing and production. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems, ERP systems or manufacturing automation systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, manufacturing automation systems and/or ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, financial condition and results of operations.

23. ***We may receive notices from regulatory authorities including environmental authorities, which may result in litigation, penalties, fines or cancellation or suspension of our operating licenses.***

Our operations, particularly at our manufacturing plants, are subject to stringent scrutiny, inspection and audit from third party environmental agencies, including governmental authorities. Certain such notices received are industry-wide notices that are dispatched by the authorities and are not specific to us. Additionally, we have, from time to time, also received show cause notices from the environmental authorities to which we seek to provide adequate responses. Typically, such notices require us to provide the regulatory authorities with information such as production data during a period, power and water consumption data, amongst others. While no such notice has materialized into a litigation and no material fines or penalties have been imposed by regulatory authorities in the past. We cannot assure you that such notices will not culminate in legal proceedings in the future, neither can we assure you that fines, penalties or damages will not be imposed on us pursuant to such notices.

Furthermore, if the authorities deem that our responses do not sufficiently address the concerns raised in these notices, there is also a possibility that the environmental authorities may cancel, suspend or withdraw the approvals, permits or consents granted to us or may order the closure of the manufacturing unit until the concerns are sufficiently addressed or remedied. In the event that such environmental notices result in litigation, fines or the cancellation of our licenses, our business, financial condition and results of operations may be adversely affected.

24. We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, financial condition and results of operations.

As a manufacturing business, our success also depends on the uninterrupted supply and transportation of the various raw materials required for our Manufacturing Facility and of our products from our Manufacturing Facility to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. We depend on road and water transportation to procure our raw materials and deliver our finished products to our customers. We rely on third-party transportation providers for procuring our raw materials as well as for distributing our products to our customers. This makes us dependent on various intermediaries such as domestic logistics companies and container freight station operators. We do not have formal contractual relationships with such logistic companies and freight forwarders. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. We cannot guarantee that there will not be any delay in transportation and delivery of our products to our customers. Our shipping and forwarding charges for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 were ₹875.37 million, ₹871.92 million and ₹411.06 million respectively, which represents 6.29%, 8.15% and 6.05% of our revenue from operations for the aforesaid financial periods. Weather-related problems, strikes, or other events could impair our ability to procure raw materials from our suppliers or the ability of our suppliers to deliver raw materials to us which may in turn delay the process of manufacturing and supplying our products to our customers, leading to cancellation or non-renewal of purchase orders, and this could adversely affect the performance of our business, results of operations and cash flows.

While we aim to adequately insure ourselves against the risk involved in maritime transport, we may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents and/or loss of our products in transit. While there have been no material instances of theft, accident or loss in the past three years, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could have an adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

25. Our manufacturing facilities are located in Andhra Pradesh, Chhattisgarh and Telangana exposing us to regulatory and other geography specific risks such as weather and natural occurrences as well as regulatory, economic, demographic and other changes in these three locations.

We conduct our operations through four manufacturing facilities in India, located at (1) Visakhapatnam, Andhra Pradesh (2) Bhilai, Chhattisgarh (3) Hyderabad, Telangana, and (4) Srikalahasti, Andhra Pradesh. The concentration of all of our operations in Andhra Pradesh, Chhattisgarh and Telangana, exposes us to adverse developments related to weather and natural occurrences, as well as regulatory, economic, demographic and other changes in these three locations, which may adversely affect business, financial condition and results of operations. In addition, with a single location for all our operations other adverse natural occurrences or disasters could have a material adverse effect on our business, financial condition and results of operations.

Further, our manufacturing operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the Andhra Pradesh, Chhattisgarh and Telangana state governments. As a result, any unfavourable policies in Andhra Pradesh, Chhattisgarh and Telangana, could adversely affect our business, financial condition and results of operations. Furthermore, these three Indian states have experienced social and civil unrest in the past within the state and such tensions could lead to political or economic instability and a possible adverse effect on our business, financial condition and results of operations. There can be no assurance that such situations will not recur or be more intense than in the past.

26. ***Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the chemicals industry and to the sale and maintaining inventory of products, as well as other risks such as theft, robbery, acts of terrorism and other force majeure events. As of March 31, 2023 the total amount of our insurance coverage was ₹6,859.28 million. Consequently, our insurance cover for the gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) was 93%, as of March 31, 2023.

We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain a marine cargo insurance policy that insures consignments of goods by sea and by courier until delivery to the customer's warehouse and inland movement of bulk cargo in road tankers. In addition, we maintain commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, and personal and accidental injury. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time.

In addition, our insurance coverage expires from time to time. Though, we apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost, or at all. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage or for which we did not obtain or maintain insurance, or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations and financial condition could be adversely affected. For further details of insurance, see "*Our Business-Insurance*" on page 121.

27. ***We are dependent on third parties for the supply of utilities, such as electricity and water at our manufacturing premises and any disruption in the supply of such utilities could adversely affect our manufacturing operations.***

Adequate and cost-effective supply of electrical power is critical to our manufacturing facilities. For Fiscals 2023, 2022 and 2021, consolidated cost of power and percentage of amount spend on power from our consolidated total expenditure:

Period	**Amount spend on power (In ₹ million)**	**Percentage of amount spend on power from our total expenditure**
Fiscal 2023	631.71	5.17%
Fiscal 2022	454.19	4.71%
Fiscal 2021	313.62	4.84%

If power costs were to rise, or if electricity supply or supply arrangements were disrupted, our profitability could decline. Though, our 3 MW captive power plant at Visakhapatnam plant has reduced our dependency on external procurement to some extent, we majorly source our electricity requirements for our manufacturing facilities from state electricity board and some private players. If for any reason such electricity is not available, we may need to shut down our manufacturing units until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

Our operations and facilities are dependent on a steady and stable supply of water, and irregular or interrupted supply of water. If there is an insufficient supply of water to satisfy our requirements or a significant increase in prices, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations.

28. ***Our contingent liabilities could materially and adversely affect our business, results of operations and***

financial condition.

A summary of our contingent liabilities as on March 31, 2023 as indicated in our Consolidated Financial Statements is as follows:

(In ₹ million)

Particulars	**As of March 31, 2023**
Claims against the Group not acknowledged as debt	
Claims arising from disputes not acknowledged as debts-Sales Tax (against which Pre-deposit of ₹14.68 million made (Previous Year Pre-deposit ₹14.68 million)	17.98
Claims arising from disputes not acknowledged as Debts-Service Tax (against which Pre-deposit of ₹1.76 million made (Previous Year Pre-deposit ₹ 1.76 million)	65.26
Fuel surcharge adjustment expense pertaining to the period from April, 2008 to March, 2010 was not recognised as the collection of the same was stayed by High Court of Andhra Pradesh, which is still pending for disposal.	2.74
The Recovery Officer, Employee State Insurance Corporation, has raised a demand to pay arrears along with interest. A writ petition was filed against the same in the High court of Andhra Pradesh and is contesting the aforesaid matter. Based on internal assessment and legal advice, the Management strongly believes that matter will be decided in its favour.	2.15
Guarantees excluding financial guarantees	8.82
Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for	205.40

For further information, see “*Financial Statements*”- on page 197.

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, financial condition and results of operations. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfil, our business, financial condition and results of operations may be materially and adversely impacted.

29. Our Company may not be successful in penetrating new export markets.

Expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. As part of our strategy, we are planning to expand to continue expanding our exports into new geographies. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability.

30. Any downgrade of our debt ratings could adversely affect our business.

As of the date of this Preliminary Placement Document, we have received the following credit ratings on our debt and credit facilities of Vishnu Chemicals Limited *(Source: Care Ratings)*.

Instrument or Rating Type	**Amount (₹ in million)**	**Date**	**Ratings**
Long Term Bank Facilities	1,755.90	February 10, 2023	CARE BBB; Stable
Short Term Bank Facilities	784.50	February 10, 2023	CARE A3+

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. There can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors, including on account of change of government tax or fiscal policy, which are outside our control. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

31. ***The agreements governing our indebtedness contain certain restrictive covenants and our inability to comply with these covenants could adversely affect our business, financial condition and results of operations.***

As of March 31, 2023, we had total outstanding borrowings of ₹3,785.34 million comprising of non-current borrowings of ₹2,215.77 million and current borrowings (including current maturities of long-term borrowings) of ₹ 1,569.57 million. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company subject to the threshold prescribed for the shareholding of certain shareholders of our Company and entering into forward contracts, swaps, options, or other liability management contracts in respect of short term facilities.

Further, under the terms of our borrowings, we are required to create a charge by way of hypothecation on the entire current assets of our Company, together with cash in hand, bank accounts and receivables, and, in our term loans, fixed assets. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. Further, if we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

Any failure to comply with the conditions and covenants in our financing agreements or the creation of additional encumbrances that is not waived by our lenders or guarantors or otherwise cured or occurrence of a material adverse event could lead to an event of default and consequent termination of our credit facilities could adversely affect our business, financial condition and results of operations.

32. ***The cost of implementing new technologies for our operations could be significant and could adversely affect our business, financial condition and results of operations.***

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on the basis of cost effectiveness and timeliness. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our operational platform, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products, its quality and pricing less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition and results of operations.

33. ***Product returns and costs incurred because of customer rejections could harm our business, results of operations and financial condition.***

In the event that we are not able to meet the regulatory quality standards, or strict quality standards imposed by our customers, which are applicable to us in our manufacturing processes, it could have an adverse effect on our business, financial condition, and results of operations. If any of the products sold by us fail to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, reputation, sales, results of operations and customer relationships. From time to time, due to human or operational error, orders may not meet the specifications required by those customers and may therefore be rejected by customers. Any ongoing issues with products not meeting required specifications could reduce our revenue and negatively impact our reputation and financial performance.

34. We may be subject to counter party credit risk from our operating activities and our financing activities.

We are subject to the risk that our counterparties may not meet their obligations under various financial instruments. Our credit risk exposure relates to our financing activities, including deposits with banks and financial institutions, as well as to operating activities, primarily from trade receivables. Our receivable days as on 31 March 2023, 31 March 2022 and 31 March 2021 stood at 49, 52 and 56 respectively. For the Fiscals 2023, 2022 and 2021, our trade receivables were ₹1,809.26 million, ₹1,908.33 million and ₹1,156.92 million respectively. Accordingly, in the event that our counterparties do not meet their financial obligations, we may face financial loss and this may thereby adversely affect our business, results of operations and cash flows.

35. If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis in respect of compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

36. We conduct certain business operations on leased premises and our inability to renew such leases may adversely affect our business, financial condition and results of operations.

We have lease arrangements for our Registered Office and Corporate Office and our manufacturing facility located at Bhilai, Chhattisgarh. In case there is any deficiency in the title of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and licensing agreements, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate our agreements, we may suffer a disruption in our operations and will have to look for alternate premises. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing offices on terms favourable to us, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our business, financial condition and results of operations.

37. Our Promoters have significant control over us and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.

As on June 30, 2023, our Promoters along with the Promoter Group together held 75% of our pre-Issue Equity Share capital. Following the completion of the Offer, our Promoters, may continue to hold a majority of our Company's Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholders' approval. Consequently, our Promoters will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors on our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issuance of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. The interests of the Promoters/ may differ and conflict with those of our investors and shareholders which may cause them to act in a manner that may not be in the best interests of our shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For the latest shareholding pattern of our Company, see "*Shareholding Pattern of our Company*" on page 146

38. Our funding requirements and proposed deployment of the proceeds from this Issue are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. We may not be able to utilise the proceeds from this Issue in the manner set out in this Preliminary Placement Document in a timely manner.

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 68. As on the date of this Preliminary Placement Document, our funding requirements are based on management estimates and have not been appraised by any bank or financial institution. Our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. Our management will have discretion to decide how the proceeds of the issue will be utilised. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these funding requirements. Though, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations, we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our business, financial condition, results of operations and prospects. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, financial condition and results of operations.

39. Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has paid dividends to its shareholders during the last three Financial Years. For information, see "*Dividends*" on page 79. However, our future ability to pay dividends will depend on various factors, including, earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictions under financing arrangements. Our business is capital intensive and we may plan to make additional capital expenditures to complete our expansion projects, or to develop new projects. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and in accordance with our dividend distribution policy with applicable law. We cannot assure you that we will be able to pay dividends in the future.

40. Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the historical installed capacity of our manufacturing facilities included in this Preliminary Placement Document is based on various assumptions and estimates of our management and an independent chartered engineer in the calculation of the installed manufacturing capacity of our manufacturing facilities. These assumptions and estimates includes the standard capacity calculation practice of the industry in which we operate after examining the reactor capacities and other ancillary equipment installed at the facilities, the period during which the manufacturing facilities operated in a year/ period, product mix produced, assumption in relation to utilisation levels, expected operations, product manufacturing cycle, cleaning time, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed. Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other competitors in the same industry. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Preliminary Placement Document.

41. ***Certain sections of this Preliminary Placement Document contain information from third-party report which has been commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

Certain sections of this Preliminary Placement Document include information based on, or derived the report "Global Chromium and Barium Chemicals Market: Industry Trends, Share, Growth, Opportunity and Forecast 2023-28" dated May 16, 2023 (the "**Imarc Report**") prepared and released by IMARC Service Private Limited, which is not related to our Company, Directors or Promoters. We have commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Preliminary Placement Document indicates source of the information. Accordingly, any information in this Preliminary Placement Document derived from, or based on, the such third-party report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, he BRLM or any of our or their respective affiliates or advisors and therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to subjective or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon

Further, these third-party reports are not a recommendation to invest or disinvest in any company. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Preliminary Placement Document based on, or derived from, the Imarc Report. You should consult your own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from the Imarc Report, before making any investment decision regarding the Issue. See "*Industry Overview*" on page 105.

42. ***Our Promoter and members of Promoter Group who are also Directors and Key Management Personnel hold Equity Shares, and are, therefore, interested in our Company's performance other than reimbursement of expenses incurred or normal remuneration of benefit.***

Our Promoter and members of the Promoter Group who are also our Directors, have interests in our Company other than to the extent of normal remuneration or benefits and reimbursement of expenses incurred. For further information, see "*Board of Directors and Senior Management Personnel*" on page 136. There can be no assurance that our Promoter and members of the Promoter Group will exercise their rights as shareholders to the benefit and best interest of our Company.

43. ***We have entered into certain credit facilities that are repayable on demand. Any unexpected demand for repayment of such facilities by the lenders may adversely affect our business, financial condition, cash flows and result of operations.***

As of March 31, 2023, our total borrowings amounted to ₹3,785.34 million. Our borrowings of ₹1,003.82 million are drawn on facilities that are repayable on demand. Any failure to service such indebtedness, comply with a requirement to obtain lender consent or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to a such borrowing being repayable on demand or termination of one or more of our credit facilities or default or penalties and acceleration of amounts due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects.

44. ***We have provided corporate guarantees in relation to loans obtained by our Subsidiary, Vishnu Barium Private Limited and any default by such Subsidiary may result in invocation of the corporate guarantee.***

For certain financial arrangements entered into by our Subsidiary, Vishnu Barium Private Limited, our Company has provided corporate guarantee as security in relation to such borrowings. Any default by our Subsidiary in meeting their obligations under their respecting borrowings may result in the invocation of the corporate guarantee against us. We may accordingly be required to undertake the obligations of the defaulting Subsidiary in relation to the relevant loan or financial facility. Such an event may adversely affect our financial condition and cash flows.

45. Our Company was incorporated in 1993 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation.

We are unable to trace some of our historical records, including the form filings made with the RoC. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. For instance, we have been unable to trace the following corporate records and regulatory filings of our Company:

a) return of allotment filed with RoC, including the payment challans thereof, certain minutes of the meetings of the board and/or shareholders and regulatory forms with respect to allotments of equity shares made by the Company dated September 6, 1993 for allotment of 1,250,000 equity shares, December 27, 1993 for allotment of 99,300 equity shares, and June 30, 1994 for allotment of 2,975,000 equity shares;

b) challans for the return of allotment filed with RoC and certain minutes of the meetings of the board and/or shareholders for the allotment of 350,000 equity shares made during 1994-95;

While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings and statutory lapses as of the date of this Preliminary Placement Document, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing filings and corporate records. The actual amount of the penalty which may be imposed or loss which may be suffered by our Company cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against our Company. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

46. We have included certain financial and operational performance indicators, non-GAAP measures and certain other industry measures related to our operations and financial performance. These operational metrics, non- GAAP measures and industry measures may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other peer companies.

We have included certain financial and operational performance indicators, including EBITDA, EBITDA Margin, PAT, PAT Margin, Net Worth, Net Debt, Debt Equity Ratio, Return on Equity and Return on Capital Employed (collectively, the "**Key Performance Indicators**" or "**KPI**") in this Preliminary Placement Document. The KPIs are supplemental measures of our operations and financial performance and are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP, and are prepared with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our measures for the applicable period of measurement. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business and financial operations.

Further, the KPI are not a measurement of our operations and financial performance under Ind AS or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or IFRS, as reported in our Restated Consolidated Financial Information. Although such KPI are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. The KPI may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and has limited usefulness as a comparative measure.

47. Our statutory auditors have highlighted certain matters of emphasis to their audit and review reports relating to our audited financial statements, which may affect our future financial results.

Under Indian Auditing Standards, statutory auditors may include an emphasis of matter in their audit opinion under certain circumstances, including when a company's financial records have not been maintained in accordance with Ind AS. Our statutory auditors have included certain emphasis of matters, reservations and / or observations in the Audited Consolidated Financial Statements. For further information, see "*Management's Discussion on Financial Condition and Results of Operations – Auditors Observations*" on page 81.

There can be no assurance that our statutory auditors will not include such matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such modification will not affect our financial results in future fiscal periods. Investors should consider these matters of emphasis and related remarks in evaluating our financial condition and results of operations. Any such modification in the auditors' report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

EXTERNAL RISK FACTORS

48. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholder's equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

49. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

50. If inflation were to rise in India, we might not be able to increase the prices of our services in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce our costs or fully pass the increased costs on to our customer by increasing the price that we charge for our products, and our business, prospects, financial condition and results of operations may therefore be adversely affected.

51. Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

The Consolidated Unaudited Financial Results included in this Preliminary Placement Document have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

52. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. The domestic policy response includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

53. Investors may have difficulty enforcing foreign judgements against our Company, our Directors or our management.

Our Company is incorporated under the laws of India. All of our Company's Directors and key management personnel are residents of India and our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from\ the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

54. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

RISKS RELATING TO THE EQUITY SHARES

55. Applicants to this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Under the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the applicant's demat account with its depository participant could take approximately seven days to 10 Working Days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events or material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such event after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants will not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

56. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units, if any, may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

57. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Further, the Government of India announced the Union Budget for Fiscal 2023 ("**Budget 2023**"), pursuant to which the Finance Bill 2023 has proposed various amendments. The Finance Bill 2023 has received assent from the President of India on March 30, 2023 and has been enacted as the Finance Act 2023. Further, the Government of India announced the Union Budget for Fiscal 2023 ("**Budget 2023**"), pursuant to which the Finance Bill 2023 has proposed various amendments. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

58. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, 2013, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration as well as the perceived benefits of enabling holders in such jurisdiction to exercise their pre-emptive rights and any other factors we consider appropriate at such time. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you by Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company may be reduced.

59. Listed companies in India are highly regulated and we are subject to continuous reporting requirements.

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions.

We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

60. The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.

The Issue Price shall be determined by us in consultation with the BRLM, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the construction equipment sector, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

For example, conditions in the Indian securities markets may cause the trading price of the Equity Shares to fluctuate. The Indian securities markets are generally smaller and more volatile than securities markets in developed economies. In the past, the Indian stock exchanges have experienced high volatility and other problems that have affected the market price and liquidity of the listed securities, including temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Excessive volatility may, in turn, trigger the imposition of circuit breakers. See "*There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time*." below. A closure of, or trading stoppage on, either of BSE and NSE could adversely affect the trading price of the Equity Shares.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Additionally, in recent years, there have been changes in laws and regulations regulating the taxation of dividend income, which have impacted the Indian equity capital markets. See "*Dividends*" on page 79. Any of these factors could adversely affect the market price and liquidity of the Equity Shares.

61. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

62. Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees and subsequently may need to be converted into the relevant foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. Any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The volatility of the Indian rupee against other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

63. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

A company based in India may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required.

Further, in accordance with the Consolidated FDI Policy dated October 15, 2020, Government of India, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

64. The right of the Equity Shareholders to receive payments under the Equity Shares will be subject to tax and other liabilities upon insolvency of the Company.

The Equity Shares will be subordinated to other liabilities preferred by law, such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Company's business (including workmen's dues, such as salary, holiday remuneration, amounts due under the Employees' State Insurance Act, 1948, compensation in relation to death or disability of employees, money payable to the provident fund, gratuity fund, etc.). In the event that bankruptcy or insolvency proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy or insolvency are instituted by or against the Company, the payment of sums or dividends to the Equity Shares may be substantially reduced or delayed, or the shareholding in the Company may be significantly diluted or otherwise completely extinguished.

65. An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

66. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- Significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 59,730,100 Equity Shares have been issued, subscribed and paid up. The face value of the Equity Shares is ₹2 per Equity Share. The Equity Shares have been listed on BSE and on NSE.

On July 25, 2023, the closing price of the Equity Shares on BSE and NSE was ₹367.70 and ₹367.45 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

1. The following tables set out the reported high, low and average of the closing prices of the Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for Fiscals 2023, 2022 and 2021.

NSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in million)
Fiscal 2023	434.00	September 08, 2022	1,70,025	72.14	244.85	March 06, 2023	1,43,083	35.90	314.30	2,83,31,662	9,390.30
Fiscal 2022	359.80	March 28, 2022	47,105	16.25	55.90	April 13, 2021	55,400	3.16	154.01	2,43,77,225	3,330.99
Fiscal 2021	56.94	March 24, 2021	5,97,520	32.04	12.80	April 01, 2020	1,04,220	1.47	31.68	3,01,40,165	1,019.20

(Source: www.nseindia.com)

Note:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year*

BSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Averag e price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in million)
Fiscal 2023	429.40	September 08, 2022	1,17,175	49.82	245.05	March 06, 2023	26,007	6.51	314.25	79,42,110	2,696.64

Fiscal 2022	357.99	March 25, 2022	8,075	2.83	55.76	April 15, 2021	8,380	0.48	153.81	51,08,085	689.17
Fiscal 2021	57.01	March 31, 2021	27,835	1.58	13.60	April 01, 2020	5,445	0.08	31.81	47,06,830	170.23

(Source: www.bseindia.com)

Note:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year*

2. The following tables set out the reported high and low closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

NSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in million)
June, 2023	377.75	June 13, 2023	1,18,765	44.11	318.55	June 01, 2023	98,662	31.90	354.30	39,57,816	1,410.48
May, 2023	333.70	May 29,2023	2,63,129	86.15	290.00	May 23, 2023	74,262	21.83	310.05	30,10,657	947.61
April, 2023	313.65	April 11, 2023	1,46,443	44.26	270.00	April 03, 2023	1,11,770	31.30	293.99	19,53,686	576.78
March, 2023	279.95	March 01, 2023	76,163	20.46	244.85	March 06, 2023	1,43,083	35.90	261.08	20,55,180	536.81
February, 2023	300.00	February 22, 2023	55,410	16.33	256.80	February 08, 2023	1,29,068	33.94	277.36	13,13,298	361.89
January, 2023	314.40	January 12, 2023	3,84,090	117.44	260.00	January 23, 2023	73,470	19.47	285.70	22,38,719	651.26

(Source: www.nseindia.com)

Note:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*

BSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in million)
June, 2023	377.05	June 13, 2023	16,404	6.10	318.15	June 01, 2023	14,256	4.61	354.12	3,56,655	127.08
May, 2023	333.90	May 30, 2023	5,616	1.83	287.15	May 24, 2023	15,217	4.47	310.14	2,67,999	83.77
April, 2023	313.30	April 11, 2023	9,997	3.02	271.20	April 03, 2023	20,238	5.69	293.96	2,20,529	64.80
March, 2023	278.35	March 01, 2023	12,565	3.37	245.05	March 06, 2023	26,007	6.51	260.77	2,01,390	52.47
February, 2023	298.95	February 22, 2023	2,145	0.63	257.10	February 08, 2023	17,629	4.66	277.04	1,64,425	45.24
January, 2023	312.26	January 12, 2023	52,390	15.99	259.20	January 23, 2023	15,280	4.03	285.74	2,57,190	74.52

(Source: www.bseindia.com)

Note:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*

3. The following table sets forth the market price on the Stock Exchanges on February 13, 2023, the first Working Day following the approval of our Board for the Issue:

NSE						BSE					
Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Turnover (₹ in million) (₹)**	**Open (₹)**	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Turnover (₹ in million) (₹)**
277.00	277.00	264.30	266.20	57,706	15.48	277.75	277.75	265.00	266.40	12,697	3.41

(Source: www.nseindia.com and www.bseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹ [●] million. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue of approximately ₹[●] million, will be approximately ₹[●] million ("**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, we propose to utilise the Net Proceeds for the following objects, as may be approved by the Board:

a) Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company;

b) Investment into one of our Subsidiaries, VBPL, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by VBPL; and

c) General corporate purposes.

(Collectively refrred to "**Objects**")

Requirements of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(*in ₹ million*)

Sr. No	Particulars	Amount
1.	Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company	750.00
2.	Investment into one of our Subsidiaries, VBPL, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by VBPL	750.00
3.	General corporate purposes(1)	[●]
Total Net Proceeds		[●]

(1) The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of the memorandum of association of our Company enables it to undertake the activities for which the borrowings were availed by it and which are proposed to be repaid or prepaid from the Net Proceeds. Further, the main objects clause and objects incidental or ancillary to the attainment of the main objects clause of the memorandum of association of VBPL enables it to undertake the activities for which the borrowings were availed by it and which are proposed to be repaid or prepaid from the Net Proceeds.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Proposed schedule of Implementation and Utilisation of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(*in ₹ million*)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds during Fiscal 2024
Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company	750.00	750.00
Investment into one of our Subsidiaries, VBPL, for repayment or pre-payment, in full or in part, of certain borrowings availed by VBPL	750.00	750.00
General corporate purposes (1)	[●]	[●]

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds during Fiscal 2024
Total Net Proceeds	**[●]**	**[●]**

(1) The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our fund requirements and deployment plans for the Net Proceeds are based on management estimates, our business plan based on current market conditions, which are subject to change in the future, and have not been appraised by any bank or financial institution or any other independent agency.

Our fund requirements and proposed deployment schedule for the Net Proceeds are based on current general economic and market conditions and business needs, and the actual deployment of funds at each stage will depend on a number of factors, including our financial condition, business and strategy or external circumstances such as financial and market conditions, competitive environment, inflation, employment and disposable income levels, demographic trends, technological changes, changing customer preferences, interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control.

Since, the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

Details of use of Proceeds

A. Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowing in the form of long-term borrowings and short-term borrowings. As of March 31, 2023, we had total outstanding borrowings of ₹3,785.34 million comprising of non-current borrowings of ₹2,215.77 million and current borrowings (including current maturities of long-term borrowings) of ₹ 1,569.57 million. Our Company proposes to utilise an estimated amount of ₹750.00 million from the Net Proceeds towards full or partial repayment or pre-payment of certain unsecured and secured borrowings availed by our Company.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings in part or full, would not exceed ₹750.00 million.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides the details of borrowings availed by our Company as of July 24, 2023, which we have identified to repay or prepay, in full or in part, from the Net Proceeds:

S. No	Name of the Lender/ Trustee	Purpose	Amount sanctioned (₹ in million)	Principal amount outstanding as on July 24, 2023 (₹ in million)*	Interest Rate	Repayment Date / Schedule/
1.	State Bank of India	Working Capital	504.50	205.22	10.40%	Repayable on Demand
2.	State Bank of India	Working Capital	43.50	43.11	10.90%	Repayable on Demand

S. No	Name of the Lender/ Trustee	Purpose	Amount sanctioned (₹ in million)	Principal amount outstanding as on July 24, 2023 (₹ in million)*	Interest Rate	Repayment Date / Schedule/
3.	State Bank of India	Working Capital	150.00	92.94	9.25%	Tenor- 48 Monthly Installments Repayment Start Date- 28/02/2022 Repayment End Date- 31/12/2025
4.	State Bank of India	Working Capital	87.00	87.00	9.05%	Tenor- 48 Monthly Installments Repayment Start Date- 31/12/2023 Repayment End Date- 30/11/2027
5.	Union Bank of India	Working Capital	205.50	51.85	10.75%	Repayable on Demand
6.	Union Bank of India	Working Capital	52.50	31.27	10.75%	Repayable on Demand
7.	Union Bank of India	Working Capital	144.50	94.01	8.85%	Tenor- 48 Monthly Installments Repayment Start Date- 31/12/2021 Repayment End Date- 30/11/2025
8.	Union Bank of India	Working Capital	132.80	132.80	8.80%	Tenor- 48 Monthly Installments Repayment Start Date- 31/12/2023 Repayment End Date- 30/11/2027
9.	Indian Overseas Bank	Working Capital	237.50	227.38	11.15%	Repayable on Demand
10.	Indian Overseas Bank	Working Capital	47.50	29.69	9.05%	Tenor- 48 Monthly Installments Repayment Start Date- 31/01/2022 Repayment End Date- 31/12/2025
11.	Indian Overseas Bank	Working Capital	23.70	23.70	9.05%	Tenor- 48 Monthly InstallmentsRepayment Start Date- 31/12/2023Repayment End Date- 30/11/2027
12.	Bajaj Finance Limited	Working Capital	150.00	149.98	9.20%	Tenor- 90 days
13.	Krishna Murthy Cherukuri	Working Capital	-	171.65	Interest Free	Repayable on Demand
14.	Siddartha Cherukuri	Working Capital	-	59.40	Interest Free	Repayable on Demand
15.	Siddartha Cherukuri	Working Capital	-	35.73	Interest Free	Repayable on Demand
	Total		**1,779.00**	**1,435.73**		

**As certified by our Statutory Auditors vide their certificate dated July 26, 2023.*

For the purposes of the Issue, our Company has obtained relevant consents and notified the relevant lender, as required under the facility documentation for undertaking the Issue. Except to the extent of repayment of unsecured loans to the Promoters, forming part of the Objects, no portion of the Net Proceeds will be utilised for repayment/ prepayment, in full or part, of any borrowings availed by our Company from our Promoters, Directors, Key Managerial Personnel or Senior Management.

B. Investment into one of our Subsidiaries, VBPL, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by VBPL

Form of Investment

Our Company proposes to invest ₹750.00 million from the Net Proceeds in VBPL in the form of investment in either equity or debt instruments or in any other manner as may be mutually agreed between our Company and VBPL in accordance with applicable law. The actual mode of such deployment has not been finalised as on the date of this Preliminary Placement Document.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of VBPL will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

Details and utilisation

The following table provides the details of borrowings availed by VBPL as of July 24, 2023, which we have identified to repay or prepay, in full or in part, from the Net Proceeds:

S. No	Name of the Lender/ Trustee	Purpose	Amount sanctioned (₹ in million)	Principal amount outstanding as on July 24, 2023 (₹ in million)*	Interest Rate	Repayment Date / Schedule/
1.	Union Bank of India	Working Capital	420.00	341.97	11.20%	Repayable on Demand
2.	Union Bank of India	Working Capital	52.70	52.70	7.50%	Tenor- 36 Monthly Installments Repayment Start Date- 30/09/2024 Repayment End Date- 31/08/2027
3.	Union Bank of India	Term Loan	138.00	124.78	11.15%	Tenor- 24 Quaterly Installments Repayment Start Date- 31/03/2023 Repayment End Date- 31/12/2028
4.	Union Bank of India	Term Loan	207.00	189.75	11.40%	Tenor- 24 Quaterly Installments Repayment Start Date- 31/03/2023 Repayment End Date- 31/12/2028

S. No	Name of the Lender/ Trustee	Purpose	Amount sanctioned (₹ in million)	Principal amount outstanding as on July 24, 2023 (₹ in million)*	Interest Rate	Repayment Date / Schedule/
5.	Union Bank of India	Term Loan	370.00	368.15	11.40%	Tenor- 24 Quaterly Installments Repayment Start Date- 30/09/2023 Repayment End Date- 30/09/2029
	Total		**1,187.70**	**1,077.35**		

**As certified by our Statutory Auditors vide their certificate dated July 26, 2023.*

For the purposes of the Issue, VBPL has obtained relevant consents and notified the relevant lender, as required under the facility documentation for undertaking the Issue. Further, no portion of the Net Proceeds, that will be utilised for repayment/ prepayment, in full or part, of any borrowings availed by VBPL, will be received by our Promoters, Directors, Key Managerial Personnel or Senior Management.

C. General Corporate Purposes

The Net Proceeds will first be utilised for the Objects as set out above. Subject to this, our Company intends to deploy ₹[●] million from the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the circular bearing reference no.NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Such general corporate purposes may include, but are not restricted to, (i) funding growth opportunities including organic and inorganic acquistions; (ii) meeting ongoing general corporate purposes or contingencies; and/or (iii) strategic initiatives; (iv) brand building and other marketing expenses; and (v) any other purpose as permitted by applicable laws.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our management, based on our business requirements and other relevant considerations, from time to time. Our management shall have the flexibility in utilising surplus amounts, if any.

Interim use of Net Proceeds

In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals. Pending utilization of the Net Proceeds, our Company shall invest such proceeds in money market instruments including money market mutual funds, deposits in scheduled commercial banks or any other investment as permitted under the investment policy of our Company. Provided that in accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

Monitoring Utilization of Funds from the Issue

The Company has appointed CARE Ratings Limited as the Monitoring Agency in relation to the Issue. Our Board and Monitoring Agency shall monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under Regulation 173A of the SEBI ICDR Regulations. The Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of the Company for the relevant Financial Years.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Net Proceeds were raised have been achieved. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

Neither our Promoters, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Except to the extent of repayment of unsecured loans to the Promoters, forming part of the Objects, neither our Promoters nor our Directors shall receive any proceeds from the Issue. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or Senior Management Personnel are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation and total debt as on March 31, 2023 based on our Audited Consolidated Financial Statements and our Company's capitalisation as adjusted to reflect the receipt of the gross proceeds of this Issue and the application thereof.

This table should be read together with "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Financial Statements***" on pages 38, 81 and 197, respectively and the related notes included elsewhere in this Preliminary Placement Document.

(₹ in million)

Particulars	Pre – Issue As at March 31, 2023 (A) (Un adjusted)	Post – Issue As Adjusted**
Borrowings:		
Deposits		
Debt Securities		
Borrowings – Non Current (Note 1)	2,215.78	[●]
Borrowing – Current	1,569.57	[●]
Subordinated Liabilities	0	[●]
Total indebtedness (A)	**3,785.35**	**[●]**
Equity		
Equity Share capital	119.46	[●]
Other Equity	4,024.28	[●]
Total Equity (B)	**4,143.74**	[●]
Total Capitalization (C = A+B)	**7,929.09**	[●]
Total Borrowing / Total Equity (A)/(B)	**0.91**	[●]

**These terms shall carry the meaning as per Division II of Schedule III of the Companies Act, 2013.*

*** To be updated upon finalization of the price.*

Note1: Non-current Borrowings includes Interest free unsecured loan from promoters to the extent of ₹ 300.90 million and its amortized cost in books ₹261.01 million.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(In ₹million, except share data)

Particulars		Aggregate value at face value (except for securities premium account)
A.	**AUTHORIZED SHARE CAPITAL**	
	75,000,000 Equity Shares of face value of ₹2 each	150.00
	80,000,000 Preference Shares of face value of ₹10 each	800.00
	Total	**950.00**
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	59,730,100 Equity Shares of face value of ₹ 2 each	119.46
	76,637,500 7% Cumulative Redeemable Preference Shares of face value of ₹10 each	766.38
	Total	**885.84**
C.	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●](1)(2)	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of face value of ₹ 2 each (2)	[●]
	Total	**[●]**
E.	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as of the date of this Preliminary Placement Document)	-
	After the Issue(2) (3)	[●]

(1) The Issue has been authorized by the Board of Directors pursuant to its resolution passed on February 10, 2023. The Shareholders have authorized and approved the Issue by way of a special resolution passed through a postal ballot dated March 22,2023.

(2) To be determined upon finalization of the Issue Price.

(3) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.

Equity Share capital history of our Company

The following table sets forth the history of the Equity Share capital of our Company since incorporation:

Date of allotment/ Year of Allotment	No. of Equity Shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason/Nature of allotment/ Source	Form of consideration	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
January 15, 1993^	700	10.00	10.00	Subscribers to MOA	Cash	700	7,000
September 6, 1993^	1,250,000	10.00	10.00	Pursuant to acquisition of assets	Other than cash	1,250,700	12,507,000
December 27, 1993^	99,300	10.00	10.00	Further Allotment	Cash	1,350,000	13,500,000
1994-95^#	350,000	10.00	10.00	Further Allotment	Cash	1,700,000	17,000,000
June 30, 1994^	2,975,000	10.00	10.00	Initial public offering	Cash	4,675,000	46,750,000
January 2, 2006^	9,686,400	10.00	10.00	Other than cash	Pursuant to Scheme of Amalgamation*	11,980,450**	119,804,500
July 31, 2008^	(34,430)	10.00	10.00	Forfeiture	N. A.	11,946,020	119,460,200
Pursuant to our Shareholders' resolution dated December 14, 2022, each fully paid-up equity shares of our Company of face value of ₹10 was sub-divided into five Equity Shares of our Company of face value of ₹2 each. Therefore, 1,19,46,020 equity shares of our Company of face value of ₹ 10 each were sub-divided into 5,97,30,100 equity shares of our Company of face value of ₹ 2 each.							

*^ We have been unable to trace return of allotment filed with RoC, including the payment challans thereof, certain minutes of the meetings of the board and/or shareholders and regulatory forms with respect to certain allotments of equity shares made by the Company. We have included these details basis the search report issued by an independent practising company secretary pursuant to their inspection and independent verification of the documents available or maintained by our Company and the Ministry of Corporate Affairs at the MCA Portal. Accordingly, we have relied on the certificate dated June 12, 2023, issued by L. D. Reddy & Co. Company Secretaries ("**RoC Search Report**"). Please also see "Risk Factors – Our Company was incorporated in 1993 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation." on page 38.*

 # Based on review of Company's annual reports for Fiscal Year 1993-94 and Fiscal Year 1994-95.

** Pursuant to the scheme of amalgamation approved by the High Court of Judicature, Andhra Pradesh, Hyderabad dated December 15, 2005 ("**Scheme of Amalgamation**") the outstanding number of equity shares of Vishnu Chemicals Private Limited, prior to the amalgamation was 2,01,800. Further, pursuant to the Scheme of Amalgamation, for every 1 share held, the shareholders of Vishnu Chemicals Private Limited will receive 48 shares of Keystone Industries Limited. Accordingly, 96,86,400 Equity Shares were issued pursuant to such Scheme of Amalgamation.*

*** Pursuant to the Scheme of Amalgamation, the resultant paid-up share capital of Keystone Industries Limited was adjusted as below:*

Particulars	No. of Equity Shares
Existing listed paid-up capital of Keystone Industries Limited prior to the date of amalgamation	*4,675,000 Equity Shares*
Less: Cross Holding of Vishnu Chemicals Private Limited	*504,000 Equity Shares*
Adjusted listed paid-up capital	*4,171,000 Equity Shares*
*Reduction of Capital pursuant to the Scheme of Amalgamation by 45% (i.e., 41,71,000 * 55/100)*	*2,294,050 Equity Shares*
Add: Shares allotted upon amalgamation to the promoters of Vishnu Chemicals Private Limited	*9,686,400 Equity Shares*
Post Amalgamation paid-up capital of Keystone Industries Limited	***1,980,450 Equity Shares***

Except as stated in "- *Equity Share Capital History of our Company*" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Preference Shares

The history of the Preference Share capital of our Company is set forth in the table below:

Date of allotment	No. of Preference Shares allotted	Face value per Preference Shares (₹)	Issue price per Preference Shares (₹)	Nature of allotment	Consideration
March 31, 2008	4,00,00,000*	10	10	Preferential allotment	Cash
September 30, 2009	75,00,000*	10	10	Preferential allotment	Cash
March 29, 2018	7,66,37,500*#	10	-	In lieu of redemption of then existing 4,75,00,000 CRPS of face value of ₹10 each agreegating to ₹475.00 million and outstanding accumulated dividend thereon agreegating to ₹291.38 million as on March 31, 2017.	Other than cash

**7% Redeemable Preference Shares of face value of ₹10 each*
*#Allotment of 76,637,500 7% Cumulative Redeemable Preference Shares was ratified by the Board on receipt of the order dated April 13, 2018 from National Company Law Tribunal, Bench at Hyderabad ("**NCLT**") under section 55(3) of the Companies Act, 2013 and according to NCLT order dated April 13, 2018 the existing 47,500,000 7% CRPS of face value of ₹10 each were deemed to have been redeemed.*

Warrants

As on the date of this Preliminary Placement Document, there are no outstanding warrants.

Employee stock option schemes

As on the date of this Preliminary Placement Document, our Company does not have an employee stock option scheme.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them will be included in the Placement Document in the section "***Details of Proposed Allottees in the Issue***" on page 196.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below.

Sr. No.	Category	Pre-Issue as of June 30, 2023		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoter's holding#**				
1.	**Indian**				
	Individual	44,797,530	75.00	[●]	[●]
	Corporate	-	-	[●]	[●]
2.	**Foreign**	-	-	[●]	[●]
	Sub-total (A)	**44,797,530**	**75.00**	**[●]**	**[●]**
B.	**Non-Promoter's holding**				
1.	**Institutional investors**	274,452	0.46	[●]	[●]

Sr. No.	Category	Pre-Issue as of June 30, 2023		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
2.	**Non-institutional investors**				
	Investor Education and Protection Fund (IEPF)	576,925	0.97	[●]	[●]
	Individual share capital upto ₹ 2 Lacs	8,988,497	15.05	[●]	[●]
	Individual share capital in excess of ₹ 2 Lacs	1,810,147	3.03		
3.	**Foreign Companies**			[●]	[●]
4.	**Non Resident Indians (NRIs)**	**560,789**	**0.94**		
5.	**Bodies Corporate**	1,683,310	2.82	[●]	[●]
6.	**Any Other** [including Non-resident Indians (NRIs) and clearing members]	1,038,450	1.74	[●]	[●]
	Sub-total (B)	14,932,570	**25.00**	**[●]**	**[●]**
C.	**Non-Promoter Non-Public shareholder**				
1.	Custodian/ DR Holder	-	-	-	-
2.	Employee Benefit Trust	-	-	-	-
	Sub-total (C)	-	-	-	-
	Total (A+B+C)	**59,730,100**	**100**	**[●]**	**[●]**

**Note: The details of the post-Issue shareholding pattern have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges.*
 # Includes shareholding of the members of the Promoter Group.

Other Confirmations

There are no outstanding options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

The Promoters, the Directors and the Senior Management of our Company do not intend to participate in the Issue. No change in control in our Company will occur consequent to the Issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of postal ballot notice dated February 10, 2023, to the shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

DIVIDENDS

The declaration and payment of dividends by our Company, if any will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act.

Our Board has approved and adopted a formal dividend distribution policy on May 16, 2022, in terms of Regulation 43A of the SEBI Listing Regulations ("**Dividend Distribution Policy**"). In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by the Board after taking into account a number of factors, including but not limited to current year's profits, future outlook, with due consideration of internal and external environment, operating cash flows and treasury position, financial ratios, earning per share possibilities of alternative usage of cash, e.g., capital expenditure etc., with potential to create greater value for shareholders, providing for unforeseen events and contingencies with financial implications, other factors that may be considered relevant from time to time. For further information, see "*Description of the Equity Shares*" on page 179.

The following table details the dividend paid and proposed by our Company on the Equity Shares in respect of Fiscal 2021, 2022, 2023 and 2024:

Particulars	From April 1, 2023 to June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Face value of Equity Shares (₹ per Equity Share)	2	10	10	10
Total dividend (interim) per Equity Share (in ₹)	Nil	Nil	Nil	Nil
Total dividend (final) per Equity Share (in ₹)	0.40	2	1	1
Total Dividend per equity share (in ₹)	0.40	2	1	1
Total dividend on Equity Shares (in ₹ million)	23.89*	23.89*	11.95*	11.95*
Dividend distribution tax (in ₹ million)	NA	NA	NA	NA
Dividend rate (%)	20%	20%	10%	10%

** These amounts reflect declared dividend during the period / fiscal year.*
*** Pending to be approved at the ensuing 30th Annual General Meeting*

The following table details the dividend paid and proposed by our Company on the Preference Shares in respect of Fiscal 2021, 2022, 2023 and 2024:

Particulars	From April 1, 2023 to June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Face value of Preference Shares (₹ per Preference Share)	10	10	10	10
Dividend %	-	4.50*	1.00*	-
Total Dividend per Preference Share (in ₹)	-	34.48	7.66	-
Dividend distribution tax (in ₹ million)	NA	NA	NA	NA

** These amounts reflect Preference divided provided in the books of accounts during respective the fiscal year.*

The form, frequency and amount of future dividends on the Equity Shares will depend upon our Company's future earnings, cash flow, financial condition and other factors and shall be at the discretion of its Board of Directors and subject to approval of the shareholders of our Company. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased. For details, see *"Risk Factors – Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.*" on page 81.

The Equity Shares to be offered in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Statement of Possible Special Tax Benefits*" on page 184.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition is based on our financial statements as of and for fiscal 2023, fiscal 2022 and fiscal 2021 (the "**Audited Consolidated Financial Statements**"). This discussion should be read in conjunction with the section titled "Selected Financial Information", and the Financial Statements included elsewhere in this Preliminary Placement Document.*

This discussion contains forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "Forward-Looking Statements" and "Risk Factors" on pages 16 and 38, respectively, and elsewhere in this Preliminary Placement Document.

*We prepared our Audited Consolidated Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Company Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 months ended March 31 of that year.

OVERVIEW

Vishnu Chemicals Limited is the "*largest integrated producers*" of chromium based speciality chemicals in India and one of the leading producers globally. Also, Vishnu Barium Private Limited ("**VBPL**"), our Subsidiary is "*largest producer and exporter*" of barium-based speciality chemicals in India *(Source: Imarc Report)*. We are primarily focused on producing a diversified portfolio of speciality chemicals involving complex and differentiated chemistries and technologies. Specialty chemicals are those chemicals that impart value adding properties to a product. As of May 31, 2023, our product portfolio comprised of ten primary and derivative products having over 10 application industries across various industries in India and across the world.

Our products have applications across a wide spectrum of industries including the pharmaceuticals, functional plating, decorative plating, refractory bricks, pigments & sport surfaces, roofing & ceramic tiles, construction equipment, textiles, leather, detergent, timber treatment etc. As of May 31, 2023, we marketed our products to over 250 domestic and export customers across 40+ countries. Our diversification into flexible derivative mix has allowed us to explore a wide range of applications across different industries.

We commenced our business as a manufacturer of chromium based specialty chemicals in the year 1993 – 1994 under the erstwhile Keystone Industries Limited. Further, pursuant to the scheme of amalgamation between erstwhile Keystone Industries Limited and Vishnu Chemicals Private Limited ("**Scheme of Amalgamation**") vide order dated December 15, 2005 passed by the High Court of Andhra Pradesh, Hyderabad, Vishnu Chemicals Private Limited was amalgamated in our Company with the appointed date being April 1, 2004. Subsequently, the name of our Company was changed to Vishnu Chemicals Limited with effect from January 2, 2006. In fiscal 2016, we have acquired entire shareholding of Solvay Vishnu Barium Private Limited from Solvay group (Belgium Chemical Group) and it became wholly owned subsidiary of our Company, subsequent to which its name was changed to Vishnu Barium Private Limited. With our established track record of operations of three decades, we have established a market position of being a preferred vendor for our global customers in some of our key products across chromium and barium chemicals.

Our business is divided into two major product categories (1) Chromium Chemicals; and (2) Barium Chemicals (through our wholly owned Subsidiary, Vishnu Barium Private Limited). We manufacture a variety of chromium-based chemicals with sodium dichromate being the primary product which largely finds application in industries such as pharmaceuticals, pigments & dyes and to manufacture other chromium chemicals, which are derivatives of sodium dichromate. Since Fiscal 2019, we pivoted to focus on manufacturing a range of chromium chemicals to reduce product concentration risk. Our portfolio of chromium chemicals products includes (a) Sodium Dichromate, (b) Basic Chromium Sulphate, (c) Chromic Acid, (d) Chrome Oxide Green, (e) Sodium Sulphate and (f) Potassium Dichromate. Subsequently, we expanded our end-user industry base to more than 10 application industries, including electroplating, master batches, refractories, wood preservatives, paper and FMCG.

We also currently manufacture and supply industry-grade barium carbonate and precipitated barium sulphate that finds applications in the manufacture of ceramic, tiles, paints, batteries, glass and enamel products. Infrastructural development, increasing urbanization and expansion in construction industry has fuelled the demand for barium chemicals. Within the Barium segment, we have introduced a new product – precipitated barium sulphate and sodium sulphide in the year 2023 used in various application industries such as powder coating, paints and batteries.

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our sales of chromium based speciality chemicals constituted 87.71%, 84.73% and 84.16% respectively, of our consolidated revenue from operations and our sales of barium based speciality chemicals constituted 12.29%, 15.27% and 15.84%, respectively, of our revenue from operations. Our range of products are an essential input for Industrial applications and across Pharmaceuticals and Consumer sector, mainly due to their corrosion resistance, colour and uniformity and low co-efficiency against friction, among other beneficial properties.

We have four integrated and strategically located manufacturing facilities in India, situated at (1) Visakhapatnam, Andhra Pradesh (2) Bhilai, Chhattisgarh (3) Hyderabad, Telangana, and (4) Srikalahasti, Andhra Pradesh (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited). As of March 31, 2023, our manufacturing facilities had an installed capacity of 80,000 MT and 60,000 MT for Chromium Chemicals and Barium Chemicals respectively. Our manufacturing facilities are equipped with modern machinery and equipment which enables us to undertake various chemistry processes. Our manufacturing facilities are multi-purpose whereby the same plant is able to produce different products to meet customer demand, with significant backward and forward integration linkages, providing us the flexibility to change the product mix to cater to market requirements. We have ISO 9001:2015 certifications for marketing, purchase, HR training activities, and dispatch of Sodium Dichromate as well as Basic Chromium Sulphate and Sodium Sulphate, for our manufacturing facilities located at Visakhapatnam, Andhra Pradesh and Bhilai, Chhattisgarh.

We are an innovation led company with a track-record of successfully executing complex chemical processes and development of specialised chemical products customised to customer requirements. We have an in-house quality control unit at all our manufacturing facilities. We have a team comprising of chemical engineers and PhDs in the field of chemistry. Our quality and research is focused on (i) new product development, (ii) process innovation and to serve the niche requirements of our customers, (iii) improvement of our productivity and yields and (iv) reduction of our resource consumption.

Our products are predominantly used as industrial intermediates and / or raw materials and hence we operate as a business-to-business manufacturing company. We market our products to over 250 domestic and export customers across 40+ countries across six continents. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our top 10 customers contributed 36.25%, 34.90%, 32.10%, respectively, of our revenue from operations. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our top 10 customers in Fiscal 2023. In Fiscal 2023 our top five export destinations were Brazil, USA, Mexico, Korea and Italy. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, 48.94%, 51.13% and 50.69%, respectively, of our revenue from operations were from exports.

Our Promoters, Krishna Murthy Cherukuri and Siddartha Cherukuri have an experience of approximately 30 years and 15 years, respectively, in the chemicals industry. Our management team is backed by a core operational team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products which our Company is catering to.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

We believe that the following factors have significantly affected our results of operations and financial condition during the period under review, and may continue to affect our results of operations and financial condition in the future.

Raw materials and consumables price fluctuations and availability

Our cost of materials consumed and cost of consumables makes up a large portion of our operating expenses. During Fiscal 2023, Fiscal 2022 and Fiscal 2021, our cost of materials consumed amounted to ₹5,508.47 million, ₹3,997.93 million and ₹2,755.95 million, respectively, which represented 39.60%, 37.40% and 40.61% of our revenue from operations for the respective periods. During Fiscal 2023, Fiscal 2022 and Fiscal 2021, our cost of consumables amounted to ₹2,157.21 million, ₹1,548.70 million and ₹846.72 million, respectively, which represented 15.51%, 14.49% and 12.48% of our revenue from operations for the respective periods. We source raw materials and consumables primarily from third-party suppliers, including through imports. Our raw materials include chrome ore, sodium carbonate, barytes amongst others. Our consumables include pet coke, coal, husk, furnace oil amongst others. We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under contracts of shorter periods or through spot purchases. The prices of our key raw materials globally have been volatile and any increases in the prices of these materials have an impact on our costs of production.

Foreign exchange rate risk

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollar. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar. For Fiscal 2023, Fiscal 2022 and Fiscal 2021, 48.94%, 51.13% and 50.69%, respectively, of our revenue from operations were attributed to exports. Additionally, we have had gains due to these fluctuations in foreign currency in the Fiscal 2023 and Fiscal 2022 of ₹97.45 million and ₹34.81 million respectively and a loss in Fiscal 2021 of (₹8.03) million. There can be no assurance that we will continue to record gains from foreign exchange fluctuations or any hedging measures we take will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

Capital expenditure

We require substantial capital to maintain our existing facilities, as well as to acquire new sites, to expand our existing facilities and to construct new facilities. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, we incurred capital expenditure of ₹1,173.67 million, ₹832.98 million and ₹544.59 million respectively. A significant amount of our capital expenditure was aimed at constructing manufacturing and other facilities, increasing our manufacturing capacities and diversifying our product base.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company and could adversely impact our Equity Share price.

Competition

Our products are used in end-user industries, such as pharmaceuticals, functional plating, decorative plating, refractory bricks, pigments & sport surfaces, roofing & ceramic tiles, construction equipment, textiles, leather, detergent, timber treatment etc. The broad spectrum application of our products provide us a unique position in the Indian chemical industry. Despite such uniqueness, it is inevitable that we face competition from other manufacturers, especially global manufacturers, for different products that we manufacture. Some foreign companies, including without limitation manufacturers in China, Turkey, USA, South Africa and Russia may be able to produce chemicals at competitive costs and, consequently, supply their products at cheaper prices. Such competitors may also have greater financial and technological resources and may also have larger sales and marketing teams. They might be in a better position to identify market trends, adapt to changes in industry, innovate new products, offer competitive prices due to economies of scale and ensure product quality and compliance. While our products are sold towards the substantially higher value range, we are unable to assure you that we shall be able to continue to charge premium pricing. Inability to do so will adversely affect our financial condition and results of operation.

SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

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

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

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

b) Intangible Assets

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

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

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

c) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet.

d) Financial Instruments

Financial instruments are classified as:

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

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

Subsequently, financial assets are measured as follows:

i) Amortised Cost

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

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

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

ii) Fair Value Through Profit and Loss Account

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

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

e) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

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

i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs. For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

ii) Cash flow hedges

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

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

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

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

f) Impairment of Assets

i) Non-Financial Assets

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

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

ii) Financial Assets

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

g) Inventories

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

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

h) Revenue Recognition

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

The Group recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognise revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

i) Provisions

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

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

j) Borrowing Costs

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

k) Employee Benefits

The Group's contribution to Provident and Pension fund for the employees is covered under defined contribution plan and is recognised as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

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

Defined benefit costs are categorised as follows:

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

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

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

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

l) Foreign Currency Transactions and balances

The Group's consolidated financial statements are presented in Indian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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

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

m) Earnings per Share

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

n) Statement of Cash Flows

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

o) Taxes on Income

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

i. Current income tax

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

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

ii. Deferred income tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

PRINCIPAL COMPONENTS OF INCOME AND EXPENTURE

Total income comprises of (a) revenue from operations and (b) other income.

Revenue from Operations

Revenue from Operations include revenue from sale of products i.e. Chromium Chemicals, Barium Chemicals and their derivatives and other operating revenues which includes revenue from sale of scrap, testing charges and export incentives.

Other Income

Other income comprises of (i) interest income (ii) other Non-Operating income. Interest income includes interest from bank and other deposits and amortised interest on deposits/loan. Other Non-Operating income includes income from Insurance claim received, profit on sale of investments (net), net loss on foreign currency transaction and translation, other income, fair value gain on investments and profit on sale of property, plant and equipment.

Expenses

Cost of materials consumed

Cost of material represents of raw material consumed such as Chrome Ore, Sodium Carbonate, Sulphur, Sulphuric Acid and Barytes.

Purchase of stock in trade

Cost attributable to the purchase of finished goods for the purpose of resale.

Cost of Consumables

Cost of consumables include consumption cost of Petcoke, Furnace Oil, Husk, Coal, LDO and Kerosene.

Changes inventories of finished goods and work-in-progress.

Changes in inventories finished goods, work in progress and stock in trade represent the difference between the opening and closing stock of finished goods, work in progress and stock in trade.

Employee Benefit expenses

Employee benefit expenses predominantly comprises of salaries and wages, contribution to provident and other fund and staff welfare expenses.

Finance Cost

Finance cost includes interest Expense, Interest on others, unwinding of interest/discount on financial instruments, other borrowing costs and preference dividend.

Depreciation and amortisation expenses

Depreciation and amortisation expenses

Power Cost

Power cost includes power charges or electricity charges.

Manufacturing Expenses

Manufacturing expenses include equipment hire charges, consumption of stores and spares, repairs and maintenance of buildings, repairs and maintenance- P & M, Labour costs, factory/godown maintenance, effluent disposal expenses and goods movement charges.

Selling and Administrative Expenses.

Selling and administrative expenses include labour costs, insurance, packing charges, shipping and forwarding charges, other selling cost, rent, rates and taxes, bank charges, net loss on foreign currency transaction & translation, travelling, vehicle maintenance & conveyance, professional & consultancy charges, security charges and Miscellaneous Expenses.

Corporate Social Responsibility Expenses

Corporate Social Responsibility Expenses includes expenses towards the Corporate Social Responsibility activities undertaken by the Company.

RESULTS OF OPERATIONS OF OUR COMPANY

The following table sets forth selected information from our Company's consolidated results of operations as a percentage of total income for Fiscal 2023, 2022 and 2021

(₹ in million)

Particulars	**Fiscal 2023**	**Percentage of total income (in %)**	**Fiscal 2022**	**Percentage of total income (in %)**	**Fiscal 2021**	**Percentage of total income (in %)**
Income						
Revenue from operations	13,909.94	98.92	10,690.02	99.46	6,786.81	99.59
Other income	152.12	1.08	57.57	0.54	28.23	0.41
Total income	**14,062.06**	**100.00**	**10,747.59**	**100.00**	**6,815.04**	**100.00**
Expenses						
Cost of material consumed	5,508.47	39.17	3,997.93	37.20	2755.95	40.44
Purchase of stock in trade	91.97	0.65	150.67	1.40	-	-
Cost of consumables	2157.21	15.34	1548.70	14.41	846.72	12.42
Changes in inventories of finished goods and work-in-progress	(230.69)	(1.64)	145.86	1.36	121.75	1.79
Employee benefits expense	460.37	3.27	414.97	3.86	342.88	5.03
Finance costs	333.71	2.37	260.95	2.43	259.71	3.81
Depreciation and amortisation expenses	264.63	1.88	229.84	2.14	202.98	2.98
Power Cost	631.71	4.49	454.19	4.23	313.62	4.60
Manufacturing Expenses	1,417.41	10.08	957.87	8.91	742.42	10.89
Selling and administrative expenses	1,561.11	11.10	1,456.63	13.55	875.09	12.84
Corporate Social responsibility expenses	11.64	0.08	6.65	0.06	13.89	0.20

Particulars	Fiscal 2023	Percentage of total income (in %)	Fiscal 2022	Percentage of total income (in %)	Fiscal 2021	Percentage of total income (in %)
Total expenses	**12,207.54**	**86.81**	**9,624.26**	**89.55**	**6,475.01**	**95.01**
Profit before Tax	**1,854.49**	**13.19**	**1,123.33**	**10.45**	**340.03**	**4.99**
Tax expense						
- Current tax	447.85	3.18	245.85	2.28	38.67	0.57
- Tax pertaining to earlier years	2.45	0.02	(0.53)	(0.00)	(13.68)	(0.20)
- MAT Reversal	-	-	-	-	78.58	1.15
- Deferred Tax reversal due to change in tax rate	-	-	-	-	(132.85)	(1.95)
- Deferred Tax Current year	38.55	0.27	64.08	0.60	24.36	0.36
Total tax expenses	**488.85**	**3.48**	**309.40**	**2.88**	**(4.92)**	**(0.07)**
Profit/(Loss) for the period from continuing operations	**1,365.64**	9.71	**813.93**	**7.57**	**344.95**	**5.06**
Other comprehensive income/expenses (Net of Taxes)	**5.61**	0.00	**(5.64)**	**(0.05)**	**1.58**	**0.02**
Total comprehensive income for the period	**1,371.25**	9.75	**808.29**	**7.52**	**346.53**	**5.08**

Fiscal 2023 compared to Fiscal 2022

Total income

Total income increased by ₹3,314.44 million or 30.84%, from ₹10,747.59 million in Fiscal 2022 to ₹14,062.03 million in Fiscal 2023 for the reasons discussed below

Revenue from operations

Revenue from operations increased to ₹13,909.94 million during Fiscal 2023 from ₹10,690.02 million during Fiscal 2022, representing an increase of 30.12%. This increase was primarily due to ability to pass the rise in cost of materials, cost of consumables and freights to our customers. Our Sale of Products increased by ₹3,217.80 million from ₹10,658.76 million during Fiscal 2022 to ₹13,876.56 million during Fiscal 2023.

Other income

Other income increased by ₹94.53 million from ₹57.57 million during Fiscal 2022 to ₹152.10 million during Fiscal 2023, representing an increase of 164.70%. This increase was primarily due to (i) receipt of one-time profit from sale of property amounting to ₹39.28 million, (ii) net gain on foreign currency translation and transactions amounting to ₹62.61 million.

Total expenses

Total expenses increased by ₹2,583.28 million or by 26.84%, from ₹9,624.26 million in Fiscal 2022 to ₹12,207.54 million in Fiscal 2023. This was primarily due to (i) increase in cost of materials consumed by ₹1,510.54 million (ii) increase in cost of consumables by ₹608.50 million (iii) increase in employee expenses by ₹45.40 million (iv) increase in finance costs by ₹72.75 million (v) increase in depreciation and amortization by ₹34.79 million (vi) increase in power costs by ₹177.52 million (vii) increase in manufacturing costs by ₹459.55 million (viii) increase in selling & administrative expenses by ₹104.48 million.

Cost of material consumed

Cost of material consumed increased to ₹5,508.47 million during Fiscal 2023 from ₹3,997.93 million during Fiscal

2022, representing an increase of ₹1,510.54 million or 37.78%. This increase was primarily due to the increase in the prices of the key raw materials. We generally passed the increase in the cost of materials to our customers as our revenues from operations increased by 30.12% during Fiscal 2023 compared to Fiscal 2022, in Barium Chemicals it was not possible to do so, resulting in a lower profit margin for such products.

Purchase of Stock in Trade

Purchase of Stock in Trade decreased to ₹91.97 million during Fiscal 2023 from ₹150.67 million during Fiscal 2022 i.e., by 38.96%. The decrease was primarily due to decreased purchases of finished products for sale.

Cost of consumables

Cost of consumables increased to ₹2,157.21 million during Fiscal 2023 from ₹1,548.70 million during Fiscal 2022, representing an increase of 39.29%. This increase was primarily due to inflationary trend observed in energy generating consumables since the beginning of Covid-19.

Changes in inventories of finished goods, work in progress and traded goods

Changes in inventories of finished goods and work in progress for Fiscal 2023 stood at ₹(230.69) million as compared to ₹145.86 million in Fiscal 2022.

Employee benefit expense

Employee benefit expenses increased by ₹45.40 million from ₹414.97 million during Fiscal 2022 to ₹460.37 million during Fiscal 2023, representing an increase of 10.94%. This increase was primarily due to an increase in our workforce mainly at the corporate office and chromium chemicals manufacturing plants, resulting in increased salaries & wages, an increase in contribution to provident fund and staff welfare expenses.

Finance cost

Finance cost increased to ₹333.71 million during Fiscal 2023 from ₹260.95 million during Fiscal 2022, representing an increase of ₹72.76 million or 27.88%. This increase was primarily due to overall increase in the benchmark borrowing rates and an increase in total borrowings by ₹151.79 million during Fiscal 2023.

Depreciation and amortization expense

Depreciation and amortization expenses increased to ₹264.63 million during Fiscal 2023 from ₹229.84 million during Fiscal 2022, representing an increase of ₹34.79 million or 15.14%. This increase was primarily due to commencement of commercialization of expanded Barium Chemicals brown field facility.

Power cost

Power cost increased to ₹631.71 million during Fiscal 2023 from ₹454.19 million during Fiscal 2022, representing an increase of ₹177.52 million or 39.08%. This increase was primarily due to increase in electricity costs through the fiscal.

Manufacturing expenses

Manufacturing expenses increased to ₹1,417.41 million during Fiscal 2023 from ₹957.86 million during Fiscal 2022, representing an increase of ₹459.55 million or 47.98%. This increase was primarily due to short term lease rentals amounting to ₹175.39 million paid towards manufacturing premises, increase in waste management expenses by ₹77.10 million, increase in repairs & maintenance by ₹66.87 million, increase in consumption of stores & spares by ₹51.26 million.

Selling and administrative expenses

Selling and administrative expenses increased to ₹1,561.11 million during Fiscal 2023 from ₹1,456.63 million during Fiscal 2022, representing an increase of ₹104.48 million or 7.17%. This increase was primarily due to increase in packing charges by ₹36.21 million; travelling, vehicle & conveyance expenses by ₹25.73 million and increase in professional & consultancy charges by ₹18.36 million.

Corporate social responsibility expenses

Corporate social responsibility expenses increased to ₹11.64 million during Fiscal 2023 from ₹ 6.65 million during Fiscal 2022, representing an increase of ₹4.99 million or 75.04%. This increase was primarily due to the support provided by the company to fulfil its social obligations.

Profit before tax

Profit before tax increased to ₹1,854.49 million during Fiscal 2023 from ₹1,123.33 million during Fiscal 2022, representing an increase of 65.09%. This increase was primarily due to the reasons mentioned above.

Profit for the period

Due to the reasons stated above, our profit for the year increased by ₹551.71 million or by 67.79% to ₹1,365.64 million in Fiscal 2023 from ₹813.93 million in Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Total income

Total income increased by ₹3,932.55 million or 57.70%, from ₹6,815.04 million in Fiscal 2021 to ₹10,747.59 million in Fiscal 2022 for the reasons discussed below:

Revenue from operations

Revenue from operations increased by ₹3,903.21 million from ₹6,786.81 million during Fiscal 2021 to ₹10,690.02 million during Fiscal 2022, representing an increase of 57.51%. This increase was primarily due improved capacity utilisation and ability to pass the rise in cost of materials, cost of consumables and freights to its customers. Our Sale of Products increased by ₹3,914.15 million from ₹6,717.62 million during Fiscal 2021 to ₹10,658.76 million during Fiscal 2022. This increase was offset by a decrease in other operating revenues by 54.82% from ₹69.19 million in Fiscal 2021 to ₹31.26 million in Fiscal 2022.

Other income

Other income increased by ₹29.34 million from ₹28.23 million during Fiscal 2021 to ₹57.57 million during Fiscal 2022, representing an increase of 103.93%. This increase was primarily due to exchange gain resultant from the transaction, owing to favourable foreign exchange fluctuation from ₹3.90 million during Fiscal 2021 to ₹34.82 million during Fiscal 2022 and interest income on deposits and loans from ₹8.98 million during Fiscal 2021 to ₹11.84 million during Fiscal 2022. This increase was offset by a decrease in interest income on bank and other deposits by 19.09% from ₹8.17 million in Fiscal 2021 to ₹6.61 million in Fiscal 2022.

Total expenses

Total expenses increased by ₹3,149.25 million or by 48.64%, from ₹6,475.01 million in Fiscal 2021 to ₹9,624.26 million in Fiscal 2022. This was primarily due to (i) increase in cost of materials consumed by ₹1,241.98 million (ii) increase in cost of consumables by ₹701.98 million (iii) increase in employee expenses by ₹72.09 million (iv) increase in depreciation and amortization by ₹26.86 million (vi) increase in power costs by ₹140.57 million (vii) increase in manufacturing costs by ₹215.44 million (viii) increase in selling & administrative expenses by ₹581.54 million.

Cost of material consumed

Cost of material consumed increased by ₹1,241.98 million from ₹2,755.95 million during Fiscal 2021 to ₹3,997.93 million during Fiscal 2022, representing an increase of 45.07%. This increase was primarily due to the increase in the prices of the key raw materials. We generally passed the increase in the cost of materials to our customers as our revenues from operations increased by 57.51% during Fiscal 2022 compared to Fiscal 2021.

Purchase of Stock in Trade

Purchase of Stock in Trade increased to ₹150.67 million during Fiscal 2022 from ₹Nil during Fiscal 2021 i.e., by 100.00%. The increase was primarily due to increased purchases of finished products for sale.

Cost of consumables

Cost of consumables increased by ₹701.98 million from ₹846.72 million during Fiscal 2021 to ₹1,548.70 million during Fiscal 2022, representing an increase of 82.91%. This increase was primarily due to increase in consumption of coal from ₹326.95 million during Fiscal 2021 to ₹680.30 million during Fiscal 2022, increase in consumption of petcoke from ₹159.81 million during Fiscal 2021 to ₹356.13 million during Fiscal 2022 and increase in consumption of furnace oil from ₹245.95 million during Fiscal 2021 to ₹363.89 million during Fiscal 2022.

Changes in inventories of finished goods, work in progress and traded goods

Changes in inventories of finished goods and work in progress for Fiscal 2022 stood at ₹145.86 million as compared to ₹121.75 million in Fiscal 2021.

Employee benefit expense

Employee benefit expenses increased by ₹72.09 million from ₹342.88 million during Fiscal 2021 to ₹414.97 million during Fiscal 2022, representing an increase of 21.02%. This increase was primarily due to an increase in salaries and wages by 24.05% from ₹296.90 million in Fiscal 2021 to ₹368.31 million in Fiscal 2022 on account of 13% increase in median remuneration due to increments given to staff.

Finance cost

Finance cost marginally increased from ₹259.71 million during Fiscal 2021 to ₹260.95 million during Fiscal 2022, representing an increase of 0.48%. This increase was primarily due to an increase in total borrowings by ₹278.35 million during Fiscal 2023.

Depreciation and amortization expense

Depreciation and amortization expenses increased from ₹202.98 million during Fiscal 2021 to ₹229.84 million during Fiscal 2022, representing an increase of 13.23%. This increase was primarily due to commencement of commercialization of a facility in chromium chemicals.

Power cost

Power cost increased by ₹140.57 million from ₹313.62 million during Fiscal 2021 to ₹454.19 million during Fiscal 2022, representing an increase of 44.82%. This increase was primarily due to higher capacity utilisation and manufacturing activity.

Manufacturing expenses

Manufacturing expenses increased by ₹215.44 million from ₹742.42 million during Fiscal 2021 to ₹957.86 million during Fiscal 2022, representing an increase of 29.02%. This increase was primarily due to increase in consumption of stores and spares by 16.96% from ₹209.91 million during Fiscal 2021 to ₹245.52 million during Fiscal 2022, increase in labour cost by 100.97% from ₹90.62 million during Fiscal 2021 to ₹182.11 million during Fiscal 2022 and increase in expenses towards effluents disposal by 13.86% from ₹ 181.05 million during Fiscal 2021 to ₹ 206.15 million during Fiscal 2022

Selling and administrative expenses

Selling and administrative expenses increased by ₹581.54 million from ₹875.09 million during Fiscal 2021 to ₹1,456.63 million during Fiscal 2022 representing an increase of 66.45%. This increase was primarily due to increase in shipping & forwarding charges by ₹460.86 million as the freights globally rose post Covid-19.

Corporate social responsibility expenses

Corporate social responsibility expenses decreased from ₹13.89 million during the Fiscal 2021 to ₹6.65 million during Fiscal 2022 representing a decrease of 52.12%. This decrease was primarily due to excess CSR spent by the company in previous years were set off against required CSR expenditure in the fiscal 2022.

Profit before tax

Profit before tax increased by ₹783.30 million from ₹340.03 million during Fiscal 2021 to ₹1,123.33 million during Fiscal 2022, representing an increase of 230.36%. This increase was primarily due to the reasons mentioned above.

Tax expenses

Tax expenses increased from ₹ (4.92) million in Fiscal 2021 to ₹309.40 million in Fiscal 2022. Such increase was primarily due to adoption of new tax regime which led to reversal of deferred tax and MAT.

Profit for the period

Due to the reasons stated above, our profit for the year increased by ₹ 468.98 million or by 135.96% from ₹344.95 million in Fiscal 2021 to ₹813.93 million in Fiscal 2022.

CASH FLOWS

The following table summarizes our consolidated cash flow for the Fiscal 2023, 2022 and 2021:

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash flow used in/ from operating activities	1,342.53	897.27	673.67
Net cash used in/from investing activities	(1,183.58)	(811.50)	(518.19)
Net cash used in/from financing activities	(155.73)	(85.66)	(191.21)
Net (decrease)/ increase in cash and cash equivalents	3.21	0.11	(35.73)

Operating Activities

Fiscal 2023

In Fiscal 2023, net cash flow from operating activities was ₹1,342.53 million and the operating profit before working capital changes was ₹2,418.52 million. The changes in working capital was primarily due to increase in inventories of ₹(401.36) million, decrease trade receivables of ₹99.07 million, increase in financial/non-financial assets of ₹(95.57) million, increase in trade payables of ₹52.03 million and decrease in financial and non-financial liabilities and provisions of ₹ (246.38) million. In addition, our income taxes paid (net of refunds) was ₹(483.78) million.

Fiscal 2022

In Fiscal 2022, net cash flow from operating activities was ₹897.27 million and the operating profit before working capital changes was ₹1,588.46 million. The changes in working capital was primarily due to decrease in inventories of 228.23 million, increase trade receivables of ₹(751.41) million, increase in financial/non-financial assets of ₹(308.15) million, increase in trade payables of ₹344.89 million and decrease in financial and non-financial liabilities and provisions of ₹(100.84) million. In addition, our income taxes paid (net of refunds) was ₹(103.91) million.

Fiscal 2021

In Fiscal 2021, net cash flow from operating activities was ₹673.67 million and the operating profit before working capital changes was ₹790.62 million. The changes in working capital was primarily due to decrease in inventories of ₹167.49 million, increase trade receivables of ₹(248.14) million, increase in financial/non-financial assets of ₹(6.20) million, decrease in trade payables of ₹(11.87) million and increase in financial and non-financial liabilities and provisions of ₹48.32 million. In addition, our income taxes paid (net of refunds) was ₹(66.56) million.

Investing Activities

Fiscal 2023

In Fiscal 2023, net cash used in/from investing activities was ₹(1,183.58) million. This primarily included capital expenditure on purchase of property, plant and equipment including capital work in progress less capital advances of ₹(1,173.68) million, proceeds from sale of property and equipment of ₹21.98 million, investments in mutual funds of ₹(4.84) million, proceeds from sale of investments in mutual funds of ₹15.19 million, movement in other bank balances of ₹(53.31) million and interest received of ₹ 11.08 million.

Fiscal 2022

In Fiscal 2022, net cash used in/from investing activities was ₹(811.50) million. This primarily included capital expenditure on purchase of property, plant and equipment including capital work in progress less capital advances of ₹(832.98) million, proceeds from sale of property and equipment of ₹11.83 million, investments in mutual funds of ₹(18.21) million, proceeds from sale of investments in mutual funds of ₹ 21.26 million and interest received of ₹ 6.61 million.

Fiscal 2021

In Fiscal 2021, net cash used in/from investing activities was ₹518.19 million. This primarily included capital expenditure on purchase of property, plant and equipment including capital work in progress less capital advances of ₹(544.59) million, proceeds from sale of property and equipment of ₹2.01 million, investments in mutual funds of ₹ (1.10) million, proceeds from sale of investments in mutual funds of ₹ 6.02 million and interest received of ₹ 19.47 million.

Financing Activities

Fiscal 2023

In Fiscal 2023, net cash used in/from financing activities was ₹(155.73) million. This primarily included increase in long term borrowings of ₹252.85 million, decrease in short term borrowings of ₹ (92.95) million, payment of lease liability of ₹ (5.91), interest paid of ₹ (278.02) million and dividend paid of ₹ (31.70) million.

Fiscal 2022

In Fiscal 2022, net cash used in/from financing activities was ₹(85.66) million. This primarily included increase in long term borrowings of ₹351.81 million, decrease in short term borrowings of ₹(81.53) million, interest paid of ₹(226.59) million and dividend paid of ₹ (129.35) million.

Fiscal 2021

In Fiscal 2023, net cash used in/from financing activities was ₹(191.21) million. This primarily included increase in long term borrowings of ₹151.35 million, decrease in short term borrowings of ₹ (98.89) million, interest paid of ₹ (231.72) million and dividend paid of ₹ (11.95) million.

FINANCIAL INDEBTEDNESS

As of March 31, 2023 we had total borrowings (consisting of long-term borrowings and short term borrowings) of ₹ 3,785.35 million, of which ₹ 2,215.78 million were long term borrowings and ₹1,569.57 million were short term borrowings. Our debt to equity ratio was 0.92 as of March 31, 2023.

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business.

INTEREST COVERAGE RATIO

The interest coverage ratio, which we define as earnings before interest, depreciation and tax divided by finance cost for Fiscals 2023, 2022 and 2021 was 6.56 times, 5.30 times and 2.32 times, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Capital Requirements

Our principal capital requirements are for payment of principal and interest on our borrowings, capital expenditure and working capital expenditure. Our principal source of funding has been and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions and optimization of operating working capital. For Fiscal 2023, Fiscal 2022 and Fiscal 2021, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements, payouts to shareholders and other cash outlays, principally with funds generated from operations, optimization of operating working capital with the balance met from external borrowings. For the Fiscals 2023, 2022 and 2021, our capital expenditure aggregated to ₹1,173.68 million, ₹832.98 million and ₹544.59 million, respectively.

Liquidity and Capital Resources

Our liquidity requirements arise principally from our operating activities, capital expenditures for construction of new projects, the repayment of borrowings and debt service obligations. We rely upon retained earnings and borrowings to supplement our capital needs.

CONTINGENT LIABILITIES

Contingent liabilities and claims against us, to the extent not provided for, as at March 31, 2023 are described below:

(In ₹ million)

Particulars	**As of March 31, 2023**
Claims against the Group not acknowledged as debt	
Claims arising from disputes not acknowledged as debts-Sales Tax (against which Pre-deposit of ₹14.68 Miillion made (Privious Year Pre-deposit ₹14.68 Million)	17.98
Claims arising from disputes not acknowledged as Debts-Service Tax (against which Pre-deposit of ₹1.76 Million made (Privious Year Pre-deposit ₹ 1.76 Million)	65.26
Fuel surcharge adjustment expense pertaining to the period from April, 2008 to March, 2010 was not recognised as the collection of the same was stayed by High Court of Andhra Pradesh, which is still pending for disposal.	2.74
The Recovery Officer, Employee State Insurance Corporation, has raised a demand to pay arrears along with interest. A writ petition was filed against the same in the High court of Andhra Pradesh and is contesting the aforesaid matter. Based on internal assessment and legal advice, the Management strongly believes that matter will be decided in its favour.	2.15
Guarantees excluding financial guarantees	8.82
Commitements Estimated amount of contracts remaining to be executed on capital account and not provided for	205.40

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity risk or foreign exchange risk:

The Company is subject to commodity price risks due to fluctuation in prices of raw material and packing material. Also, Company's payables and receivables are partly in foreign currencies and due to fluctuations in foreign exchange rates, it is subject to Currency risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework.

Interest Rate Risk

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to an extent by debt and increases in interest expense may have an adverse effect on our results of operations, cash flows and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under customer contracts, primarily a failure to make required payments on amounts due to us, leading to a financial loss. To manage the credit risk, we implement a credit control policy and also obtain external credit insurance. Thus, the requirement of assessing the impairment loss on trade receivables does not arise as collectability risk is mitigated. Furthermore, we are also exposed to credit risk from our deposits made with banks and other financial instruments. We mitigate this credit risk by depositing with high rated banks and placing a majority of other security deposits with government or statutory agencies.

Liquidity Risk

Adequate and timely cash availability for our projects under implementation, our operations and to settle financial liabilities is the liquidity risk associated with our operations.

CHANGES IN ACCOUNTING POLICY

There have been no changes in our Company's accounting policies during the last three financial years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS INCLUDED IN FINANCIAL STATEMENTS

Except disclosed below, there been no reservations or qualifications or adverse remarks of our Statutory Auditors in the last five years:

Period ended March 31, 2023

Vishnu Chemicals Limited (Standalone)

1. Preference Dividend foregone by Directors: (Matter of Emphasis)

The preference shareholders of the company, who are also the promoters have given an undertaking foregoing 2.5% of the eligible 7% dividend amounting to ₹19.16 million, receivable by them for the financial year 2022-23 as mentioned in Note 43 of Notes to Accounts.

2. Loans given to Subsidiary: (Reservation)

The Company has granted, in the earlier years, interest free unsecured loan to its Indian wholly owned subsidiary (WOS), in terms of the condition for sanctioning of Term loans by Banks to the WOS. The actual balance outstanding at the end of the year is ₹ 98.9 million (with an amortised value of ₹ 67.02 million). As per the stipulation of the banks lending to WOS, the loan given by company to WOS cannot be withdrawn till the loans taken from banks are repaid by WOS, which as per schedules of payment will last till 31-12-2028. As no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount, if any.

Apart from the above, during the year, the company has granted interest bearing loan to its wholly owned subsidiary (WOS) to the extent of ₹ 144 million, which amount is outstanding as on the balance sheet date, for which no conditions were stipulated. As no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount, if any. Based on the information provided, there were no guarantees given by the company.

3. Disputed Statutory Liabilities: (Reservation)

Details of statutory dues referred to in sub-clause (a) which have not been deposited as at March 31, 2023 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (In ₹ million)
Sales Tax Act	Sales tax	High Court	2008-09	₹12.44 (₹12.44 deposited)
Sales Tax Act	Entry Tax	Appellate Commissioner	2014-15 to 2017-18	₹5.54 (₹1.47 deposited)
Finance Act, 1994	Service Tax	CESTAT	2006-2007 to 2010-11	₹41.87
Finance Act, 1994	Service Tax	CESTAT	2011-12	₹23.39 (1.76 deposited)

Vishnu Barium Private Limited (Material Subsidiary)

Disputed Statutory Liabilities: (Reservation)

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ Millions)
Employees' State Insurance Act	Contribution to ESI along with Interest	High Court of Andhra Pradesh	2010-2012	2.15
Commercial Taxes Department, Andhra Pradesh	Fuel Surcharge	High Court of Andhra Pradesh	2008-2010	2.74

Year ended on March 31, 2022

Vishnu Chemicals Limited (Standalone)

1. Preference Dividend foregone by Directors: (Matter of Emphasis)

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing 6% of the eligible 7% dividend amounting to ₹ 45.98 million, receivable by them for the financial year 2021-22.

2. Loans given to Subsidiary: (Reservation)

The Company has granted interest free unsecured loan to its Indian wholly owned subsidiary (WOS), in terms of the condition for sanctioning of Term loans by Banks to the WOS. While there is no fresh amount advanced during the year, the total loan amount granted in the earlier years and the actual balance outstanding at the end of the year is ₹ 98.90 million (with an amortised value of ₹ 95.16 million).

As per the stipulation of the banks lending to WOS, the loan given by company to WOS cannot be withdrawn till the loans taken from banks are repaid by WOS, which as per schedules of payment will last till 31-12-2028. we are not able to comment on the compliance with schedule of repayment and overdue amount, if any.

3. Disputed Statutory Liabilities: (Reservation)

Details of statutory dues referred to in sub-clause (a) which have not been deposited as at March 31, 2022 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ millions)
Sales Tax Act	Interest on Sales tax	Commissioner	1998-99	₹0.78 (₹0.78 deposited)
Sales Tax Act	Sales tax	High Court	2008-09	₹ 12.44 (₹12.44 deposited)
Sales Tax Act	Entry Tax	Appellate Commissioner	2014-15 to 2017-18	₹5.54 (₹1.47 deposited)
Finance Act, 1994	Service Tax	CESTAT	2006-2007 to 2010-11	₹41.87

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ millions)
Finance Act, 1994	Service Tax	CESTAT	2011-12	₹ 23.39 (₹17.55 deposited)

Vishnu Barium Private Limited (Material Subsidiary)

1. Unsecured Loan to Holding Company: (Reservation)

The Company has granted unsecured loan to its holding company. While the principal amount of loan was repaid by the holding company, accrued interest of. ₹ 35.69 million is overdue for payment as on the balance sheet date.

2. Disputed Statutory Liabilities: (Reservation)

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ Millions)
Employees' State Insurance Act	Contribution to ESI along with Interest	High Court of Andhra Pradesh	2010-2012	2.15
Telangana Sales Tax Act	Entry Tax	High Court of Telangana	2013-14 2014-15	0.97 0.74
Commercial Taxes Department, Andhra Pradesh	Fuel Surcharge	High Court of Andhra Pradesh	2008-2010	2.74
Commercial Taxes Department, Andhra Pradesh	VAT Input Tax Credit	The Appellate Dy. Commissioner (CT), Chittoor Division, Andhra Pradesh	June 2017	1.50

Year ended on March 31, 2021

Vishnu Chemicals Limited (Standalone)

1. Preference Dividend foregone by Directors: (Matter of Emphasis)

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing the 7% dividend amounting to ₹ 53.65 million, receivable by them for the financial year 2020-21.

2. Loans given to Subsidiary (Reservation)

The Company has granted interest free unsecured loan to its wholly owned subsidiary, covered in the register maintained under section 189 of the Companies Act, 2013. The total loan amount granted in the earlier years and the actual balance outstanding at the end of the year is ₹ 98.9 million (with an amortised value of ₹ 86.8 million). As no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount, if any.

3. Income Tax dues: (Reservation)

There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except ₹ 91.83 million payable towards Income tax and Interest thereon under the Income Tax Act, 1961 for the periods AY 2018-19 and AY 2019-20 which are yet to be paid.

4. Disputed Statutory Liabilities: (Reservation)

Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ millions)
Sales Tax Act	Interest on Sales tax	Commissioner	1998-99	₹0.78 (₹0.78 deposited)
Sales Tax Act	Sales tax	High Court	2008-09	₹ 12.44 (₹12.44 deposited)
Sales Tax Act	Entry Tax	Appellate Commissioner	2014-15 to 2017-18	₹5.54 (₹1.47 deposited)
Finance Act, 1994	Service Tax	CESTAT	2006-2007 to 2010-11	₹41.87
Finance Act, 1994	Service Tax	CESTAT	2011-12	₹ 23.39 (₹17.55 deposited)

Vishnu Barium Private Limited (Material Subsidiary)

1. Loan to Holding Company:

The Company has given unsecured loan to its holding company with an outstanding balance, at the end of the year, of ₹ 118.90 million along with accrued interest of ₹ 31.47 million. As no specific terms and conditions with regard to the repayment of ₹ 98.9 million of the loan, which is non-current in nature, have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount. The balance loan of ₹20.0 million is current in nature.

2. Disputed Statutory Liabilities: (Reservation)

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ Millions)
Employees' State Insurance Act	Contribution to ESI along with Interest	High Court of Andhra Pradesh	2010-2012	2.15
Telangana Sales Tax Act	Entry Tax	High Court of Telangana	2013-14 2014-15	0.97 0.74
Commercial Taxes Department, Andhra Pradesh	Fuel Surcharge	High Court of Andhra Pradesh	2008-2010	2.74
Commercial Taxes Department, Andhra Pradesh	VAT Input Tax Credit	The Appellate Dy. Commissioner (CT), Chittoor Division, Andhra Pradesh	June 2017	1.50

Year ended on March 31, 2020

Vishnu Chemicals Limited (Standalone)

1. Preference Dividend foregone by Directors: (Matter of Emphasis):

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing the 7% dividend amounting to ₹ 53.65 million, receivable by them for the financial year 2019-20.

2. Loans given to Subsidiary: (Reservation)

The Company has granted interest free unsecured loan to its wholly owned subsidiary, covered in the register maintained under section 189 of the Companies Act, 2013. The total loan amount granted in the earlier years and the actual balance outstanding at the end of the year is ₹ 98.90 million (with an amortised value of ₹ 79.18 million). As no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount, if any.

3. Income Tax dues: (Reservation)

There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except ₹ 102.12 million payable towards Income tax and Interest thereon under the Income Tax Act, 1961 for the periods AY 2014-15 to AY 2018-19 which are yet to be paid.

4. Disputed Statutory Liabilities: (Reservation)

Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ millions)
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2013-14	2.78
Sales Tax Act	Interest on Sales tax	Commissioner	1998-99	₹0.78 (₹0.78 deposited)
Sales Tax Act	Sales tax	High Court	2008-09	₹ 12.44 (₹12.44 deposited)
Sales Tax Act	Entry Tax	Appellate Commissioner	2014-15 to 2017-18	₹5.54 (₹1.47 deposited)
Finance Act, 1994	Service Tax	CESTAT	2006-2007 to 2010-11	₹41.87
Finance Act, 1994	Service Tax	CESTAT	2011-12	₹ 23.39 (₹1.75 deposited)

Vishnu Barium Private Limited (Material Subsidiary):

1. Loan to Holding Company:

The Company has given unsecured loan to its holding company with an outstanding balance, at the end of the year, of ₹ 158.90 million along with accrued interest of ₹ 21.81 million. As no specific terms and conditions with regard to the repayment of ₹ 138.90 million of the loan, which is non-current in nature, have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount. The balance loan of ₹ 20.00 million is current in nature.

2. Disputed Statutory Liabilities: (Reservation)

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ millions)
Employees' State Insurance Act	Contribution to ESI along with Interest	High Court of Andhra Pradesh	2010-2012	2.15
Telangana Sales Tax Act	Entry Tax	High Court of Telangana	2013-14 2014-15	0.97 0.74

Year ended on March 31, 2019

Vishnu Chemicals Limited (Standalone)

1. Loans given to Subsidiary: (Reservation)

The Company has granted interest free unsecured loan to its wholly owned subsidiary, covered in the register maintained under section 189 of the Companies Act, 2013. The total loan amount granted in the earlier years and the actual balance outstanding at the end of the year is ₹ 98.90 million (with an amortised value of ₹ 72.22 million). As no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount.

2. Income Tax dues: (Reservation)

There are no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except ₹ 127.92 million payable towards Income Tax and interest thereon under the Income Tax Act, 1961 for the periods AY 2014-15 to AY 2018-19 which are yet to be paid.

3. Disputed Statutory Liabilities: (Reservation)

Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ millions)
Income Tax Act, 1961	Income Tax	CPC	AY 2015-16	5.96
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2013-14	2.78
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2006-07	4.66
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2011-12	16.33 (4.19 deposited)
Central Excise Act, 1944	Excise Duty	CESTAT	1998-99	5.38 (0.70 deposited)
Sales Tax Act	Interest on Sales tax	Commissioner	1998-99	0.80 (0.80 deposited)
Sales Tax Act	Sales tax	High Court	2008-09	₹ 12.44 (₹12.44 deposited)
Sales Tax Act	Entry Tax	Appellate Commissioner	2014-15 to 2017-18	₹5.54 (₹0.7 deposited)
Finance Act, 1994	Service Tax	CESTAT	2006-2007 to 2010-11	₹41.87
Finance Act, 1994	Service Tax	CESTAT	2011-12	₹ 23.39 (₹1.75 deposited)

Vishnu Barium Private Limited (Material Subsidiary):

1. Loan to Holding Company:

The Company has given unsecured loan to its holding company with an outstanding balance, at the end of the year of ₹ 106.91 million including accrued interest of ₹ 8.01 million. As no specific terms and conditions with regard to the repayment of the loan have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount.

2. Disputed Statutory Liabilities: (Reservation)

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in ₹ millions)
Central Excise Act, 1944	CST	CESTAT, Hyderabad	2002-03	2.82
Employees' State Insurance Act	Contribution to ESI along with Interest	High Court of Andhra Pradesh	2010-2012	2.15
Telangana Sales Tax Act	Entry Tax	High Court of Telangana	2013-14 2014-15	0.97 0.74

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2023

Except as stated in this Preliminary Placement Document and disclosed below, to our knowledge no circumstances have arisen since the date of the last financial information as disclosed in this Preliminary Placement Document:

Vishnu Barium Private Limited ("VBPL"), the wholly owned subsidiary of our Company, entered into a share purchase cum company acquisition agreement dated July 19, 2023 and announced the same, for acquisition of 100% equity shareholding in Ramadas Minerals Private Limited ("**RMPL**"). Through the acquisition of RMPL, our Company would be able to remove impurities from lower grade of barytes through a dry separation process and upgrade the quality of feedstock for their Barium chemicals manufacturing. Our Company believes that this acquisition will provide our Company a competitive advantage towards cost control.

INDUSTRY OVERVIEW

*The information contained in this section is derived from various industry and publicly available resources. The information also includes information available from reports or databases of IMARC Services Private Limited ("**IMARC**") including the report titled "Chromium Chemicals and Barium Chemicals Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2023 2028" dated May 16, 2023 ("**IMARC Report**"). Neither the Company, its Directors, the BRLM nor any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.*

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Executive Summary: Chromium Chemicals

Global: Chromium Chemicals Market Volume: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Sodium Dichromate Market: Sales Volume (in '000 Tons)	745	989	4.8%
Global Chromic Acid Market: Sales Volume (in '000 Tons)	163	197	3.2%
Global Chrome Oxide Green Market: Sales Volume (in '000 Tons)	118	148	3.9%
Global Basic Chrome Sulphate Market: Sales Volume (in '000 Tons)	295	350	2.9%

Global: Chromium Chemicals Market Value: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Sodium Dichromate Market: Sales Value (in Million US$)	912	1,295	6.0%
Global Chromic Acid Market: Sales Value (in Million US$)	476	614	4.3%
Global Chrome Oxide Green Market: Sales Value (in Million US$)	379	509	5.0%
Global Basic Chrome Sulphate Market: Sales Value (in Million US$)	425	539	4.0%

Source: Analyst Report, Expert Interviews and IMARC Group

Executive Summary: Barium Chemicals

Global: Barium Chemicals Market Volume: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Barium Carbonate Market: Sales Volume (in '000 Tons)	1,043	1,390	4.9%
Global Precipitated Barium Sulphate Market: Sales Volume (in '000 Tons)	721	893	3.6%

Global: Barium Chemicals Market Value: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Barium Carbonate Market: Sales Value (in Million US$)	503	712	6.0%
Global Precipitated Barium Sulphate Market: Sales Value (in Million US$)	429	567	4.7%

Source: Analyst Report, Expert Interviews and IMARC Group

Vishnu Chemicals is a chemical manufacturing company based in Hyderabad, India, its focus on research and development has helped it to establish a strong presence in the India and global chromium chemicals industry. It is the "**sole producer" of chromium chemicals in India** and it is one of the **leading producer globally**. The company is "**largest integrated producers" of chromium chemicals in India**. The company's products find diverse applications across 20 sectors such as leather, pharmaceuticals, glass, paints & coatings, tiles, wood preservatives, etc. As a leader in the industry and a low-cost manufacturer, the company has a robust competitive advantage. The company has a well-established distribution network across India and exports its products to several countries worldwide, including the United States, Europe, Asia and others. Thus, Vishnu Chemicals is the "**largest exporter"** of chromium chemicals in India, neighboring countries such as "**China is a net importer of chromium chemicals which is not a threat for the Indian chromium chemicals producers"**.

In the Indian Barium Chemicals Industry, "**Vishnu Barium Private Limited"** is the "**largest producer and exporter" of barium chemicals in India**. The plant is located at Srikalahasti in Andhra Pradesh, with 60,000 MTPA installed capacity of barium carbonate. The company is in the final stages of developing a new product, namely precipitated barium sulphate, which falls under the barium segment. The development of this product is based on the import substitution concept. **Vishnu Barium Private Limited will become the only producer of Precipitated Barium Sulphate in India once it is launched by Vishnu in H1FY24.**

CHROMIUM CHEMICALS

Raw Material for Chromium Chemicals

Chrome ore, also known as chromite, is a mineral commonly used in the production of stainless steel and other alloys. It is a black or brownish-black mineral that contains chromium, a key component in the production of stainless steel. Chrome ore is mined from underground and open-pit mines in various countries around the world, including South Africa, Kazakhstan, Turkey, India, and Zimbabwe. The ore is found in basic and ultrabasic igneous rocks and in the metamorphic and sedimentary rocks that are produced when chromite-bearing rocks are altered by heat or weathering.

There are two main types of chromite deposits: Stratiform Deposits and Podiform Deposits.

- ***Stratiform Deposit***: Stratiform deposit is the largest source of chromite resources and are found in abundance in layered intrusions in South Africa, Canada, Finland, and Madagascar. These deposits are large sheet-like entities that are typically generated in layered mafic to ultramafic igneous complexes. 98% of the world's chromite reserves are obtained from this kind of deposit.

- ***Podiform Deposit***: Most podiform deposits that include chromite are found in Kazakhstan, Turkey, and Albania. Geologists use the term "pod" to describe this deposit's ambiguous shape. This deposit has repeating layering that follows the host rock's foliation. There are three types of podiform deposits: discordant, subconcordant, and concordant. Chromite crystallizes as anhedral grains in podiform deposits.

The demand for chrome ore is driven primarily by the demand for stainless steel, which is used in a wide range of applications, including construction, transportation, and consumer goods. As a result, the price of chrome ore can be volatile and subject to fluctuations in the global economy and geopolitical events.

Chrome ore is a hard metal and exhibits many properties like brightness, and brittleness It is silver grey in shade and is extremely polishable Chromium is unstable in the presence of oxygen, so it creates an impermeable oxide layer that shields the metal below There are two main types of chrome ore high grade and low grade High grade chrome ore contains a higher percentage of chromium and is typically more valuable than low grade ore Chromite ore is processed to produce Metallic chromium and is then utilized in a variety of processes to make stainless steel, plating, and as an alloying component in cast iron and steel, among other things.

The demand for chrome ore is driven primarily by the demand for stainless steel, which is used in a wide range of applications, including construction, transportation, and consumer goods as a result, the price of chrome ore can be volatile and subject to fluctuations in the global economy and geopolitical events.

In 2022 metallurgical represented the largest application for chrome ore globally, accounting for a share of 94.9% of the chrome ore market

Metallurgical were followed by refractories and foundries 3.1% and chemicals 2.0%

Global Chrome Ore Reserves (in 000' Tons), 2022

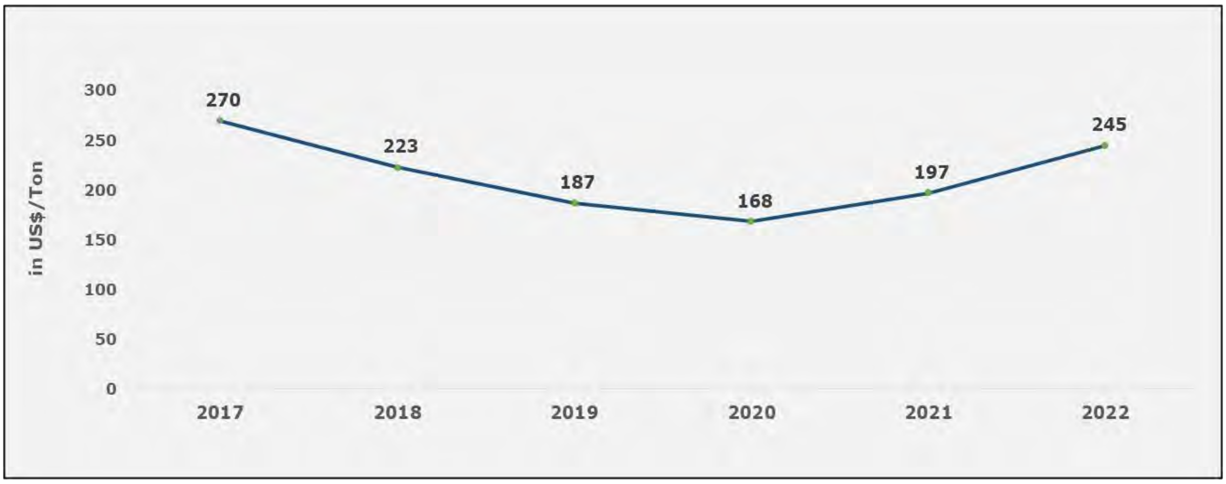
Major Countries	Reserves in 2022 ('000 Tons)
Kazakhstan	2,30,000
South Africa	2,00,000
India	1,00,000
Turkey	26,000
Finland	8,300

Global Chrome Ore Production (in 000' Tons), 2022

Country	Production in 2021 ('000 Tons)
South Africa	18,600
Turkey	6,960
Kazakhstan	6,500
India	4,250
Finland	2,270
Zimbabwe	1,244
Other Countries	2,376

The global chrome ore prices have declined at a CAGR of 1.9% during 2017-2022. The prices reached to US$ 245 per tons in 2022, down from US$ 270 per tons in 2017.

Global: Chrome Ore Prices (in US$/Ton), 2017-2022



Source: Analyst Reports, Expert Interviews and IMARC Group

Sodium Dichromate Market

Sodium dichromate is an inorganic compound and is also known as bichromate of soda, disodium dichromate, or sodium dichromate (VI). It is a powerful oxidizing agent and is highly corrosive. Sodium dichromate is an orange to red crystalline solid that has a melting point of 357°C and a boiling point of 400°C. It is highly soluble in water, with a solubility of about 107 g/100 mL at room temperature. The chemical is odorless and dissolves in water, methanol and ethanol. It is commonly used as a corrosion inhibitor.

Sodium dichromate is a strong oxidizing agent, and it is mainly used as a chemical intermediate in the production of other chromium compounds. Majority of chromium-based materials and compounds are produced from sodium dichromate salt. It is also used in the production of dyes, as a bleaching agent and a corrosion inhibitor. In the past sodium dichromate was used in wood preservatives. Sodium dichromate is also used in laboratory settings as an oxidizing agent and a source of chromium ions for various chemical reactions. Numerous factors such as growing demand for sodium dichromate to manufacture colored glasses and ceramic glazes, increasing use in pigments applications, growing use as colour moderator in paints and dye industry are mainly driving the sodium dichromate market over forecast period.

Global: Sodium Dichromate Market: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Sodium Dichromate Market: Sales Volume (in '000 Tons)	745	989	4.8%
Global Sodium Dichromate Market: Sales Value (in Million US$)	912	1,295	6.0%

Market by Application	2022 (in '000 Tons)	2022 (%)
To Manufacture Other Chromium Chemicals	475	63.8%
Pharmaceuticals	133	17.8%
Pigments and Dyes	109	14.6%
Others	28	3.8%

Source: Analyst Report, Expert Interviews and IMARC Group

The global sodium dichromate market is expected to reach a volume of 989 thousand tons in 2028, growing at a CAGR of 4.7% during 2023-2028. The demand for sodium dichromate has been increasing globally due to its diverse applications in various industries. Sodium dichromate is used as a raw material in the production of various chemicals, including pigments, dyes, and chromic acid. The increasing demand for these chemicals in various industries such as textiles, paints and coatings, and construction is driving the demand for sodium dichromate.

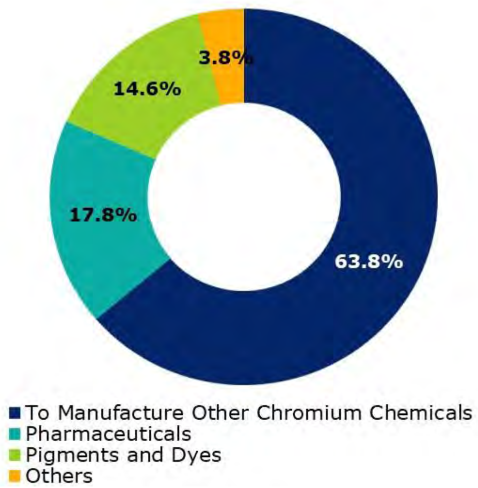
The global sodium dichromate market is expected to reach a value of Million 1,295 US$ in 2028, growing at a CAGR of 5.9% during 2023-2028. Sodium dichromate has potential applications in emerging industries, such as advanced materials, nanotechnology, and electronic devices. As these industries continue to grow and develop, the demand for sodium dichromate in these applications may increase.

Continued research and development efforts in the fields of chemistry, materials science, and nanotechnology may lead to new applications and uses for sodium dichromate, further expanding its potential market, globally.

Global Sodium Dichromate Market Breakup by Application

In 2022, to manufacture other chromium chemicals represented the largest application for sodium dichromate globally, accounting for a share of 63.8% of the sodium dichromate market. To manufacture other chromium chemicals were followed by pharmaceuticals (17.8%), pigments and dyes (14.6%), and others (3.8%).

Global: Sodium Dichromate Market: Breakup by Application (in %), 2022



Global Producers of Sodium Dichromate, By Volume in 2022

S. No.	Company Name	Production Capacity (Tonnes)	Headquarters	Website
1.	Şişecam	1,05,000	Turkey	www.sisecam.com.tr
2.	Vishnu Chemicals Limited	80,000	India	www.vishnuchemicals.com
3.	Lanxess (Sold to Brother Enterprises)	55,000	Germany	www.lanxess.com
4.	Hebei Chromate Chemical	20,000	China	www.chrome-chem.com

Indian Producers of Sodium Dichromate, By Volume in 2022

S. No.	Company Name	Production Capacity (Tonnes)	Headquarters	Website
1.	Vishnu Chemicals	80,000	India	www.vishnuchemicals.com

Source: Analyst Report, Expert Interviews and IMARC Group

The demand scenario for sodium dichromate is influenced by several factors, including the demand for its end use products, economic conditions, and environmental regulations Rising applications of sodium dichromate in various industries is expected to increase the demand for the chemical in the coming years Sodium dichromate is a common industrial chemical that has various applications, including in the production of pigments, dyes, and leather tanning It is also used in the manufacture of wood preservatives, cement, and explosives.

The demand for sodium dichromate is closely linked to the demand for the products that use it as a raw material For example, the production of chrome based pigments and dyes, which are used in the automotive, construction, and textile industries, is a major driver of sodium dichromate demand The growth in these industries, particularly in emerging economies such as China and India, is expected to drive the demand for sodium dichromate in the future.

Economic conditions also play a crucial role in determining the demand for sodium dichromate. A robust global economy with increased industrial production and construction activities is likely to create demand for sodium dichromate.

Sodium dichromate is finding new applications in emerging industries such as advanced materials, nanotechnology, and electronics. This trend is driven by ongoing research and development efforts and may lead to further growth in demand for the compound.

Chromic Acid Market

Chromic acid is a chemical compound and is also referred to as chromium trioxide or simply chromium acid. It is an oxidizing agent and is commonly used in various industrial processes, such as metal finishing, etching, and cleaning. Chromic acid is a strong acid and is highly corrosive. The resulting solution is a deep red color and is often used as a test for the presence of alcohols, as it can oxidize primary and secondary alcohols to aldehydes and ketones, respectively. Chromic acid is also used in the production of various chemicals, such as dyes, pharmaceuticals, and catalysts.

High purity Chromic Acid is used in manufacturing plastic and metal coatings to produce a strong, tarnish-resistant, chrome finish. Chromic acid is also used in many industries applications including in the manufacture of appliances and automobiles.

It is also used as a wood preservative for marine pilings, telephone poles, landscape timbers and other industrial wood applications. Chromic acid exhibits strong oxidizing acid and is used in organic synthesis and for preparation of other chrome chemicals of analytical grades. The growth in the market can be attributed to the increasing demand for chromic acid from various applications such as wood preservation, metal plating, and other applications.

Global: Chromic Acid Market: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Chromic Acid Market: Sales Volume (in '000 Tons)	163	197	3.2%
Global Chromic Acid Market: Sales Value (in Million US$)	476	614	4.3%

Market by Application	2022 (in '000 Tons)	2022 (%)
Metal Plating	130.8	80.3%
Wood Preservation	24.3	14.9%
Others	7.8	4.8%

Source: Analyst Report, Expert Interviews and IMARC Group

The global chromic acid market reached a volume of 197 thousand tons in 2028, growing at a CAGR of 3.1% during 2023-2028. The growing industrialization in developing countries is driving the demand for chromic acid. The construction industry is also growing, which is contributing to the demand for chromic acid for surface treatment applications.

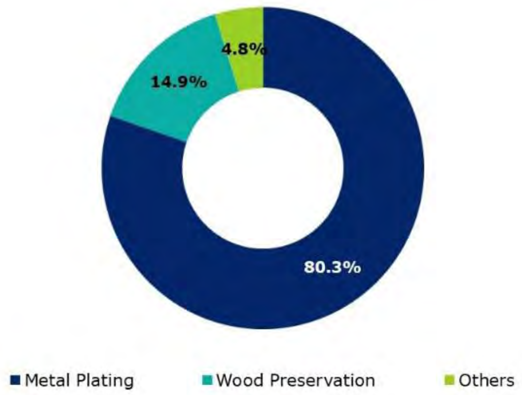
Chromic acid is used in the production of stainless steel and other alloys. As the demand for stainless steel products continues to grow in various end-use industries, so does the demand for chromic acid. Chromic acid is used in a variety of industries such as automotive, aerospace, and electronics for metal finishing applications. The increasing demand for high-quality metal finishing products is driving the growth of the chromic acid market.

The global chromic acid market reached a value of Million 614 US$ in 2028, growing at a CAGR of 4.2% during 2023-2028. The increasing demand for high-quality metal finishing in various industries such as automotive, aerospace, and electronics is expected to continue to drive the demand for chromic acid. Additionally, the rising demand for chromium in the production of stainless steel and other alloys is also expected to contribute to the growth of the chromic acid market. Technological advancements in the production of chromic acid and the development of more sustainable alternatives could also impact the growth prospects of the market. Manufacturers are investing in research and development to improve the efficiency of chromic acid production and reduce its environmental impact. This could lead to a more sustainable and cost-effective production process in the future.

Global Chromic Acid Market Breakup by Application

In 2022, metal plating represented the largest application for chromic acid globally, accounting for a share of 80.3% of the chromic acid market. Metal plating were followed by wood preservation (14.9%) and others (4.8%).

Global: Chromic Acid Market: Breakup by Application (in %), 2022



Source: Analyst Reports, Expert Interviews and IMARC Group

Global Producers of Chromic Acid, By Volume in 2022

S. No.	Company Name	Production Capacity (Tonnes)	Headquarters	Website
1.	Elementis	42,000	United Kingdom	www.elementis.com
2.	SODA (Merged with Sisecam)	24,000	Turkey	www.sisecam.com.tr
3.	Lanxess	8,000	Germany	www.lanxess.com
4.	Vishnu Chemicals Ltd.	10,000	India	www.vishnuchemicals.com

Indian Producers of Chromic Acid, By Volume in 2022

S. No.	Company Name	Production Capacity (Tonnes)	Headquarters	Website
1.	Vishnu Chemicals Ltd.	10,000	India	www.vishnuchemicals.com

Source: Analyst Report, Expert Interviews and IMARC Group

Market Trends

Chromic acid is widely used in several end-use industries, such as metal finishing, plating, and the production of dyes, pigments, and catalysts. As these industries continue to grow, the demand for chromic acid is also expected to increase. As emerging economies, particularly China and India, continue to grow and develop, the demand for products that use chromic acid as a raw material is expected to increase. These economies are becoming increasingly industrialized and are expected to drive the growth of the chromic acid market in the long term.

The demand scenario for chromic acid is influenced by several factors, including the demand for its end use products, economic conditions, and environmental regulations The demand for chromic acid is closely linked to the demand for the products that use it as a raw material For example, the metal finishing industry, which uses chromic acid to provide a protective coating to metals and prevent corrosion, is a major driver of chromic acid demand The growth in this industry, particularly in emerging economies such as China and India, is expected to drive the demand for chromic acid in the future.

Increasing demand for chromic acid in various end use industries like aerospace, chemical, and automotive is expected to drive the growth of the chromic acid market Chromic acid is commonly used as a metal finishing agent for products such as automotive parts, aerospace components, and appliances. As the demand for these products continues to grow, so does the demand for chromic acid.

The Asia Pacific region is the largest consumer of chromic acid due to the growing demand from countries such as China and India However, there is also significant growth in North America and Europe, driven by the demand for high quality metal finishing.

The threat of substitutes of chromic acid is low as there are no known substitutes chemicals that can provide the same properties. As the chromic acid is a strong oxidizing agent and it is used in a variety of applications It is an essential chemical for many end use industries and there are no alternatives that can provide the same results.

Chrome Oxide Green Market

Chrome oxide green is an inorganic compound with the chemical formula Cr_2O_3. Chrome oxide green is also known by other names, including chromium (III) oxide, chrome green, and anhydrous chromium sesquioxide. It is a green-colored pigment that is used in a wide range of applications, including ceramics, plastics, coatings, and paints.

Chrome oxide green is produced by heating a mixture of sodium dichromate and sulfur in the presence of carbon. The resulting green powder is highly stable and has a high refractive index, which makes it useful as a coloring agent in many applications. It has excellent heat resistance, can resist temperature of 1000 ° C. without discoloration, and is also excellent in acid resistance & alkali resistance. The chemical is highly insoluble in water, and acid, but shows great solubility in hot alkali metal bromate solution. It is extremely stable to light, atmosphere, sulfur dioxide, hydrogen sulfide and other corrosive gases.

Chrome oxide green is majorly used as a pigment, polishing agent for glass and metals, as well as a catalyst in certain chemical reactions. It is also used in the production of refractory materials, which are materials that can withstand high temperatures and are used in industrial processes such as steelmaking. The compound can also be used for ceramic and enamel & rubber coloring, preparation of high temperature resistant coatings, art pigments, ink for the making of printed notes and securities. It can also be used as a catalyst for organic synthesis and is a high-grade green pigment.

Global: Chrome Oxide Green Market: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Chrome Oxide Green Market: Sales Volume (in '000 Tons)	118	148	3.9%
Global Chrome Oxide Green Market: Sales Value (in Million US$)	379	509	5.0%

Market by Application	2022 (in '000 Tons)	2022 (%)
Pigments	78.0	66.1%
Ceramics	18.5	15.7%
Others	21.5	18.2%

Source: Analyst Report, Expert Interviews and IMARC Group

The global chrome oxide green market reached a volume of 148 thousand tons in 2028, growing at a CAGR of 3.8% during 2023-2028. Chrome oxide green is used in various end-use industries such as ceramics, paints and coatings, plastics, and printing inks. As these industries continue to grow, the demand for chrome oxide green is also increasing. The growth of the construction industry, particularly in emerging economies, is expected to drive the demand for chrome oxide green in the coming years. Chrome oxide green is used in the coloring of construction materials such as concrete and asphalt.

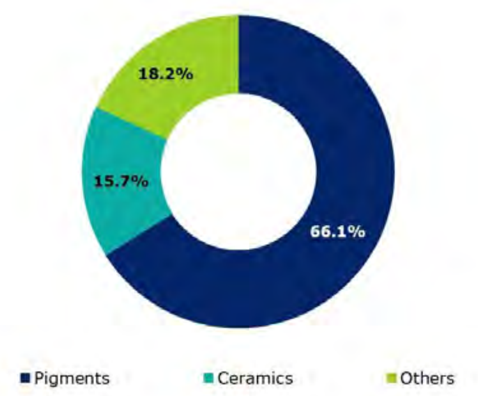
The global chrome oxide green market reached a value of Million 509 US$ in 2028, growing at a CAGR of 4.9% during 2023-2028. The growing population, rapid urbanization, and increasing construction activities in emerging economies such as China, India, and Brazil are expected to drive the demand for chrome oxide green in the coming years. The development of new applications for chrome oxide green, such as in the production of batteries and solar cells, is expected to drive the demand for the pigment.

The growing focus on eco-friendly products and sustainable manufacturing practices is expected to drive the demand for chrome oxide green as it is a non-toxic and eco-friendly pigment. The increased research and development activities focused on developing new and innovative applications for chrome oxide green are expected to create new growth opportunities in the market.

Global Chrome Oxide Green Market Breakup by Application

In 2022, pigments represented the largest application for chrome oxide green globally, accounting for a share of 66.1% of the chrome oxide green market. Pigments were followed by ceramics (15.7%), and others (18.2%).

Global: Chrome Oxide Green Market: Breakup by Application (in %), 2022



Source: Analyst Reports, Expert Interviews and IMARC Group

Market Trends

The construction industry is a significant consumer of chrome oxide green due to its excellent durability, weather resistance, and color fastness. With the growth of the construction industry, particularly in developing countries, the demand for chrome oxide green is expected to continue to rise. There have been efforts to develop new production processes that reduce the environmental impact of chrome oxide green production and increase its efficiency. These innovations are expected to drive growth in the market as manufacturers seek to improve their production processes and reduce costs. The increasing demand for high-performance pigments, which offer better durability and stability, is expected to drive growth in the market for chrome oxide green. High-performance pigments are used in a wide range of applications, including automotive coatings, plastics, and ceramics.

Consumers are increasingly demanding products that are environmentally friendly and sustainable, including in the paints and coatings industry. Chrome oxide green is considered a relatively safe and environmentally friendly alternative to other pigments that contain heavy metals, such as lead or cadmium, and this has led to increased adoption of the pigment.

Asia Pacific is expected to be a significant market for chrome oxide green due to the growth of end-use industries in the region, particularly in China and India. The increasing demand from the construction, automotive, and electronics industries is expected to drive growth in the market.

The growth of end use industries is a key driver of the demand for chrome oxide green. The construction and automotive industries, in particular, are significant consumers of chrome oxide green due to its excellent heat and weather resistance, high opacity, and good color fastness. As these industries continue to grow, the demand for chrome oxide green is also expected to increase.

Global Producers of Chrome Oxide Green, By Volume in 2022

S. No.	Company Name	Headquarters	Website
1.	Kremer Pigmente GmbH & Co. KG	Germany	www.kremer-pigmente.com
2.	Henan Kingway Chemicals Co., Ltd	China	www.hnkingway.com
3.	Hebei Chromate Chemical Co., Ltd.	China	www.chrome-chem.com
4.	Vishnu Chemicals Ltd.	India	www.vishnuchemicals.com

Indian Producers of Chrome Oxide Green, By Volume in 2022

S. No.	Company Name	Headquarters	Website
1.	Vishnu Chemicals	India	www.vishnuchemicals.com

BASIC CHROME SULPHATE MARKET

Basic Chrome Sulphate, also known as Chrome Tanning Liquor or Chromic Acid, is a greenish-yellow, water-soluble compound with the formula Cr(OH)(SO4). It is commonly used in the leather tanning industry as a key ingredient in the production of high-quality leather.

Basic Chrome Sulphate is preferred over other tanning agents due to its high penetration power, superior shrinkage temperature, excellent heat stability, and resistance to fungi and bacteria. It also produces leather that is strong, flexible, and water-resistant. Additionally, Basic Chrome Sulphate is relatively cheap compared to other tanning agents and has a longer shelf life. It is a widely used tanning agent in the leather industry due to its superior tanning properties. However, its potential environmental impact has led to increased scrutiny and efforts towards the development of more sustainable and environmentally friendly alternatives.

Global: Basic Chrome Sulphate Market: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Basic Chrome Sulphate Market: Sales Volume (in '000 Tons)	295	350	2.9%
Global Basic Chrome Sulphate Market: Sales Value (in Million US$)	425	539	4.0%

Market by Application	2022 (in '000 Tons)	2022 (%)
Leather	292.1	98.9%
Other (Metal Finishing Purposes)	3.2	1.1%

Source: Analyst Report, Expert Interviews and IMARC Group

The global basic chrome sulphate market reached a volume of 350 thousand tons in 2028, growing at a CAGR of 2.8% during 2023-2028. The demand for leather products, such as shoes, bags, and clothing, is increasing worldwide due to the growing fashion industry and consumer preference for high-quality and durable materials. BCS is a key ingredient in the production of high-quality leather, which is expected to drive the demand for BCS.

The rapid industrialization and urbanization in developing countries have increased the demand for leather products, as well as other applications of BCS, such as water treatment and wood preservation.

The global basic chrome sulphate market reached a value of Million 539 US$ in 2028, growing at a CAGR of 3.9% during 2023-2028. While BCS is a widely used tanning agent, there is a growing trend towards developing chrome-free tanning technologies due to environmental concerns. However, the development of these technologies is still in its early stages, and BCS is likely to remain the most commonly used tanning agent in the short to medium term.

The demand for leather products and other BCS applications is growing rapidly in emerging markets such as Asia-Pacific, Middle East & Africa, and Latin America, due to factors such as rising disposable incomes, urbanization, and industrialization. This is likely to drive the demand for BCS in these regions.

Global Basic Chrome Sulphate Market Breakup by Application

In 2022, leather represented the largest application for basic chrome sulphate globally, accounting for a share of 98.9% of the basic chrome sulphate market. Leather were followed by other (metal finishing purposes) (1.1%).

Global Producers of Basic Chrome Sulphate, By Volume in 2022

S. No.	Company Name	Production Capacity (Tonnes)	Headquarters	Website
1.	SODA	1,27,000	Turkey	www.sisecam.com.tr
2.	Vishnu Chemicals Ltd.	80,000	India	www.vishnuchemicals.com
3.	Brother	50,000	China	www.brother.com.cn
4.	Lanxess	45,000	Germany	www.lanxess.com
5.	Elementis	20,000	United Kingdom	www.elementis.com

Indian Producers of Basic Chrome Sulphate, By Volume in 2022

S. No.	Company Name	Production Capacity (Tonnes)	Headquarters	Website
1.	Vishnu Chemicals Ltd.	80,000	India	www.vishnuchemicals.com

Market Trends

There is a growing demand for eco-friendly and sustainable leather products, particularly in developed countries. BCS is considered a relatively safe and environmentally friendly alternative to other tanning agents, such as chrome salts and vegetable tannins. The increasing demand for eco-friendly and sustainable leather products is expected to drive the growth of the BCS market. The leather industry is becoming increasingly focused on product quality, particularly in the high-end luxury segment. BCS is a high-quality tanning agent that is known for producing leather with excellent water resistance, flexibility, and durability. The increasing focus on product quality is expected to drive the demand for BCS.

There has been a significant expansion of BCS production in emerging economies, particularly in Asia Pacific and Latin America. This is driven by the growth of the leather industry in these regions and the availability of low-cost raw materials and labor. The expansion of BCS production in emerging economies is expected to drive the growth of the BCS market in the long term.

The demand for BCS is expected to increase in the long term due to the growth of the global leather industry The increasing demand for leather products, such as footwear, garments, and accessories, is expected to drive the growth of the BCS market. The growth of the leather industry is primarily driven by the rising middle class population in emerging economies, particularly in Asia Pacific, Latin America, and the Middle East

Manufacturers are developing new products that require BCS as a raw material, such as high quality pigments and coatings This is likely to create new growth opportunities for BCS.

BARIUM CHEMICALS

RAW MATERIAL FOR BARIUM CHEMICALS

Barytes, also known as barite or barium sulfate, is a naturally occurring mineral with the chemical formula $BaSO_4$. It is commonly found in sedimentary rocks, such as limestone, and can also be found in hydrothermal veins and as a gangue mineral in metallic ore deposits. Baryte is typically found as colorless or white, but can also be found in shades of blue, brown, gray, and yellow. It has a vitreous to pearly luster and a hardness of 3-3.5 on the Mohs scale.

Baryte has a specific gravity of 4.5, making it a dense mineral. It is non-magnetic and does not conduct electricity. Baryte is also insoluble in water and most acids, except for concentrated sulfuric acid. Baryte is a dense mineral with a high specific gravity, which makes it a valuable mineral in a variety of industrial applications.

It is used as a weighting agent in drilling fluids in the oil and gas industry, as a filler in paints, plastics, and rubber, and as a component in the production of barium compounds used in electronics, glass, and ceramics. Baryte also has medical applications as a contrast agent in X-ray imaging. The global production of barytes is dominated by China, which accounts for over 40% of the world's production. Other major producers include India, Morocco, the United States, and Kazakhstan. The demand for barytes is driven by the growth of the oil and gas industry, as well as the construction and manufacturing sectors.

Global: Barite Market: Sales Value (in Million US$) 2022A-2028F

The global barite market reached a value of Million 1,790 US$ in 2028, growing at a CAGR of 3.2% during 2023-2028. Barite has huge demand in oil and gas drilling operations as a weighing agent in the drilling mud. The surge in global population is leading to a significant rise in the demand for energy resources, which is compelling governments to expand their production capacity. Various new oil and gas exploring projects are being launched to cater to this rising demand. With the growing demand for oil and gas worldwide, the demand for barite is also expected to rise over the forecasted period.

Furthermore, barite is used as a filler in paint and coating industries. It is also used to control the viscosity of the paint compatibly to make the products with bright color and good stability. Rise in construction activities and growth in demand from the automotive sector in emerging countries, such as China, India, Japan, and Southeast Asia, are expected to positively impact the growth of the market in the upcoming years.

BARIUM CARBONATE MARKET

Barium carbonate is a chemical compound with the formula BaCO3. It is a white crystalline powder that is odorless and insoluble in water. Barium carbonate is a common source of barium ions, which are used in a variety of industrial and commercial applications. Barium carbonate occurs naturally as the mineral witherite, which is found in hydrothermal veins and as a secondary mineral in certain sedimentary rocks. It is also formed as a byproduct of the mining and refining of certain ores, such as lead and zinc.

In addition to its natural occurrence, barium carbonate can be synthesized in the laboratory by reacting barium chloride with sodium carbonate. The resulting precipitate of barium carbonate is then washed and dried to obtain the pure compound. Due to its widespread industrial and commercial uses, barium carbonate is produced in large quantities all around the world, with major producers located in China, the United States, and Europe.

One of the primary uses of barium carbonate is as a raw material for the production of other barium compounds, such as barium oxide, barium chloride, and barium sulfate. These compounds have a variety of uses, including as pigments, catalysts, and in the production of glass, ceramics, and electronic components. Barium carbonate is also used in the production of special types of glass, such as optical glass and television picture tubes. In the glass industry, it is added to glass formulations to improve the refractive index and increase the density of the glass.

Global: Barium Carbonate Market: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Barium Carbonate Market: Sales Volume (in '000 Tons)	1,043	1,390	4.9%
Global Barium Carbonate Market: Sales Value (in Million US$)	503	712	6.0%

Market by Application	2022 (in '000 Tons)	2022 (%)
Specialty Glass	323.2	31.0%
Bricks and Tiles	276.3	26.5%
Chemical Compounds	151.2	14.5%
Glazes, Fritts and Enamels	107.4	10.3%
Electro-Ceramic Material	91.2	8.8%
Caustic Soda Industry	55.3	5.3%
Others	38.1	3.7%

Source: Analyst Report, Expert Interviews and IMARC Group

The global barium carbonate market reached a volume of 1,390 thousand tons in 2028, growing at a CAGR of 4.8% during 2023-2028. The market trend for barium carbonate is shaped by several factors, including increasing demand in the Asia-Pacific region, growing preference for eco-friendly products, and the development of new applications.

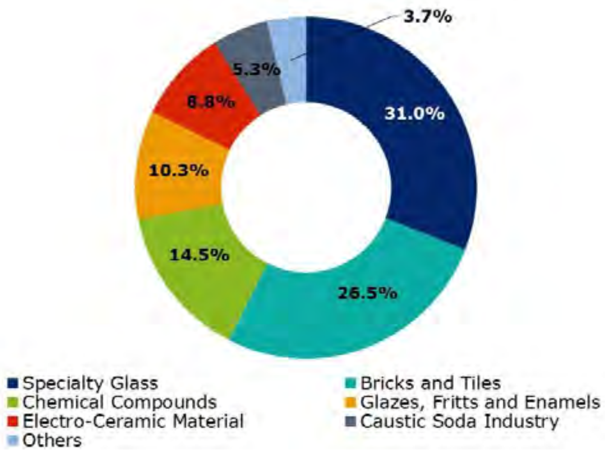
With increasing concerns about the impact of industrial processes on the environment, there is a growing demand for barium carbonate that is produced using sustainable and environmentally friendly processes. This has led to the development of new production methods that use renewable energy sources and reduce carbon emissions.

The global barium carbonate market reached a value of Million 712 US$ in 2028, growing at a CAGR of 5.9% during 2023-2028. The future growth prospects for barium carbonate are positive, driven by the increasing demand from the construction, chemical, and electronics industries, as well as the development of new applications. The construction industry is expected to continue driving demand for barium carbonate, particularly in emerging markets where infrastructure development is a priority. The use of barium carbonate in the production of bricks, tiles, and other building materials is expected to remain a key application in the industry.

Global Barium Carbonate Market Breakup by Application

In 2022, specialty glass represented the largest application for barium carbonate globally, accounting for a share of 31.0% of the barium carbonate market. Specialty glass was followed by bricks and tiles (26.5%), chemical compounds (14.5%), glazes, fritts and enamels (10.3%), electro-ceramic material (8.8%), caustic soda industry (5.3%), and others (3.7%).

Global: Barium Carbonate Market: Breakup by Application (in %), 2022



Source: Analyst Reports, Expert Interviews and IMARC Group

Global Producers of Barium Carbonate, By Volume in 2022

S. No.	Company Name	Production Capacity (Tonnes)	Headquarters	Website
1.	Guizhou Red Star Development Import and Export Co. Ltd	2,90,000	China	www.hxfz.com.cn
2.	Hebei Xinji Chemical Group Co. Ltd	1,80,000	China	www.hhsj.chemchina.com
3.	Hubei Jingshan Chutian Barium Salt Corporation Ltd.	60,000	China	www.hbjingyan.com
4.	Vishnu Barium Private Limited	60,000	India	www.vishnuchemicals.com
5.	Shhanxi Ankang Jianghua Group Co. Ltd.	41,728	China	www.jianghuagroup.com

Indian Producers of Barium Carbonate, By Volume in 2022

S. No.	Company Name	Production Capacity (Tonnes)	Headquarters	Website
1.	Vishnu Barium Private Limited	60,000	India	www.vishnuchemicals.com
2.	Chaitanya Chemicals	4,600	India	www.chaitanyachemicals.com

Source: Analyst Report, Expert Interviews and IMARC Group

Market Trends

Barium carbonate is also used in the production of other barium compounds such as barium chloride and barium sulfate, which are used in various applications such as oil drilling, paint and coating, and rubber manufacturing. The demand for these applications is expected to drive the demand for barium carbonate in the long term.

Barium Carbonate is widely used in the production of ceramic products such as tiles and sanitary ware, which are essential components of the construction industry. The growth of the construction industry, particularly in developing countries, is expected to drive the demand for barium carbonate in the long term. Barium carbonate is also used as a refining agent in the production of high-quality glass products such as optical glass, television tubes, and specialty glass. The growth of the electronics industry and the demand for high-quality glass products are expected to drive the demand for barium carbonate in the long term.

PRECIPITATED BARIUM SULPHATE MARKET

Precipitated barium sulfate (also known as blanc fixe) is a synthetic white crystalline powder that is commonly used as a filler or extender in a variety of applications such as coatings, plastics, and paper.

This material is typically produced to very high levels of purity, with minimal impurities, making it a popular choice in applications where purity is critical. Another important property of precipitated barium sulfate is its high density. With a specific gravity of around 4.5 g/cm3, it is much denser than many other materials. This high density makes it useful as a radiopaque filler in medical applications, as it can help to create clear images when used in X-ray contrast media.

Precipitated barium sulfate has several advantages over natural barium sulfate, including its high purity, controlled particle size, and consistent quality. These properties make it a popular choice in applications where consistent quality and performance are critical. Additionally, its high density and chemical inertness make it useful as a radiopaque filler in medical applications, such as X-ray contrast media.

Global: Precipitated Barium Sulphate Market: Key Industry Highlights, 2022 and 2028

Particulars	2022	2028	CAGR (2022-2028)
Global Precipitated Barium Sulphate Market: Sales Volume (in '000 Tons)	721	893	3.6%
Global Precipitated Barium Sulphate Market: Sales Value (in Million US$)	429	567	4.7%

Market by Application	2022 (in '000 Tons)	2022 (%)
Paints & Coatings	506.4	70.2%
Plastic	168.8	23.4%
Ink Pigments	23.1	3.2%
Paper	7.9	1.1%
Others	15.1	2.1%

Source: Analyst Report, Expert Interviews and IMARC Group

The global precipitated barium sulphate market reached a volume of 893 thousand tons in 2028, growing at a CAGR of 3.5% during 2023-2028. Growing demand for paints and coatings in various industry verticals is expected to drive the market growth of precipitated barium sulphate. Precipitated barium sulfate is widely used as a filler in paints and coatings to improve their properties, such as opacity and scratch resistance. The increasing demand for paints and coatings in various end-use industries, such as automotive, construction, and industrial, is expected to drive the growth of the precipitated barium sulfate market.

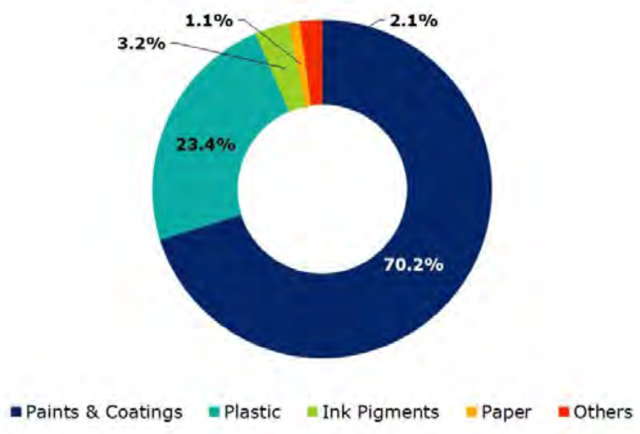
Precipitated barium sulfate is also used as a filler in plastics and rubber to improve their mechanical and thermal properties. The growing demand for plastics and rubber in various end-use industries, such as packaging, construction, and automotive, is expected to drive the demand for precipitated barium sulfate.

The global precipitated barium sulphate market reached a value of Million 567 US$ in 2028, growing at a CAGR of 4.6% during 2023-2028. The future growth prospects for barium carbonate are positive, driven by the increasing demand from the construction, chemical, and electronics industries, as well as the development of new applications. The construction industry is expected to continue driving demand for barium carbonate, particularly in emerging markets where infrastructure development is a priority. The use of barium carbonate in the production of bricks, tiles, and other building materials is expected to remain a key application in the industry.

Global Precipitated Barium Sulphate Market Breakup by Application

In 2022, paints & coatings represented the largest application for precipitated barium sulphate globally, accounting for a share of 70.2% of the precipitated barium sulphate market. Paints & coatings were followed by plastic (23.4%), ink pigments (3.2%), paper (1.1%), and others (2.1%).

Global: Precipitated Barium Sulphate Market: Breakup by Application (in %), 2022



Source: Analyst Reports, Expert Interviews and IMARC Group

Market Trends

Several manufacturers are investing in R&D to develop new and improved production methods that can reduce the environmental impact of barium sulphate production. This trend is expected to continue in the future, driving the adoption of sustainable production methods and increasing the demand for eco-friendly products. The high gloss coating applications are creating stable revenue sources for the manufactures and the growing demand for high-quality paints and coatings is driving the precipitated barium sulfate market demand.

Growing demand from the coatings industry is likely to drive the demand for precipitated barium sulphate. Precipitated barium sulphate is widely used as a filler in coatings such as paints, coatings, and inks. The growth of the coatings industry, particularly in emerging economies, is expected to drive the demand for precipitated barium sulphate in the long term.

Precipitated barium sulphate is also used as a filler in plastics such as polypropylene and polyethylene, which are used in various applications such as automotive, packaging, and construction. The demand for high performance plastics is expected to drive the demand for precipitated barium sulphate in the long term.

Barium sulphate is considered safe for use in various applications, and several regulatory bodies such as the European Chemicals Agency (ECHA) have approved its use.

OUR BUSINESS

Before making an investment in the Equity Shares, this section should be read in conjunction with the sections entitled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 38, 81, 105 and 197, respectively. This Preliminary Placement Document contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including considerations described below and in the section titled "Forward-Looking Statements" on page 16.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to Vishnu Chemicals Limited and our Subsidiaries on a consolidated basis.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2023, Fiscal 2022 and Fiscal 2021 have been extracted from our Audited Consolidated Financial Statements beginning on page 197.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Global Chromium and Barium Chemicals Market: Industry Trends, Share, Growth, Opportunity and Forecast 2023- 2028" dated May 16, 2023 (the "**Imarc Report**") prepared and released by IMARC Services Private Limited and commissioned and paid by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the industry Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Presentation of Financial Information and Other Conventions" on page 13.*

Overview

Vishnu Chemicals Limited is the "*largest integrated producers*" of chromium based speciality chemicals in India and one of the leading producers globally. Also, Vishnu Barium Private Limited ("**VBPL**"), our Subsidiary is "*largest producer and exporter*" of barium-based speciality chemicals in India *(Source: Imarc Report)*. We are primarily focused on producing a diversified portfolio of speciality chemicals involving complex and differentiated chemistries and technologies. Specialty chemicals are those chemicals that impart value adding properties to a product. As of May 31, 2023, our product portfolio comprised of ten primary and derivative products having over 10 application industries across various industries in India and across the world.

Our products have applications across a wide spectrum of industries including the pharmaceuticals, functional plating, decorative plating, refractory bricks, pigments & sport surfaces, roofing & ceramic tiles, construction equipment, textiles, leather, detergent, timber treatment etc. As of May 31, 2023, we marketed our products to over 250 domestic and export customers across 40+ countries. Our diversification into flexible derivative mix has allowed us to explore a wide range of applications across different industries.

We commenced our business as a manufacturer of chromium based specialty chemicals in the year 1993 – 1994 under the erstwhile Keystone Industries Limited. Further, pursuant to the scheme of amalgamation between erstwhile Keystone Industries Limited and Vishnu Chemicals Private Limited ("**Scheme of Amalgamation**") vide order dated December 15, 2005 passed by the High Court of Andhra Pradesh, Hyderabad, Vishnu Chemicals Private Limited was amalgamated in our Company with the appointed date being April 1, 2004. Subsequently, the name of our Company was changed to Vishnu Chemicals Limited with effect from January 2, 2006. In fiscal 2016, we have acquired entire shareholding of Solvay Vishnu Barium Private Limited from Solvay group (Belgium Chemical Group) and it became wholly owned subsidiary of our Company, subsequent to which its name was changed to Vishnu Barium Private Limited. With our established track record of operations of three decades, we have established a market position of being a preferred vendor for our global customers in some of our key products across chromium and barium chemicals.

Our business is divided into two major product categories (1) Chromium Chemicals; and (2) Barium Chemicals (through our wholly owned Subsidiary, Vishnu Barium Private Limited). We manufacture a variety of chromium-based chemicals with sodium dichromate being the primary product which largely finds application in industries such as pharmaceuticals, pigments & dyes and to manufacture other chromium chemicals, which are derivatives of sodium dichromate. Since Fiscal 2019, we pivoted to focus on manufacturing a range of chromium chemicals to reduce product concentration risk. Our portfolio of chromium chemicals products includes (a) Sodium Dichromate, (b) Basic Chromium Sulphate, (c) Chromic Acid, (d) Chrome Oxide Green, (e) Sodium Sulphate and (f) Potassium Dichromate. Subsequently, we expanded our end-user industry base to more than 10 application industries, including electroplating, master batches, refractories, wood preservatives, paper and FMCG.

We also currently manufacture and supply industry-grade barium carbonate and precipitated barium sulphate that finds applications in the manufacture of ceramic, tiles, paints, batteries, glass and enamel products. Infrastructural development, increasing urbanization and expansion in construction industry has fuelled the demand for barium chemicals. Within the Barium segment, we have introduced a new product – precipitated barium sulphate and sodium sulphide in the year 2023 used in various application industries such as powder coating, paints and batteries.

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our sales of chromium based speciality chemicals constituted 87.71%, 84.73% and 84.16%, respectively, of our consolidated revenue from operations and our sales of barium based speciality chemicals constituted 12.29%, 15.27% and 15.84%, respectively, of our revenue from operations. Our range of products are an essential input for Industrial applications and across Pharmaceuticals and Consumer sector, mainly due to their corrosion resistance, colour and uniformity and low co-efficiency against friction, among other beneficial properties.

We have four integrated and strategically located manufacturing facilities in India, situated at (1) Visakhapatnam, Andhra Pradesh (2) Bhilai, Chhattisgarh (3) Hyderabad, Telangana, and (4) Srikalahasti, Andhra Pradesh (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited). As of March 31, 2023, our manufacturing facilities had an installed capacity of 80,000 MT and 60,000 MT for Chromium Chemicals and Barium Chemicals respectively. Our manufacturing facilities are equipped with modern machinery and equipment which enables us to undertake various chemistry processes. Our manufacturing facilities are multi-purpose whereby the same plant is able to produce different products to meet customer demand, with significant backward and forward integration linkages, providing us the flexibility to change the product mix to cater to market requirements. We have ISO 9001:2015 certifications for marketing, purchase, HR training activities, and dispatch of Sodium Dichromate as well as Basic Chromium Sulphate and Sodium Sulphate, for our manufacturing facilities located at Visakhapatnam, Andhra Pradesh and Bhilai, Chhattisgarh.

We are an innovation led company with a track-record of successfully executing complex chemical processes and development of specialised chemical products customised to customer requirements. We have an in-house quality control unit at all our manufacturing facilities. We have a team comprising of chemical engineers and PhDs in the field of chemistry. Our quality and research is focused on (i) new product development, (ii) process innovation and to serve the niche requirements of our customers, (iii) improvement of our productivity and yields and (iv) reduction of our resource consumption.

Our products are predominantly used as industrial intermediates and / or raw materials and hence we operate as a business-to-business manufacturing company. We market our products to over 250 domestic and export customers across 40+ countries across six continents. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our top 10 customers contributed 36.25%, 34.90%, 32.10%, respectively, of our revenue from operations. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our top 10 customers in Fiscal 2023. In Fiscal 2023 our top five export destinations were Brazil, USA, Mexico, Korea and Italy. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, 48.94%, 51.13% and 50.69%, respectively, of our revenue from operations were from exports.

Our Promoters, Krishna Murthy Cherukuri and Siddartha Cherukuri have an experience of approximately 30 years and 15 years, respectively, in the chemicals industry. Our management team is backed by a core operational team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products which our Company is catering to.

Key Financial Information and Key Performance Indicators (KPIs)

Our revenue from operations have increased at a CAGR of 43.16% from ₹6,786.81 million in Fiscal 2021 to ₹13,909.94 million in Fiscal 2023 on a consolidated basis. Our profit after tax have increased at a CAGR of 98.97% from ₹344.95 million in Fiscal 2021 to ₹1,365.64 million in Fiscal 2023 on a consolidated basis.

Set forth below is certain of our key financial information.

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	13,909.94	10,690.02	6,786.81
Total Revenue	14,062.06	10,747.59	6,815.04
EBITDA (PBT+Depr+Fin cost)	2,452.86	1,614.13	802.73
EBITDA margin on Total Revenue	17.44%	15.02%	11.78%
Profit after tax	1,365.66	813.93	344.95
PAT margin (%)	9.71%	7.57%	5.06%
Operating cash flows	1,342.53	897.27	673.67
Capital expenditure	1,173.68	832.98	544.59
ROCE(1)	35.61%	27.96%	14.06%
ROE(2)	39.51%	34.41%	19.37%
Fixed asset turnover ratio (3)	1.93	1.61	1.17
Debt / equity ratio	0.92	1.32	1.71
Interest Coverage Ratio(4)	6.56	5.30	2.32
Debtor / Receivable Days(5)	49	52	55

1. *ROCE is calculated by earnings before interest and tax divided by average of total assets less current liabilities of last two fiscals.*
2. *ROE is calculated by profits after tax divided by average networth of last two fiscals.*
3. *Fixed asset turnover is calculated by dividing gross block of fixed assets by revenue from operations.*
4. *Interest coverage Ratio is calculated dividing EBIT by considering entire finance cost Schedule*
5. *Debtor / Receivable Days is calculated as Average Debtors divided by the Sales multiplied by 365.*

History and Development

Set out below are the key events in our Company's history:

Year	Particulars
1993	Incorporation of our Company as Keystone Industries Limited & Commencement of business
1994	Initial Public Offering of Keystone Industries Limited and listing on BSE
2004 - 2005	Amalgamation of our Company (erstwhile Keystone Industries Limited) with Vishnu Chemicals Private Limited and subsequent change of name to Vishnu Chemicals Limited vide High Court approved Scheme of Arrangement.
2007	Commencement of operations at our manufacturing unit in Visakhapatnam, Andhra Pradesh
2015	Acquisition of VBPL (erstwhile Solvay Vishnu Barium Private Limited) along with manufacturing facility located at Srikalahasti, Andhra Pradesh from Solvay's S.A.
2018	Awarded the best company in maintaining industrial relations and welfare of employees from the Government of Andhra Pradesh
2022	Expanded our production capacity of Barium Carbonate
	Awarded as 'Company of the Year' in the chemicals sector at the Dare to Dream Awards
2023	Commissioning of precipitated Barium Sulphate facility at Srikalahasti, Andhra Pradesh
	Certified Great Place To Work® Certified™ in India
	Acquisition of Ramadas Minerals Private Limited through Vishnu Barium Private Limited

Strengths

Our competitive strengths are set forth below:

Largest manufacturer of niche chemicals in India for chromium chemicals and barium chemicals having a diversified product portfolio and long- standing relationships with marquee international and domestic customers

Our Company is the "*largest integrated producers*" of chromium based speciality chemicals in India and one of the leading producers globally. Also, VBPL, our Subsidiary is "*largest producer and exporter*" of barium-based speciality chemicals in India *(Source: Imarc Report)*. We are primarily focused on producing a diversified portfolio of speciality chemicals involving complex and differentiated chemistries and technologies. We believe that our positioning in the markets in which we operate and our established relationships with our customers and suppliers, will enable us to benefit from any growth opportunities in the markets in which we operate and continue to expand our operations.

We add value to minerals coming from the ores by transforming them into the speciality chemicals required for the manufacture of pharmaceutical, consumer and industrial products. We attribute our market leadership to our diverse and comprehensive product portfolio, our presence in the industry for approximately 30 years, consistent quality of products, economies of scale, and product innovation.

Over the years we have nurtured the chemistry and developed a complex chemical processes by overcoming gestation period of stabilisation. A deeper process knowledge enables us to track how a reaction unfolds and speeds up our execution to achieve greater operational efficiency. We have established the manufacturing of high-performance speciality chemicals, with strong market leadership and an astute blend of forward and backward integration to produce quality products that are focused on diverse needs and aspirations of our customers. Our products are manufactured either to standard specifications, or to the specifications of the customer, which they might need for value added usages. We believe that we have the ability to handle complex chemical processes which has allowed us to achieve and maintain our position in the market. Our leadership position can be attributed to factors such as our long-standing relationship with global clientele, our business experience and consistent quality of our products.

The specialty chemicals industry is highly knowledge intensive. Our products are used for specialty applications in pharmaceuticals, functional plating, decorative plating, refractory bricks, pigments & sport surfaces, roofing & ceramic tiles, construction equipment, textiles, leather, detergent, timber treatment etc. Given the nature of the application of our products, our processes and products are subject to, and measured against, exacting quality standards and stringent purity specifications. Our diversified product portfolio allows us to sell across a range of traditional and modern applications and, consequently, enhance our business prospects. We believe our strong presence across these industries through our growing portfolio of products reduces our risk of over-dependency on any specific product or industry segment.

As of May 31, 2023, we marketed our products to over 250 domestic and export customers across 40+ countries. We have built strong relationships with customers who recognise our technical capabilities, timely deliveries and consistent quality products. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our top 10 customers in Fiscal 2023. Further, the costs involved in approving any change in suppliers by our customers, for speciality chemical products are relatively high, consequently de-incentivising any such change in suppliers.

Our business is diversified and we are not dependent on a small number of customers. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our top 5 customers contributed to 25.93%, 23.81% and 22.67%, respectively, of our consolidated revenue from operations; our top 10 customers 36.25%, 34.90% and 32.10%, respectively, of our consolidated revenue from operations.

Our leadership position coupled with our long-term relationships and ongoing active engagements with customers allow us to plan our capital expenditure well in advance as well as benefit from increasing economies of scale and strong purchasing power for raw materials. Our customer relationships have also helped us expand our product offerings and geographic reach. We export our products to more than 40 countries across six continents. In the Fiscal 2023, Fiscal 2022 and Fiscal 2021, 48.94%, 51.13% and 50.69%, respectively, of our consolidated revenue from operations were from exports. Our diversified global customer base assists us in reducing our geographic dependence, which helps in mitigating the effects of economic and industry-specific cycles.

Established manufacturing facilities with backward and forward integration linkages

We have four integrated and strategically located manufacturing facilities in India, situated at (1) Visakhapatnam, Andhra Pradesh (2) Bhilai, Chhattisgarh (3) Hyderabad, Telangana, and (4) Srikalahasti, Andhra Pradesh (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited). These units have a strategic advantage, having been located at a close proximity to its raw material source or customers or seaports, improving our logistic capabilities.

As of March 31, 2023, our manufacturing facilities had an installed capacity of 80,000 MT and 60,000 MT for Chromium Chemicals and Barium Chemicals respectively. Our standalone capacity utilization was 79.00%, 91.00% and 74.00%, respectively, in the Fiscal 2023, Fiscal 2022 and Fiscal 2021. Our Srikalahasti unit's (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited) capacity utilization was 57.00%, 76.00% and

76.00%, respectively, in the Fiscal 2023, Fiscal 2022 and Fiscal 2021. Our manufacturing facilities are equipped with modern machinery and equipment which enable us to undertake continuous manufacturing of inorganic chemicals manufacturing from chromium.

Our Company's manufacturing facilities are multi-purpose whereby the same plant is able to produce different products of chromium chemicals to meet customer demand, with significant backward and forward integration linkages, providing us the flexibility to change the product mix to cater to market requirements. The forward integration linkage gives us the ability to operate the plant at higher capacity utilisations, providing us the flexibility to manufacture according to the ever-evolving industry demand, thus mitigating cyclicality, geographic, and currency risk to a large extent. Our diversified product mix has helped us reinvent and innovate as we cater to a new range of applications and, consequently, enhance our business prospects. Through implementation of a reverse engineering process and a complex infrastructure, in Fiscal 2022 our manufacturing facility at Visakhapatnam, Andhra Pradesh was integrated to capture flue gases, and use the recovered element as a raw material for our manufacturing process. The facility follows a unique process, developed in-house, and uses by-products from other processes to manufacture a vital raw material. This process improvement has enabled us to reduce our reliance on imports, third party supplies and logistics costs. Fiscal 2023 was the first full year of operating this integrated unit, which has helped us in minimizing operating costs and maximizing operational efficiencies and profitability.

Additionally, we have also installed advanced waste treatment capabilities and multi effect evaporators to reduce discharge and residue treatment. Maintaining a high standard of quality for our products is critical to our brand and continued growth. We believe that the scale and technology of our Company is not easy to replicate, which creates an entry barrier, resulting in us being the largest producer of Chromium and Barium chemicals in India.

Focus on Environment, Health and Safety

Our business is focused on sustainability with an emphasis on environment, health and safety. We are mindful of the potential impact of our activities on the local environment and have set stringent environmental standards, which meet regulatory requirements. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Our products adhere to global quality standards. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited and approved our facilities and manufacturing processes in the past, which ensures that the regulator and our customers are able to confirm the continuance of quality of our facility and processes. In addition, by employing cleaner chemistries, semicontinuous or continuous reaction technologies, and automation in the process, we distinguish our processes from conventional processes and optimize use of non-toxic raw materials, resulting in lower effluent generation. Further, VBPL has signed an agreement with India's leading integrated solar player to set up solar power capacity under the long term power contract model which will keep us asset light and save energy costs every month.

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. At all sites, stringent safety measures have been implemented. Hazard and operability study and safety audits are conducted for all major products and safety inspections are instituted regularly along with periodic safety drills and pre-tests. In addition, we have digitalised all major processes. We also ensure appropriate personal protective equipment is provided to employees. Safety awareness is driven through safety campaigns and training. We also conduct webinars on process safety and workplace safety elements to cover all major stakeholders.

Strong Management expertise

We believe that we have a strong management team led by ethical leadership with significant experience in the specialty chemicals industry. Among our Promoters, Krishna Murthy Cherukuri has an experience of approximately 30 years having founded the erstwhile Vishnu Chemicals Private Limited and was instrumental in the amalgamation with Keystone Industries Limited. Further, Siddartha Cherukuri has obtained a masters' degree in biotechnology from the University of Northumbria, Newcastle and has an experience of nearly 15 years in the chemicals industry.

Our management team is backed by a core operational team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products which our Company is catering to. Our management team comprises of skilled and capable professionals who assist the Board in identifying new opportunities and in implementing our business strategies. We believe that the knowledge and experience of our Promoters, along with senior -management, and our team of quality personnel provide us with a significant competitive advantage as we seek to expand in our existing markets and enter new geographic markets. For further details, please refer to the chapter '*Our Management and Senior Management Personnel*' on page 136.

Consistent financial performance

We have approximately three decades of track record in manufacturing of chromium-based specialty chemicals and approximately seven years track record in manufacturing of barium-based specialty chemicals, in India, primarily focused on producing a diversified portfolio of speciality chemicals involving complex and differentiated chemistries and technologies. We have experienced sustained growth with respect to the various financial indicators as well as a consistent improvement in our balance sheet position in the last three Fiscals, wherein we have seen an increase in our net worth.

Our revenue from operations have increased at a CAGR of 43.16% from ₹6,786.81 million in Fiscal 2021 to ₹13,909.94 million in Fiscal 2023 on a consolidated basis. Our profit after tax have increased at a CAGR of 98.97% from ₹344.95 million in Fiscal 2021 to ₹1,365.64 million in Fiscal 2023 on a consolidated basis. The table below sets forth some of the key financial indicators for Fiscals 2023, 2022 and 2021:

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	13,909.94	10,690.02	6,786.81
Total Revenue	14,062.06	10,747.59	6,815.04
EBITDA (PBT+Depr+Fin cost)	2,452.86	1,614.13	802.73
EBITDA margin on Total Revenue	17.44%	15.02%	11.78%
Profit after tax	1,365.66	813.93	344.95
PAT margin (%)	9.71%	7.57%	5.06%
Operating cash flows	1,342.53	897.27	673.67
Capital expenditure	1,173.68	832.98	544.59
ROCE(1)	35.61%	27.96%	14.06%
ROE(2)	39.51%	34.41%	19.37%
Fixed asset turnover ratio (3)	1.93	1.61	1.17
Debt / equity ratio	0.92	1.32	1.71
Interest Coverage Ratio(4)	6.56	5.30	2.32
Debtor / Receivable Days(5)	49	52	55

6. *ROCE is calculated by earnings before interest and tax divided by average of total assets less current liabilities of last two fiscals.*
7. *ROE is calculated by profits after tax divided by average networth of last two fiscals.*
8. *Fixed asset turnover is calculated by dividing gross block of fixed assets by revenue from operations.*
9. *Interest coverage Ratio is calculated dividing EBIT by considering entire finance cost Schedule*
10. *Debtor / Receivable Days is calculated as Average Debtors divided by the Sales multiplied by 365.*

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and value accretive growth. Our balance sheet and cash generating assets positive operating cash flows coupled with low levels of debt enables us to pursue opportunities for growth and better manage unanticipated cash flow variations. Since fiscal 2018, we have generated positive free cash flow every year on a consolidated basis. Our financial strength provides us a valuable competitive advantage over our competitors with access to financing, which are factors critical to our business. For further details on a comparative analysis of our financial position and revenue from operations, see the "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 81.

Business Strategy

Our key focus is to maintain our market leadership in India, while seeking to significantly expand our international business. In particular, we have adopted the following key business strategies:

Sustainable and profitable growth with continuous improvement and innovation

We are seeking to optimize our product mix to ensure our capacity focuses on existing and new value-added primary and derivative products. As an integral part of our continuing efforts targeted at ensuring cost efficiencies, we have undertaken a number of initiatives aimed at improving operational efficiencies and optimizing our manufacturing operations including reduction in lead-time in manufacturing processes, leveraging our sourcing networks to control raw material costs through bulk purchases, improving inventory management to optimize transportation costs and expedite raw materials procurement and product delivery, and controlling consumption and wastage through effective supervision of manufacturing processes. We intend to continue to improve the efficiency of our operations and reduce our cost base by taking advantage of our international presence and economies of scale as well as by targeting savings in our administrative, procurement and production processes. Vishnu Barium Private Limited, our wholly owned subsidiary, entered into a share purchase cum company acquisition agreement dated July 19, 2023 for acquisition of 100% equity shareholding in shareholding in Ramadas Minerals Private Limited ("**RMPL**"). Through the acquisition of RMPL, our Company would be able to remove impurities from lower grade of barytes through a dry separation process and upgrade the quality of feedstock for our Barium chemicals manufacturing. We believe this acquisition will provide us with a competitive advantage towards cost control.

We intend to focus on further improving our operating levels by pivoting into newer grades and products. We intend to continue to focus on the vertical integration of our operations, which we believe will enable us to further streamline our production processes, achieve shorter development and delivery lead times, exercise significant control over key inputs and processes, enhance quality control and increase supply security. We also intend to enhance our research and development, and design capabilities which provide us with a competitive advantage with respect to quality, product development and cost, as well as to continuously explore sustainable cost improvement initiatives for our operations. In addition, we continue to introduce advanced technologies in order to improve operational efficiencies and work processes in our operations.

Synergistic expansion in existing value chain and diversification in product line by adding value to by-products

The Chromium chemical industry consists of four major products; viz, Sodium Dichromate having a current market size of US$ 912 million, Chromic Acid having a current market size of US$ 476 million, Chrome Oxide Green having a current market size of US$ 379 million and Chrome Sulphate having a current market size of US$ 425 million. These products are expected grow at a CAGR of 6.0%, 4.3%, 5.0% and 4.0%, respectively between 2022-2028. Barium Carbonate current market size is US$ 503 million and is expected to grow at a CAGR of 6.0% between 2022-2028. Further, precipitated barium sulphate has a current market size of US$ 429 million and is expected to grow at a CAGR of 4.7% between 2022-2028. *(Source: Imarc Report)*

We intend to scale up the manufacturing capacities for our existing products. We continually explore new markets and applications for growth. Additionally, we also seek to strengthen our market position by enhancing our derivatives capacities and introducing new ones. We intend to grow our business operations further through synergistic expansion into related products, backward and forward integration. Our backward integration projects will intend to beneficiate and purify our select raw materials, thereby protecting our cost of goods from market volatilities. Our downstream integration to manufacture more derivatives and value-added products which is intended to cater to more niche applications like superalloys and gas turbines, etc. This will help to diversify our product mix further and introduce more value-added products. We believe that this diversification would allow us to cater to a new range of applications and consequently, enhance our business prospects.

Also, we are planning to set up a manufacturing facility for chrome metal. Chrome metal has a chrome content close to 100% and finds its applications in the manufacturing of super alloys used in aerospace, defence, rocket, gas turbine, welding, electrical and automotive industries. In Barium Chemicals, we are the sole producers of precipitated barium sulphate in India with our newly commissioned facility at Srikalahasti, Andhra Pradesh (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited) *(Source: Imarc Report)*. Our product is an inorganic compound and is a high-purity, synthetic additive that is produced in a carefully controlled manufacturing process to be used in applications across powder coating, paint, battery industries. We also aim to add value to the by-products of our specialty chemical manufacturing process to diversify our product line. We believe that this gives us the ability to effectively use co-products and generate value-added products thereby creating economic and environmental benefits. We also intend to enter new downstream products in the specialty chemical segments based on our competencies. We intend to expand our product basket further with related products including those manufactured from our by-products.

Deepen customer relationships and be a supplier of choice across geographies

We marketed our products to over over 250 domestic and export customers. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our top 10 customers contributed 36.25%, 34.90%, 32.10%, respectively, of our consolidated revenue from operations. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our top 10 customers in Fiscal 2023. We export our products to more than 40 countries across six continents. In Fiscal 2023 our top five export destinations were Brazil, USA, Mexico, Korea and Italy. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, 48.94%, 51.13% and 50.69%, respectively, of our consolidated revenue from operations were from exports.

Our long-term relationships and ongoing active engagements with customers also allow us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base. These enduring customer relationships also have helped us expand our product offerings and geographic reach. We seek to continue to explore opportunities to enhance our existing customer relationships by manufacturing newer grades across their various product segments. Our customer engagements are dependent on us delivering quality products consistently. Our potential customers may require considerable amounts of time to approve us as suppliers to ensure that all their quality controls are met and that we meet all their requirements across a variety of jurisdictions and multiple regulators. Due to the resources involved in engaging with new suppliers, customers are less inclined to pursue alternate supply sources. This provides us with an advantage over new entrants that would need to make significant investments and endure a long gestation period with potential customers in order to effectively compete. We believe by extending our process and chemistry expertise to enter into new value chains in the same and allied chemistries will enable us to service more of our customers' needs and increase the wallet share of our existing customers. Further, we intend to focus on early stage process innovation and development that we believe will enable us to capitalize on the complete lifecycle of these products and give us the opportunity to be the initial suppliers for such specialty chemicals and strengthen our relationships with multinational corporations.

Focus on premiumisation and on products for high growth sectors with limited competition

We aim to focus on high growth sectors and emerging trends in the specialty chemicals industry and intend to be among the global leaders in specialty chemical manufacturing by achieving better efficiency in process, technology, quality and through unending commitment to customers and environment. We are witnessing significant opportunities in emerging trends. We are working on such opportunities and are looking to connect with the existing and potential customers where we can serve them with our range of speciality chemicals. We have demonstrated our ability to scale up our capacities to cater to the requirements of our customers. In Chromium Chemicals, we are planning to set up India's first manufacturing facility for chrome metal which finds its applications in the manufacturing of superalloys used in aerospace, defense, rocket, gas turbine, welding, electrical and automotive industries. In Barium Chemicals, we are the sole producers of precipitated barium sulphate in India serving applications like paints & powder coatings, batteries, etc.

Premiumisation is bridging the gap between luxury and mass market – offering all consumers access to unique or innovative products that promise more. Premium is not just about price. It is the promise of exceptional quality and experience, fuelling the growth of unique, value added products. As a result, the premium segment is experiencing strong growth, outpacing total category sales in many markets. This means there is expected to be a rising demand for products that make consumer lives better with feel good and premium characteristics. Some of the industries we serve which will benefit from premiumisation include bathroom fittings, furniture, automotive accessories, decorative plating, paints, tiles and more. We intend to focus on catering to these industries and leverage our speciality chemical & its properties to enhance these premium products.

Future focused initiatives to improve cost and operational efficiencies and gain market share

We have industry-leading expertise, a global footprint, and clear priorities with plenty of runway for growth. Our market share is expanding due to our multi-site capabilities, manufacturing focus, procurement strategies and balanced approach to improve our profitability.

The Company is open to vertically and backward integrate its operations by exploring organic and inorganic opportunities such as beneficiation of chrome ore with reserves of chrome ore in South Africa or other countries for the manufacturing of chromium chemicals, introduce new products which have scalability or limited competition or serves customers who were earlier relying on imports, amongst others. Foray into backward integrations helps us in securing long-term supply of key raw materials and improves self-sufficiency. Over the years, we have built a significant position of strength to identify market trends, adapt to changes in industry, innovate new products, offer competitive prices, ensure product quality and adhere to compliance. We have driven significant cost competencies from our processes and have been able to compete with the prices of our competitors globally. We are focused on expanding our market share in other geographies such as USA by providing high-quality speciality chemicals combined with value-driven sales and service, enhancing customer satisfaction. We intend to strengthen our research initiatives to shore up our activities with respect to improvement of our finished goods and help us identify compounds that have synergies with our manufacturing capabilities.

We will look for opportunities to enhance our margins across our business. Optimisation and reduction of costs remains our key focus area and we continue to work towards attaining cost efficiencies, whether it be in the supply chain management or during the production process. Apart from the development of new products, aimed at improved yield and efficiency, by implementation of various chemistries, we also propose to develop eco-friendly and cost-effective production processes. We are also focussed towards improving our cost efficiency by increasing local sourcing of raw materials, which we have ensured, as a business strategy, over the last several years. Ensuring cost efficiencies is significant parameter to order to compete effectively, whether in the domestic market or overseas.

Description of our business

We specialise in manufacturing of chromium and barium-based, specialty chemicals. Our products find application across a number of industries, such as specialty applications in pharmaceuticals, functional plating, decorative plating, refractory bricks, pigments & sport surfaces, roofing & ceramic tiles, construction equipment, textiles, leather, detergent, timber treatment etc.

We currently operate our businesses through Vishnu Chemicals Limited and our wholly-owned subsidiary, namely Vishnu Barium Private Limited and Vishnu South Africa Pty Limited. Vishnu Chemicals Limited operates our Chromium Chemicals business vertical. Vishnu Barium Private Limited operates our Barium Chemicals business vertical. We also have another wholly owned subsidiary, namely, Vishnu South Africa (Pty) Limited (“**VSAL**”), which was incorporated in 2017. However, VSAL is yet to commence operations. Vishnu Barium Private Limited acquired 100% equity stake in Ramadas Minerals Private Limited in fiscal 2024.

We are comprised of two main product categories:

A. Chromium Chemicals; and

B. Barium Chemicals

A. Chromium Chemicals

Under the Chromium Chemicals, we manufacture (a) Sodium Dichromate, (b) Chromic Acid, (c) Chrome Oxide Green, (d) Basic Chromium Sulphate, (e) White Sodium Sulphate and (f) Potassium Dichromate.

(a) Sodium Dichromate is the principle chromium chemical. It is used as a strong oxidising agent in pharmaceuticals industry and a source in preparing chromium based derivatives.

(b) Chromic Acid is used in to manufacture metal and plastic coatings to produce a strong, tarnish-resistant, chrome finish. It finds applications in many industries including in the manufacture of appliances and automobiles. It is also used as a wood preservative for marine pilings, telephone poles, landscape timbers and other industrial wood applications. Being a strong oxidizing agent, it also finds applications in organic synthesis and for preparation of other chrome chemicals of analytical grades.

(c) Also known as Chromium (III) Oxide, Chrome Oxide Green is used as an inorganic pigment in paints, architectural coatings, plastics, roofing tiles and ceramic tiles. Chrome Oxide Green is also used in heavy-duty applications in the construction of high temperature and abrasion-resistant refractory brick for glass and fiberglass. High purity grade chrome oxide is used in the manufacturing of chromium metal.

(d) Basic Chromium Sulphate is majorly used in the leather industry for tanning and processing. It finds applications in the synthesis of other chromium based re-tanning agents and production of chromic Chemical. Additionally, Basic Chromium Sulphate is used in dyeing of khaki cloth and in manufacture of chrome-based dyestuffs.

(e) White Sodium Sulphate is used as a filler in the manufacture of detergents, glass, paper and a range of textile materials.

(f) Potassium Dichromate is as an oxidizing agent in variety of applications such as manufacturing of matches, fireworks, dyes, glass, photography, ceramics and wood treatment. It is also used as a catalyst for metal production and in the manufacture of specialty glass.

B. Barium Chemical

Under the Barium Chemicals, we manufacture Barium Carbonate and Precipitated Barium Sulphate which is used in the manufacturing of electro-ceramic materials, glazes, bricks, frits, batteries, powder coating applications, paints and enamels. It is widely used as a welding electrode coating and in glass manufacturing processes as purifying agent for uniformity in glass melt, caustic lye brine purification process.

Customers

We market our products to over 250 domestic and export customers. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our top 10 customers in Fiscal 2023.

Our coherent product range caters to diversified industries through number of applications and provides us the benefit that we are not dependent on a small set of customers. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our top 5 customers contributed to 25.93%, 23.81% and 22.67%, respectively, of our consolidated revenue from operations; our top 10 customers 36.25%, 34.90% and 32.10%, respectively, of our consolidated revenue from operations.

Exports

We export our products to more than 40 countries across six continents. In Fiscal 2023 our top five export destinations were Brazil, USA, Mexico, Korea and Italy. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, 48.94%, 51.13% and 50.69%, respectively, of our consolidated revenue from operations were from exports.

Sales and Marketing

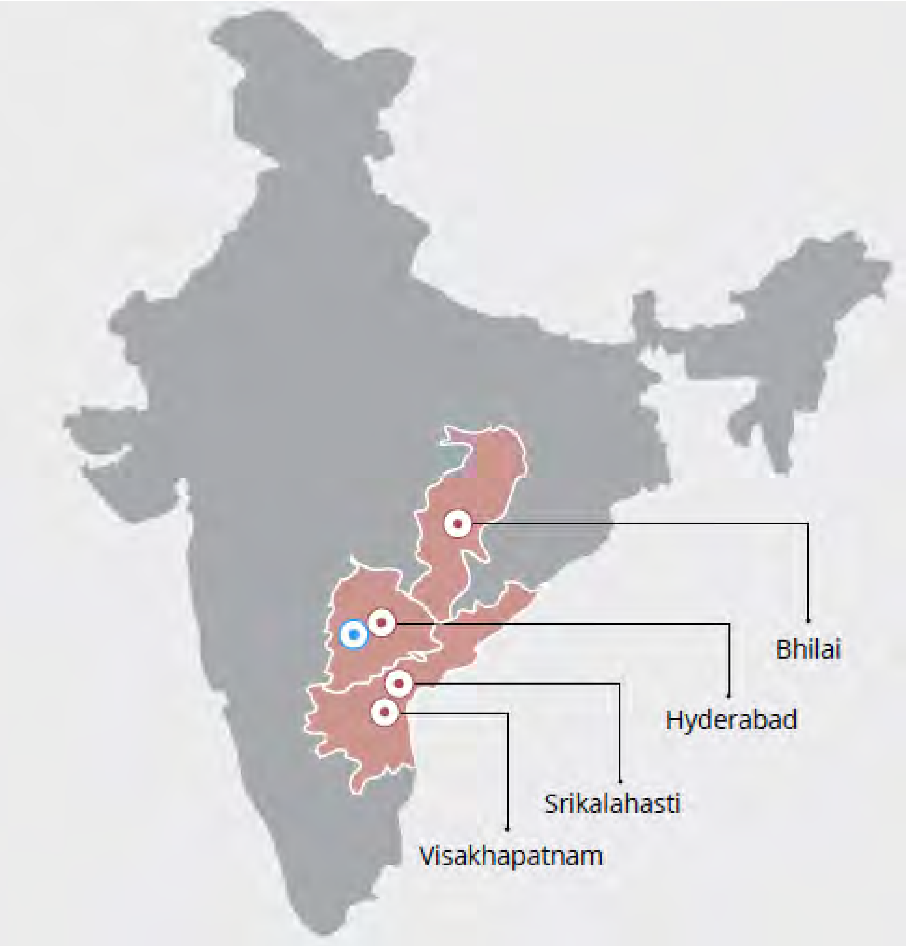
Our business is predominantly conducted on a business-to-business basis and our focus is to maintain constant contact with customers and to ensure timely delivery. Our sales and marketing initiatives are undertaken by our product managers, business development team and sales teams. The product managers are responsible for ensuring timely supplies, taking new orders, quoting rates and aids in understanding the requirements of the customers. The business development team seek out new geographies and identifies new products, which assists in corporate expansion. The sales teams are segregated by geography and is responsible for the sales of our products at the ground level.

Manufacturing Facilities

We have four integrated manufacturing facilities in India, located at (1) Visakhapatnam, Andhra Pradesh (2) Bhilai, Chhattisgarh (3) Hyderabad, Telangana, and (4) Srikalahasti, Andhra Pradesh (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited). Our chromium chemicals installed capacity was 80,000 MTs, 70,000 MTs and 70,000 MTs, respectively, as of Fiscal 2023, Fiscal 2022 and Fiscal 2021, as certified by G Ashok Kumar and Associates, Chartered Engineer. Our Barium chemicals installed capacity was 60,000 MTs, 60,000 MTs and 40,000 MTs, respectively, as of Fiscal 2023, Fiscal 2022 and Fiscal 2021, as certified by G Ashok Kumar and Associates, Chartered Engineer. Our manufacturing facilities at Visakhapatnam, Hyderabad and Srikalahasti are owned freehold and Bhilai manufacturing facility is held on long-term lease from third parties.

Our manufacturing facilities are located strategically with a close proximity to our raw material source, customers or seaports, improving our logistic capabilities. Also, our manufacturing facilities are equipped with modern machinery and equipment which enable us to undertake various processes to manufacture inorganic chemicals including oxidation, carbonation, etc. Our manufacturing facilities are multi-purpose whereby the same plant is able to produce different derivatives to meet customer demand, with process improvements leading to consumption of lower raw materials, providing us the flexibility to switch the product mix to cater to market requirements. Additionally, we have also installed advanced effluent treatment capabilities, multi effect evaporators, etc to treat residues.

The following map of India shows the locations of our manufacturing facilities.



Note: The above map is not to scale and not intended to mean political map of India.

1. Visakhapatnam, Andhra Pradesh – We manufacture Sodium Dichromate, Basic Chrome Sulphate and Sodium Sulphate.

2. Bhilai, Chhattisgarh – We manufacture Sodium Dichromate, Chromic Acid, Potassium Dichromate and Basic Chrome Sulphate.

3. Hyderabad, Telangana– We manufacture Chrome Oxide Green.

4. Srikalahasti, Andhra Pradesh (owned by our wholly-owned subsidiary, Vishnu Barium Private Limited) – We manufacture Barium Chemicals, Sulphur and Sodium Sulphide.

Capacity Utilization

Our manufacturing facilities have the ability to manufacture a wide range of speciality chemical products within individual production capacities.

The following tables sets forth information relating to the installed capacity, actual production and capacity utilization as of, and for, Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Vishnu Chemicals Limited

Product Name	Fiscal 2022-23			Fiscal 2021-22			Fiscal 2020-21		
	Installed Capacity	**Actual Production(In MT)**	**% Utilisation**	**Installed Capacity**	**Actual Production(In MT)**	**% Utilisation**	**Installed Capacity**	**Actual Production (In MT)**	**% Utilisation**
Sodium Dichromate*	80,000	63,151	79	70,000	63,713	91	70,000	51,825	74

**Installed capacity and capacity utilization are measured only in terms of Sodium Dichromate as it the base product from which all other Chromium chemicals are made. The breakup of derivative products is not considered whole measuring the capacity of Chromium chemicals.*

Vishnu Barium Private Limited

Product Name	Fiscal 2022-23			Fiscal 2021-22*			Fiscal 2020-21		
	Installed Capacity	**Actual Production (In MT)**	**% Utilisation**	**Installed Capacity**	**Actual Production (In MT)**	**% Utilisation**	**Installed Capacity**	**Actual Production(In MT)**	**% Utilisation**
Barium Carbonate	60,000	34,201	57	60,000	34,064	76	40,000	30,587	76

** Vishnu Barium Private Limited had increased its capacity from 40,000 MTPA to 60,000 MTPA in Q4 FY22. The percentage utilization for FY 21-22 has been calculated on the basis of 40,000 MTPA of installed capacity for the first 3 quarters of FY2021-22 and 60,000 MTPA for the Q4 FY 2021-21*

See *"Risk Factors - Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates and future production and capacity may vary*."

Information Technology

Our IT systems are vital to our business, and we have adopted IT policies to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations. We are in the process of upgrading our enterprise resource planning solution to SAP S/4 HANA version in the fiscal 2024 from existing Tally Solutions, which will assist us with various business functions including Material Management, Production Planning, Plant Maintenance, Quality Management, Finance & Controlling, Sales & Distribution.

Quality Control

Quality control is essential for the success of a business and we ensure that our products are subject to quality control tests before they are dispatched for delivery to our customers. We have established quality control departments at each of our manufacturing units. Each batch of the manufactured products is subject to quality control tests at our quality control labs. The quality control departments ensure quality of raw materials, in-process samples and the finished products. The quality control department ensures compliance with the specifications required by our customers.

In order to ensure quality control, regular quality audits are undertaken by our in-house quality control team, third party sources as well as by our customers. In addition, our products adhere to global quality standards.

Besides, our QC team also helps in the research for areas like (i) new product development, (ii) process innovation and to serve the niche requirements of our customers, (iii) improvement of our productivity and yields and (iv) reduction of our resource consumption, which in turn enables our company to generate new and quality derivative products in the chromium and barium chemicals as per the needs to our customers.

Environment, Health and Safety

We are subject to national, regional and state laws and government regulations in India, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

Environment

Reducing our carbon footprint is an important focus area for us. Principles of energy saving and conservation are fundamental in our manufacturing designs and engineering. In addition, by employing cleaner chemistries, we distinguish our processes from conventional processes and optimize use of raw materials. A major step towards sustainability was the commissioning of our carbondioxide recovery plant at Visakhapatnam. The flagship plant is integrated to capture and recover flue gases and use it as a vital input for its production in a sustainable eco-friendly manner.

All our manufacturing facilities are cognisant of the importance of saving water resources and effectively managing waste water. We aim to ensure that our manufacturing facilities recycle and reuse water. We also undertake to use treated wastewater in areas like our cooling towers. The Company is continuously adopting new techniques to eliminate and minimise the environmental impact. Solar initiatives are being undertaken to use greener sources of energy wherever possible.

In 2021, our Company received a directive from Telangana State Pollution Control Board to allow cement manufacturing plants use our solid waste as a raw material. This has reduced our overall disposal to waste management companies.

Health and Safety

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. We have a dedicated team of 10+ safety personnel on permanent and contractual basis. At all manufacturing facilities, stringent safety measures are implemented. Hazard and operability study, safety audits are conducted for all major products and safety inspections are instituted regularly along with periodic safety drills and pre-tests. In addition, we have digitalised all major processes (including usage of dedicated software for incident investigations). We also ensure appropriate personal protective equipment is provided to employees. Safety awareness is driven through safety campaigns and training. We conduct webinars on process safety and workplace safety elements to cover all major stakeholders.

Raw Materials

The raw materials we use in our manufacturing processes are primarily sourced from third party suppliers globally and in India. Our key raw materials are chrome ore, sodium carbonate, sulphuric acid and baryte. Except for chrome ore which is majorly sourced from South Africa, we have been sourcing a significant amount of the raw materials that we use in our business from domestic suppliers. In addition, we usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under contracts of shorter period or the open market. We have short-term supply related agreements for select raw materials and energy consumables with government and private organizations.

As a part of process improvement and reverse engineering, we have integrated our Vishakhapatnam, Andhra Pradesh manufacturing facility with a recovery plant. The capital expenditure entails capturing of flue gases and using it in our manufacturing process. This has enabled us to reduce our reliance on imports, third party supplies and logistics costs. This has helped us reduce our sodium carbonate procurement in fiscal 2023. Through this process, we are happy to reduce our carbon footprint, reduced dependency on external procurement of raw materials protecting us from inflationary trends in select raw materials and lower working capital requirement for holding inventory of raw material. Overall, this foray has helped us in minimizing operating costs and maximizing operational efficiencies and profitability.

Orders and forecasts are collected on rolling basis for one to two months at a time. Based on such forecasts and confirmed orders, a production plan is released every month in order to ensure maximum capacity utilization. Sales orders are generated daily, taking into account the requirements of the customer.

Freight and Transportation

We transport our finished products by road and sea. Each of our facilities are equipped with a warehouse, enabling smooth functioning of our operations. A significant portion of our expenses is due to freight carriage and transport and freight and forwarding expense and export freight charges. In the Fiscal 2023, Fiscal 2022 and Fiscal 2021, shipping and forwarding expenses represented 6.29%, 8.15% and 6.05%, respectively, of our total expenses.

We typically export our products on a cost, insurance and freight basis, on a consignee basis and on a door delivery basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers.

Where we are responsible for shipping the products to the customer, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders co-ordinate with the shipping line or airline to file and release the necessary bills of lading or air waybills.

Utilities

We consume a substantial amount of power for our operations at our manufacturing facilities, which is sourced through the local state power grid and available via interstate open access to ensure continuous supply. Additionally, we have also installed generators in our manufacturing facilities to ensure uninterrupted supply of power. In the Fiscal 2023, Fiscal 2022 and Fiscal 2021, power expenses accounted for 5.17%, 4.71% and 4.84%, respectively, of our consolidated total expenses.

Insurance

Our operations are subject to risks inherent to manufacturing operations, which include defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, explosions, loss-in-transit for our products, accidents, personal injury or death, and natural disasters. We maintain insurance coverage that we consider necessary for our business. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain a marine cargo insurance policy that insures consignments of goods by sea to customer's ports. In addition, we maintain commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, and accidental injury.

As of May 31, 2023, the total amount of our insurance coverage was ₹6,859.28 million. Consequently, our insurance cover for the gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) was 93%, as of March 31, 2023.

Competition

The speciality chemicals industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We face competition primarily from international manufacturers especially Turkish, South African and Russian companies. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships.

Human Resources

We place importance on developing our human resources. As of May 31, 2023, we had over 500 employees (excluding trainees) and more than 800 contract workers and trainees. A combination of full-time employees and contract personnel gives us flexibility to run our business efficiently.

Our work force is a critical factor in maintaining quality, productivity and safety, which strengthens our competitive position. We offer wide-ranging training opportunities to our employees and offer management development programmes for high potential employees.

Intellectual Property

We have registered our name and logo and certain other names, logos and marks with the Registrar of Trademarks in India under the Trade Mark Act, 1999.

Properties

Registered office and corporate office

Our registered office and our corporate office are located at H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad – 500 096, Telangana which has been leased from our Promoter, Krishna Murthy Cherukuri.

For details of our properties pertaining to our manufacturing units, please see "*Our Business – Manufacturing Facilities*" on page 121

Legal Proceedings

For details of material ongoing legal proceedings to which we are a party, see "*Legal Proceedings*" on page 189.

Corporate Social Responsibilities

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility ("**CSR**") Committee. For details, see "*Board of Directors and Senior Management Personnel*" on page 136.

Our CSR policy is aimed at improving the quality of life of the workforce and their families and also the community and society at large. In furtherance of our efforts for overall development of all stakeholders and society, the company spent majority of its CSR funds on an initiative to build old age homes by, to transform lives of elderly through care and support. The facility provides nutritious food, hygienic and comfortable environment, recreation activities among others. The Company also undertakes Plantation of Trees at Visakhapatnam towards promotion of Plantation and Social Forestry, for improving the quality of air. We undertake our CSR initiatives through Krishna Foundation, a registered public charitable Trust in which our directors are trustees. Our CSR expenses for Fiscal 2023, Fiscal 2022 and Fiscal 2021 were ₹11.64 million, ₹6.65 million and ₹ 13.89 million, respectively.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Board of Directors

In accordance with our Articles of Association, read with applicable provisions of the Companies Act, our Company is authorised to have a minimum of three (03) Directors and a maximum of twelve (12) Directors. As on date of this Preliminary Placement Document, our Board consists of seven Directors including two Managing Directors, one Non – Executive Non-Independent Director and four Independent Directors (including one-woman Independent Director).

Our Board composition is in compliance with the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board, as of the date of this Preliminary Placement Document:

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Krishna Murthy Cherukuri **Address**: Plot 919, Road No. 47, Jubiiee Hills, Hyderabad – 500033, Telangana. **Occupation**: Business **Term:** For a period of five years with effect from January 2, 2021 **Nationality:** Indian **DIN**: 00030274	65	Managing Director
Siddartha Cherukuri **Address**: Plot No 919, Road No 47, Jubilee Hills, Hyderabad 500033, Telangana. **Occupation**: Business **Term**: For a period of five years with effect from May 2, 2021 **Nationality**: Indian **DIN**: 01250728	37	Joint Managing Director
Manjula Cherukuri **Address**: Plot No 919, Road No 47, Jubilee Hills, Hyderabad 500033, Telangana. **Occupation**: Business **Term:** With effect from August 31, 2009 **Nationality:** Indian **DIN:** 01546339	56	Non-Executive Director
Tirthankar Mitra **Address**: Apartment 13D, Hazel, 2nd and 3rd floor, Hiland Woods, Action Area 2, New Town Parganas – 700 161, West Bengal, India	67	Independent Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Occupation: Professional services **Term**: For a period of three years with effect from August 14, 2022 **Nationality**: Indian **DIN**: 02675454		
Chetan Navinchandra Shah **Address**: Crystal, 1st floor, Gulmohar Cross Road Number 5, Mumbai – 400049, Maharashtra, India **Occupation**: Professional service **Term**: For a period of two years with effect from February 12, 2023 **Nationality**: Indian **DIN**: 08038633	60	Independent Director
Veeramachaneni Vimalanand **Address:** House number 12-13-70, Bhavani Mansion Apartment, Street 4, Tarnaka, Secunderabad, Hyderabad– 500017 Telangana. **Occupation**: Professional service **Term**: For a period of two years with effect from December 31, 2021 **Nationality**: Indian **DIN**: 02693721	57	Independent Director
Sita Vanka **Address**: 2-2-1137/3/1/1, near Ramalayam, New Nallakunta, Musheerabad, Hyderabad – 500 044, Telangana. **Occupation**: Professor **Term**: For a period of three years from May 16, 2022 **Nationality**: Indian **DIN**: 07016012	65	Independent Director

Brief Profiles of our Directors

Krishna Murthy Cherukuri is the Managing Director and Chairperson of our Company. He has been associated with our Company for the past three decades and has served as a director on the board of directors of Vishnu

Chemicals Private Limited, prior to its amalgamation. He has a degree in masters in business Administration from the Post Graduate School of Continuing Technical Education of the Jawaharlal Nehru Technical University, Andhra Pradesh. He is the founder, promoter and one of the key architects in developing the Company.

Manjula Cherukuri is the Non-Executive Director of our Company. She has been associated with our Company since 2009. She has a degree in bachelor of arts degree from University College for Women, Osmania University. She plays a pivotal role in welfare policies and corporate social responsibilities the Company.

Siddartha Cherukuri is the Joint Managing Director of our Company. He has been associated with our Company since 2006. He has a degree in bachelor of technology in industrial biotechnology from the Alagappa College of Technology, Anna University, Chennai. He also has a masters in biotechnology from the University of Northumbria at Newcastle. He plays an important role in formulating business starategies, expansion and developing flexible product mix among various speciality chemicals of the Company.

Tirthankar Mitra is the Independent Director of our Company. He has been appointed as an Independent Director of our Company since August 14, 2020. He has completed his bachelors in technology in chemical engineering from IIT Kharagpur and was previously a whole-time director on the board of directors of Sree Rayalaseema Hi-Strength Hypo Limited.

Chetan Navinchandra Shah is an Independent Director of our Company. He has been appointed as an Independent Director of our Company since February 12, 2021. He has a degree in bachelors of commerce from the University of Mumbai and a masters in business administration from the University of Paisley. He has completed a programme in stock exchange studies from BSE Limited a programme on portfolio management from Indian Institute of Management, Ahmedabad. He also has a certification in financial markets from the National Stock Exchange. He has also been a member of the Saurashtra Kutch Stock Exchange Limited.

Veeramachaneni Vimalanand is an Independent Director of our Company. He has been appointed as an Independent Director of our Company since December 31, 2021. He has a degree of bachelors of law from Andhra University and is a practicing lawyer in Hyderabad.

Sita Vanka is an Independent Director of our Company. She has been appointed as an Independent Director of our Company since May 16, 2022. She has served as senior professor and dean at the School of Management Studies, University of Hyderabad. She is a member of the executive council of the University of Hyderabad, the research and consultancy cell of Bhavan's Vivekananda College, administrative committee of Andhra Mahila Sabha Arts and Science College for Women and has been an expert evaluation committee member for the final round evaluation of a NEAT Product. She has also been a member of the institutional ethics committee at CARE Hospitals, Hyderabad. She has received awards such as the AIMS International Outstanding Ph. D. Guide Award and AIMS International Outstanding Woman Management Researcher award. She was associated as an independent director with Pennar Industries Limited and currently associated as an independent director with Pennar Engineered Building Systems Limited.

Relationship with other Directors

Except as disclosed below, none of our Directors are related to each other.

Name of the Director	Nature of Relationship
Krishna Murthy Cherukuri and Manjula Cherukuri	Husband and wife
Krishna Murthy Cherukuri and Siddartha Cherukuri	Father and son
Manjula Cherukuri and Siddartha Cherukuri	Mother and son

Shareholding of Directors in our Company

As per the Articles of Association of our Company, our Directors are not required to hold qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of the date of this Preliminary Placement Document:

Name of the Director	No. of Equity Shares	Percentage (%)
Krishna Murthy Cherukuri	31,098,950	52.07
Manjula Cherukuri	8,070,240	13.51

Name of the Director	No. of Equity Shares	Percentage (%)
Siddartha Cherukuri	5,628,340	9.42
Total	44,797,530	75.00

Borrowing powers of the Board

Pursuant to a resolution passed by the Board on May 20, 2015 and special resolution passed by the Shareholders on June 29, 2015 and in accordance with provisions of the Companies Act, the Board has been authorized to borrow money, without limitation, from any bank or public financial institution, eligible foreign lender or entities and authorities, credit suppliers and any other securities such as floating rate notes, syndicated loans and debentures, commercial papers, short term loans and through credit from official agencies or by way of commercial borrowings for an aggregate amount not exceeding ₹ 4,000 million notwithstanding the money borrowed may exceed the aggregate of the paid – up share capital and free reserves.

Interests of our Directors

Our Executive Directors may be deemed to be interested to the extent of their shareholding and remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. Further, our Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Subsidiaries and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Director, see "- *Terms of appointment and remuneration of Executive Directors*" and "- *Remuneration of Non-executive and Independent Directors*" on page 136.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company and Subsidiaries, if any, details of which have been disclosed below under the heading "*Shareholding of Directors in our Company*" on page 146. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Except as stated in the section "*Related Party Transactions*" on page 37, our Directors do not have any other interest in the business of our Company.

Except for Krishna Murthy Cherukuri, Manjula Cherukuri and Siddartha Cherukuri who are the Promoters of our Company, our Directors have no interest in the promotion of our Company as of the date of this Preliminary Placement Document, except in the ordinary course of business.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, except as disclosed in "*Related Party Transactions*" on page , our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Preliminary Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on the date of this Preliminary Placement Document, the Directors have not taken any loans from our Company.

Except as stated in "*Financial Statements*" beginning on page 197, our Directors have no interest in any property acquired or proposed to be acquired of or by our Company as on the date of this Preliminary Placement Document or in any transaction by our Company for acquisition of land, construction of buildings and supply of machinery.

Terms of appointment and remuneration of Executive Directors

Krishna Murthy Cherukuri

Krishnu Murthy Cherukuri has been appointed as the Managing Director of our Company since January 2, 2006. He has been further re-appointed for a term of 5 years with effect from January 2, 2021 pursuant to Board resolution dated June 2, 2020 and Shareholders resolution dated August 14, 2020. Further, the terms and conditions of his appointment as the Managing Director are set forth below:

Particulars	Details
Salary	Basic salary not less than ₹9.60 million per annum which may progressively go up based on his performance and industry trends to ₹19.20 million, subject to recommendations of Nomination and Remuneration Committee and approval of the Board, which may be exceeding the limits prescribed under section 197 and all other applicable provisions, if any, of the Companies Act, 2013 including the limits prescribed under Schedule V of the Companies Act, 2013 and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Other perquisites	Perquisites will be paid and/or provided in addition to salary. Perquisites shall be valued in terms of actual expenditure incurred by our Company. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy, the perquisites shall be valued as per Income Tax Rules. a. Medical reimbursement: reimbursement of medical expenses actually incurred for self and family as per the rules of our Company b. Leave travel concession / allowance: For self and family, once in a year in accordance with the rules of the company/ rules of Income Tax Act, 1961 c. Club fees: Fees of club payable as per the rules of our Company. d. Use of fully maintained Company's car with chauffeurs and fuel reimbursement. e. Telephone reimbursement of residential telephone bills at actual (use of telephone for official purpose shall not be considered as perquisite) and use of one mobile phone for official purpose.

Siddartha Cherukuri

Siddartha Cherukuri has been appointed as the Joint Managing Director of our Company since May 2, 2016. He has been further re-appointed for a term of 5 years with effect from May 2, 2021 pursuant to Board resolution dated April 23, 2021 and Shareholders resolution dated July 12, 2021. Further, the terms and conditions of his appointment as the Joint Managing Director are set forth below*:*

Particulars	Details
Salary	Basic salary of ₹4.80 million per annum and may progressively go up based on his performance and industry trends to ₹7.20 million per annum notwithstanding the limits provided under section 196, 197 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
Other perquisites	Perquisites will be paid and/or provided in addition to salary and shall be valued in terms of actual expenditure incurred by the Company. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy the perquisites shall be valued as per Income Tax Rules. a. Medical reimbursement: Reimbursement of medical expenses actually incurred for self and family as per the rules of the Company. b. Leave travel concession / allowance: For self and family, once in a year in accordance with the rules of the Company/ rules of Income Tax Act, 1961. c. Club fees: Fees of club payable as per the rules of the company. d. Car use of fully maintained Company's car with chauffeurs and fuel reimbursement. e. Telephone reimbursement of residential telephone bills at actual (use of telephone for official purpose shall not be considered as perquisite) and use of one mobile phone for official purpose.

Remuneration of Executive Directors

The following table set forth the compensation paid by our Company to the Executive Directors during Fiscals 2023, 2022, 2021:

(₹ *in million)*

Name of the Director	Remuneration		
	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Krishna Murthy Cherukuri	17.60	9.10	6.60
Siddartha Cherukuri	12.20	9.90	8.40

For further details of compensation paid to our Executive Directors for Fiscals 2023, 2022 and 2021, see "*Related Party Transactions*" on page 37.

Remuneration of Non-Executive Director and Independent Directors

The following table set forth the compensation paid by our Company to the Non-Executive Non-Independent Directors during Fiscals 2023, 2022, 2021:

(₹ *in million)*

Name of the Director	Remuneration		
	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Manjula Cherukuri	5.00	4.74	3.66

For further details of compensation paid to our Non-Executive Non-Independent Director for Fiscals 2023, 2022 and 2021, see "*Related Party Transactions*" on page 37.

Pursuant to resolution datedMay 16, 2022 by our Board of Directors, our Non – Executive, Independent Directors are entitled to sitting fees of ₹40,000 for attending each meeting of our Board and sitting fees of ₹40,000per meeting for attending each Audit Committee meeting of the Board. Additionally, our Independent Directors are also entitled to reimbursement of fair and reasonable expenditure incured while performing the role as an Independent Director.

The following table sets forth the sitting fees paid by our Company tour Non-Executive Independent Directors during Fiscals 2023, 2022, 2021:

(₹ *in million)*

Name of the Director	Remuneration		
	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Tirthankar Mitra	0.46	0.28	0.18
Chetan Navinchandra Shah	0.32	0.20	0.02
Veeramachaneni Vimalanand	0.36	0.06	-
Sita Vanka	0.12	-	-

Corporate Governance

As on the date of this Preliminary Placement Document, we have seven Directors on our Board, which comprises two Managing Directors, one Non-Executive Non-Independent Director, and four Non-Executive Independent Directors (including one woman Independent Directors).

We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and other applicable SEBI Regulations in respect of corporate governance, including constitution of the Board and committees thereof. Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations.

Committees of the Board of Directors

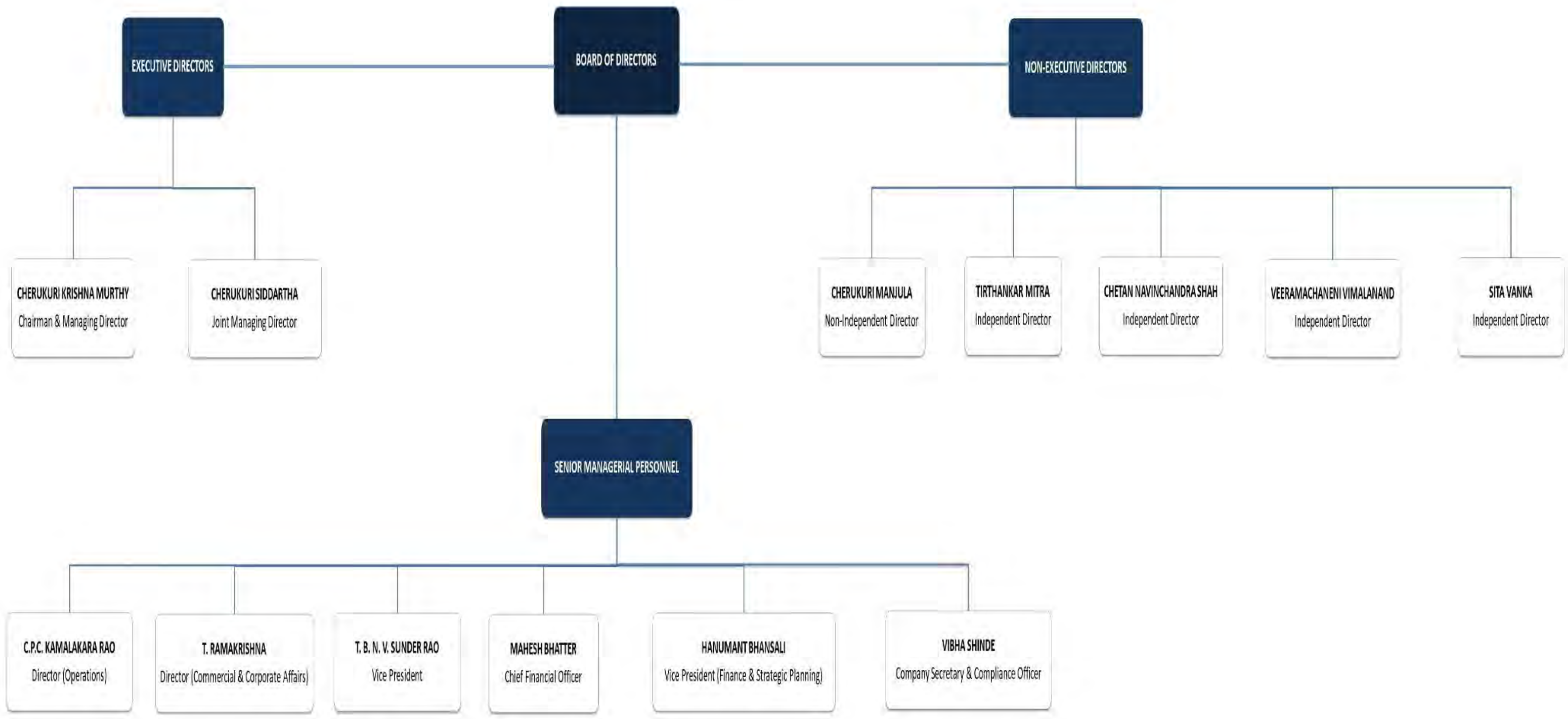
Our Company has constituted the following five committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Name of the Committee	Members
Audit Committee	Chetan Navinchandra Shah (Chairperson)

Name of the Committee	Members
	Tirthankar Mitra Siddartha Cherukuri Veeramachaneni Vimalanand
Nomination and Remuneration Committee	Tirthankar Mitra (Chairperson) Manjula Cherukuri Chetan Navinchandra Shah Veeramachaneni Vimalanand
Stakeholders' Relationship Committee	Manjula Cherukuri (Chairperson) Krishna Murthy Cherukuri Siddartha Cherukuri Tirthankar Mitra
Corporate Social Responsibility Committee	Chetan Navinchandra Shah (Chairperson) Krishna Murthy Cherukuri Manjula Cherukuri
Risk Management Committee	Krishna Murthy Cherukuri (Chairperson) Siddartha Cherukuri Tirthankar Mitra Manjula Cherukuri CPC Kamalakara Rao Mahesh Bhatter T. Ramakrishna
Finance Committee	Krishna Murthy Cherukuri (Chairperson) Manjula Cherukuri Siddartha Cherukuri
Fund Raising Committee	Krishna Murthy Cherukuri (Chairman) Siddartha Cherukuri Chetan Navinchandra Shah
Investment Committee	Krishna Murthy Cherukuri (Chairman) Siddartha Cherukuri Chetan Navinchandra Shah

Management Organization Structure



Senior Management

The following table sets forth the details of our senior management, including our key managerial personnel and senior management ("**Senior Management**"), other than our Managing Director, Krishna Murthy Cherukuri and our Joint Managing Director, Siddartha Cherukuri:

Name	Designation
Mahesh Bhatter	Chief Financial Officer
Vibha Shinde	Company Secretary and Compliance Officer
Hanumant Bhansali	Vice President - Finance and Strategic Planning
Ramakrishna Tatini	Director - Commercial and Corporate Affairs
TBNV Sunder Rao	Vice President
Purnachandu Kamalakara Rao Cherukuri	Director-Operations

All our Senior Management are permanent employees of our Company.

Shareholding of Senior Management

Other than as set forth in "- *Shareholding of Directors in our Company*", none of our Senior Management hold any Equity Shares in our Company, as on the date of this Preliminary Placement Document:

Relationship between Senior Management

In addition to the relationship between Krishna Murthy Cherukuri and Siddartha Cherukuri, as disclosed above in "*– Relationship with other Directors*", none of the Senior Management are related to each other.

Interest of Senior Management

Our Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business.

Our Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, to the extent of any Equity Shares held by them.

Except as provided in "*Related Party Transactions*" on page 37, our Senior Management do not have any interest in our Company.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented a code of conduct for regulating, monitoring and reporting of trades and prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Company Secretary, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading. The abovementioned code is uploaded on the website of the Company at the link https://vishnuchemicals.com/investors/#Policies.

Other confirmations

Except to the extent of repayment of unsecured loans to the Promoters, forming part of the Objects, neither our Promoters nor our Directors or Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons. For further details see "*Use of Proceeds*" on page 68.

Neither our Company, nor our Promoters nor our Directors have been identified as Wilful Defaulters or Fraudulent Borrower, as defined under the SEBI ICDR Regulations.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the

Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors, nor our Promoters or the companies with which our Promoters are or have been associated with a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

None of the Directors, Promoters or Senior Management of our Company intends to subscribe to the Issue.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on date of June 30, 2023 is as follows:

Summary statement of holding of Equity Shares as at June 30, 2023:

Category of the shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	3	44,797,530	44,797,530	75.00	44,797,530	75.00	1,720,000	3.84	44,797,530
(B) Public	24,870	14,932,570	14,932,570	25.00	14,932,570	25.00	-	0.00	14,633,895
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	0.00	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-	0.00	-
(C) Non Promoter-Non Public	-	-	-	0.00	-	0.00	-	0.00	-
Grand Total	**24,873**	**59,730,100**	**59,730,100**	**100.00**	**59,730,1000**	**100.00**	**1,720,000**	**2.88**	**59,431,425**

Shareholding pattern of the Promoter and members of the promoter group of the Company as on June 30, 2023:

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	Class eg: X	Total	
A1) Indian					0.00					
Individuals/Hindu undivided family		3	44,797,530	44,797,530	75.00	44,797,530	75.00	1,720,000	3.84	44,797,530
Krishna Murthy Cherukuri	Promoter	1	31,098,950	31,098,950	52.07	31,098,950	52.07	17,20,000	5.53	31,098,950
Manjula Cherukuri	Promoter	1	8,070,240	8,070,240	13.51	8,070,240	13.51		0,00	8,070,240
Siddartha Cherukuri	Promoter	1	5,628,340	5,628,340	9.42	5,628,340	9.42		0.00	5,628,340
Sub Total A1		3	44,797,530	44,797,530	75.00	44,797,530	75.00	17,20,000	3.84	44,797,530
A2) Foreign					0.00		0.00		0.00	
A=A1+A2		3	44,797,530	44,797,530	75.00	44,797,530	75.00	17,20,000	3.84	44,797,530

Statement showing shareholding pattern of the public shareholder of the Company as on June 30, 2023:

Category and name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form (not applicable)
B1) Institutions (Domestic)	0	0		0.00		0.00	
B2) Institutions (Foreign)	0	0		0.00		0.00	
Foreign Portfolio Investors Category I	7	32,248	32,248	0.05	32,248	0.05	32,248
Foreign Portfolio Investors Category II	4	24,204	24,204	0.41	24,204	0.41	24,204
Sub Total B2	11	2,74,452	2,74,452	0.46	2,74,452	0.46	2,74,452
B3) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00	
B4) Non-Institutions	0	0		0.00		0.00	
Investor Education and Protection Fund (IEPF)	1	5,76,925	5,76,925	0.97	5,76,925	0.97	5,76,925
Resident Individuals holding nominal share capital up to ₹ 2 lakhs	23,642	89,88,497	89,88,497	15.05	89,88,497	15.05	87,65,722
Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	11	18,10,147	18,10,147	3.03	18,10,147	3.03	18,10,147

Category and name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form (not applicable)
Non Resident Indians (NRIs)	517	560,789	560,789	0.94	560,789	0.94	484,889
Bodies Corporate	190	1,683,310	1,683,310	2.82	1,683,310	2.82	1,683,310
Any Other (specify)	498	1,038,450	1,038,450	1.74	1,038,450	174	1,038,450
Firm	1	117	117	0,00	117	0.00	117
HUF	477	975,800	975,800	1.63	975,800	1.62	975,800
Clearing Members	20	62,533	62,533	0.10	62,533	0.10	62,533
Sub Total B4	24,859	14,658,118	14,658,118	24.54	14,658,118	24.54	14,359,443
B=B1+B2+B3+B4	**24,870**	**14,932,570**	**14,932,570**	**25.00**	**14,932,570**	**25.00**	**14,633,895**

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Shareholding pattern of the non-Promoter – non-public shareholder of the Company as on June 30, 2023:

Category and name of the shareholders(I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form (XIV)(Not Applicable)
C1) Custodian/DR Holder	0	0		0.00	
C2) Employee Benefit Trust	0	0		0.00	

Details of disclosure made by the trading members holding 1% or more of the total number of shares of the Company as on June 30, 2023:

Sl. No.	Name of the Trading Member	Name of the beneficial owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Application Amount, Allocation and Allotment of Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and the investors are assumed to have apprised themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Bidders that apply in the issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and their respective directors, officer, agents affiliate and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see "**Selling Restrictions**" and "**Transfer Restrictions**" beginning on page 169 and 173 respectively.*

Our Company, the BRLM and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, our Company, being a listed company in India may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the abovementioned special resolution; except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act;

- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited.

- In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and

- the promoter and directors of the issuer are not Fugitive Economic Offenders

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated February 10, 2023 and our Shareholders through a special resolution by a postal ballot dated March 22, 2023, have authorised our Board to decide the quantum of discount up to 5 % of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP in one or tranches and also within 60 days from the date of receipt of Application Amount from the successful Eligible QIBs. For details of Allotment, see **"*Pricing and Allocation – Designated Date and Allotment of Equity Shares*"** below.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement

Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and

- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "***Application Form – Bid Process***" on beginning page 151.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on February 10, 2023 and our Shareholders through a special resolution by a postal ballot dated March 22, 2023.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 169 and 173, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold. And Bids may not be made by persons in any such jurisdictions, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On Bid / Issue Opening Date, our Company in consultation with the BRLM shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the

case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act and the PAS Rules.

2. The list of QIBs to whom the Application Form is delivered shall be determined by our Company in consultation with the BRLM. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Application Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLM.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, email id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

   - an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the Securities Act;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - equity shares held by the Bidder in our Company prior to the Issue;

   - it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 1, 4, 151, 169, and 173, respectively, which will be incorporated by reference; and

   - a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

***NOTE**: Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "***Vishnu Chemicals Limited QIP Escrow Account***" with the Escrow Agent, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "*Issue Procedure– Refunds*" on page 151.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form, whether signed or not and the Application Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLM, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares

Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLM.**

10. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

11. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

12. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

13. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

14. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

15. Our Company will then apply for the final trading approvals from the Stock Exchanges.

16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

17. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

18. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for, through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "- *Refunds*" on page 151.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions; (which are resident in India)
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹25 crore;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions; as defined under Section 2(72) of the Companies Act
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) should not exceed 10.00% of post-Issue Equity Share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Further, in terms of the FEMA Rules, the total holding of each FPI or an investor group shall be below 10.00% of the post-issue total paid-up Equity Share capital of our Company on a fully diluted basis.

Further, with effect from April 1, 2020, the limit of total holdings of all Eligible FPIs put together shall be the sectoral cap applicable to our Company, currently being 100.00% under the automatic route. As of March 31, 2023, the aggregate FPI shareholding in our Company is 0.80% of our Company's paid-up Equity Share capital on a fully diluted basis. For further details, see "*Shareholding Pattern of our Company*" on page 146.

In case the holding of an FPI including its investor group increases to 10.00% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Two or more subscribers of Offshore Derivative Instruments having a common beneficial owner shall be considered together as a single subscriber of the Offshore Derivative Instruments. In the event an investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI and Offshore Derivative Instruments investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3.00% below the overall limit a red flag shall be activated. The designated depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars / public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on page 169 and 173, respectively.

Please note that participation by non-residents in the Issue is restricted to participation by FPIs under Schedule II of the FEMA Rules, in the Issue subject to limit of the individual holding of an FPI below 10.00% of the post Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100.00% (sectoral limit of the sector in which our Company operates) of the paid-up capital of our Company. Other non-residents such as FVCIs are not permitted to participate in the Issue.

Restriction on Allotment.

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the Issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the Book Running Lead Manager and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "***Notice to Investors***", "***Representations by Investors***" and "***Selling Restrictions***" beginning on pages 1, 4 and 169, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. Each Eligible QIB confirms that its Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment

of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "*proposed Allottees*" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "*proposed Allottees*" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

12. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "*proposed Allottees*" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "*proposed Allottees*" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

    a. QIBs "*belonging to the same group*" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Eligible QIBs acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

14. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of the Company or the BRLM or a person acting on behalf of such an affiliate

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANTS IDENTIFICATION NUMBER AND ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM, ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY TH E SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRE BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Email	Telephone
Emkay Global Financial Services Limited	7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West Mumbai 400 028	Pranav Nagar/ Deepak Yadav	vishnu.qip@emkayglobal.com	+91 22 66121212

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*Vishnu Chemicals Limited QIP Escrow Account*" with Amount only through electronic transfer of funds from their own bank account the Escrow Agent, in terms of the Escrow Agreement entered among our Company, the Book Running Lead Manager and the Escrow Agent. Each Bidder will be required to deposit the Application Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bid/ Issue Period. Bidders can make payment of the Application.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*Vishnu Chemicals Limited QIP Escrow Account*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount in terms of this Preliminary Placement Document. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a

Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 151.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, '*stock exchange*' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution by a postal ballot dated March 22, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board or the committee thereof decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Bid/ Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLM.

Price Discovery and Allocation

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our shareholders pursuant to special resolution by a postal ballot dated March 22, 2023. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE BID/ ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLM ARE NOT OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Successful Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the respective Successful Bidders shall be deemed a valid, binding and irrevocable contract for such Bidders to subscribe to the Equity Shares Allocated to them. Subsequently, our Board or the Fund Raising Committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer of securities in listed companies in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Allottees.

5. Following the credit of Equity Shares into the respective Allottees' beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue

are received by our Company and the Company files the return of Allotment in connection with the Issue under Form PAS-3 with the RoC within the prescribed timelines under the Companies Act, whichever is later.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company.

8. Pursuant to the circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Bidder has deposited the Application Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder as set out in the Application Form. For details, see "*Issue Procedure" – "Refund*" on page 151.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL.

The Stock Exchanges have electronic connectivity with NSDL and CDSL. The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK UP

Placement Agreement

The Book Running Lead Manager has entered into the Placement Agreement dated July 26, 2023 with our Company, pursuant to which the Book Running Lead Manager has agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable effort's basis.

The Equity Shares will be placed with the Eligible QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public in India or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation Sand the applicable laws of the jurisdiction where those offers and sales are made. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 169 and 173, respectively.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "***Offshore Derivative Instruments***" beginning on page 10.

From time to time, the Book Running Lead Manager, and its affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates and associates.

Lock up

Under the Placement Agreement, our Company has undertaken that it will not, for a period commencing from the date hereof and ending 90 days from the date of Allotment, without the prior written consent of the Book Running Lead Manager, directly or indirectly:

a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or exchangeable for Equity Share (including, without limitation, securities convertible into or exercisable for Equity Shares which may be deemed to be beneficially owned); or

b) file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or

c) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares, regardless, whether any of the transaction is to be settled by the delivery of Equity Shares or other securities convertible into or exercisable or exchangeable for the Equity Shares, in cash or otherwise; or

d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Shares in any depository receipt facility; or

e) deposit Equity Shares with any other depositary in connection with a depositary receipt facility,

f) publicly announce any intention to enter into any transaction described in (a) to (bc above, whether any such transaction described in (a) to (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise;

However, the foregoing restrictions shall not be applicable to the

(i) the issuance of the Equity Shares pursuant to this Issue;
(ii) preferential issuance of Equity Shares or any other securities to the Promoters of the Company;
(iii) a bonus issue in accordance with applicable laws; and
(iv) any transaction required by law or an order of a court of law or a statutory authority.

Further, subject to approval of our Board and the Shareholders of our Company, our Company may undertake a preferential issue of its Equity Shares to Promoters, HNIs and other investors.

Promoter's Lock-up

Our Promoters and members of the Promoter Group agree that without the prior written consent of the Book Running Lead Manager, they shall not, announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date of the Preliminary Placement Document and ending 90 days from the date of the filing of the Placement Document (both dates inclusive) ("**Lock-up Period**") directly or indirectly: (1) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Equity Shares or any other securities of our Company substantially similar to the Equity Shares acquired or purchased during the Lock-Up Period, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired; (2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Equity Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or hereinafter acquired; whether any such transaction described in clause (1) or (2) above is to be settled by delivery of the Equity Shares or such other securities, in cash or otherwise, (3) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in any depository receipt facility, or (4) publicly announce its intention to enter into the transactions referred to in (1) to (3) above.

Provided, that none of the foregoing restrictions shall restrict –

(i) the inter-se transfer of any Equity Shares between the Promoters and members of the Promoter Group, provided that the lock-up shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the Lock-up Period set out herein has expired;
(ii) the bona fide pledge of lock-up Equity Shares, as collateral for loans as per the normal commercial terms entered into, in the ordinary course of business of the Company, where any arrangement for any such

encumbrance as collateral is undertaken with the prior written approval of the Book Running Lead Manager; and

(iii) a preferential issue of Equity Shares or any other securities of our Company, subject to the approval of our Board and the Shareholders of our Company, to our Promoters, in one or more tranches.

In addition, the Promoters shall not, without the prior written consent of the Book Running Lead Manager, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, hereinafter acquired.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors" and "Representations by Investors" on pages 1 and 4, respectively.

General

No action has been taken or will be taken by our Company or the BRLM that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made only to Eligible QIBs through a QIP, in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgment and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions*" beginning on pages 1, 4 and 173, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The offering of Equity Shares pursuant to this Preliminary Placement Document by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public at large about this Issue is prohibited.

European Economic Area

In relation to each member state of the European Economic Area (each, a "Relevant State"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares that has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager and the Syndicate Members for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Equity Shares shall require our Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the Underwriters and our Company that it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase Equity Shares and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "Financial Instruments and Exchange Act" or the "FIEA"). No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("Japanese Resident") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "Qualified Institutional Investor"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Equity Shares (the "QII Equity Shares") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor

Singapore

The Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the Equity Shares will be offered pursuant to exemptions under the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA"). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Preliminary Placement Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

c) securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

d) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

e) where no consideration is or will be given for the transfer

f) where the transfer is by operation of law

g) as specified in Section 267(7) of the SFA; or

h) As specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products)

United Kingdom

The communication of this Preliminary Placement Document and any other document or materials relating to the issue of the Equity Shares offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and

Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. In the United Kingdom, this Preliminary Placement Document is being distributed only to, and is directed only at those (i) who have professional experience in matters relating to investments and who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the FSMA. Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Preliminary Placement Document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this Preliminary Placement Document relates to may be made or taken exclusively by relevant persons.

In addition, in relation to the United Kingdom, no offer of Equity Shares which are the subject of the offering contemplated by this Preliminary Placement Document to the public may be made in the United Kingdom other than:

(i) to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 ("EUWA");

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the Underwriters; or

(iii) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Equity Shares shall require our Company or any Underwriter to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Equity Shares means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see "*Representations by Investors*" and "*Transfer Restrictions*" on pages 4 and 173, respectively.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 169.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Each purchaser of the Equity Shares outside the United States is deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of the Company or the BRLM and their affiliates shall have any responsibility in this regard..

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in offshore transactions in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S) , and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- The Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the BRLM for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLM liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Company and the BRLM and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the Book Running Lead Manager or any of their respective affiliates or advisors

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity

Stock Exchange Regulations

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, as amended from time to time, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, inter alia, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹1 millionsover a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations.

Further, on July 17, 2020, SEBI amended the Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹ 950.00 million divided into 7,50,00,000 Equity Shares of face value of ₹2 each and 80,000,000 Preference Shares of face value of ₹10 each. For further details, see "***Capital Structure***" beginning on page 75.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year after providing depreciation, calculated in accordance with the provisions of the Companies Act; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in case of the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per its most recent audited financial statements; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of the reserves of our Company after such withdrawal shall not fall below 15% of the company's paid up share capital as per its most recent audited financial statements.

These dividends are required to be deposited into a separate bank account within five days of the declaration of such dividend and paid to shareholders within 30 days of the date of its declaration.

The Articles of Association provide that our Company in its general meeting may declare dividends to be paid to the members according to their shareholding. The dividend shall not exceed the amount recommended by our Board. Further, our Board may from time to time pay the members interim dividend as may appear to them to be justified. No dividend may be paid otherwise than out of the profits of our Company, arrived at in the manner provided under the Companies Act.

The dividends of our Company shall be divisible among the members in proportion of the amount of capital paid up or credited as paid-up on the Equity Shares, held by them for the respective period of the holding of the Equity Shares or both. However, our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities in respect of which the lien exists. All dividends shall be apportioned and paid on the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Share is issued on terms providing that it shall rank for dividends as from a particular date, such Share shall rank for dividend accordingly. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Equity Shares while any money may be due or owing from him to the company and our Board may deduct from the interest or dividend to any member all such sums of money so due from him to our Company. A transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account. Any dividend amount (along with interest) that remains unpaid or unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government. In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years, shall be transferred by the Company to the Investor Education and Protection Fund along with a statement containing requisite details.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI regulations. The relevant SEBI regulations prescribe that no company shall make a bonus issue of Equity Shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the Equity Shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the Equity Shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of Equity Shares and standing to the credit of the Shares Premium Account) be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Alteration of Share Capital

Subject to the provisions of the Companies Act our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of our Shareholders in a General Meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the paid up share capital on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or on receipt of earlier intimation from the persons to whom such notice is given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Private Placement and Public Issues shall be undertaken pursuant to Chapter III of the Companies Act.

Under the provisions of Section 62(1)(c) of the Companies Act and the Companies (Share Capital and Debentures)

Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our Company's shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new Equity Shares of such amount as may be deemed expedient and specified in the resolution. Such increase in the share capital shall be subject to compliance with the provision of the Companies Act and of any other laws that may be in force. New Equity Shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such Equity Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company and with a special or without any right of voting, subject to the conditions prescribed under the Companies Act.

Our Company may by Ordinary Resolution:

(i) Consolidate and divide its Equity Shares or any of them into Equity Shares of larger amount than its existing Equity Shares; subject to the applicable approvals under the Companies Act for any consolidation and division which results in chanes in the voting percentage of members;

(ii) Subdivide its existing Equity Shares or any of them into Equity Shares of smaller amount than is fixed originally by the Memorandum of Association, such that in the subdivision, the proportion between the amount paid and the amount unpaid on each reduced Share be the same as it was in the case of the Share from which the reduced Share is derived and other conditions, if any, laid down by the Articles of Association;

(iii) Cancel any Equity Shares which at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person and also may diminish the amount of its Share capital by the amount of the Equity Shares so cancelled.

Further, our Company may, from time to time, by special resolution, reduce its share capital or any share premium account in any manner, subject to any incident authorized and consent required by law.

General Meetings of Shareholders

Every year our Company is required to hold an annual general meeting in addition to any other meetings. Further, our Board may, whenever it thinks fit, call an extraordinary general meeting and shall, on the requisition of a number of members who constitute not less than one-tenth of the paid-up capital of our Company, proceed to call an extraordinary general meeting. Not less than 21 days' clear notice in writing of the general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up Share capital of our Company which gives a right to vote at the meeting. For a meeting of the shareholders, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. No business is to be transacted at the general meeting unless the requisite quorum is present at the commencement of the same. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place. The Articles of Association further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

The Chairman of our Board shall be entitled to take the chair at every general meeting or, if there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding such general meeting or is unwilling to act as Chairman, the Directors present shall elect one of them to be the chairman of the meeting. If no Director is present or if all the Directors present decline to take the chair, then the members present shall choose one amongst themselves to be chairman of the general meeting.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

Voting Rights

Every member present in person shall have one vote on poll and the member present in person or by proxy shall have one vote for each Share of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of Equity Shares. The Articles of Association provide that votes may be given by proxies in a manner as authorized under the Articles of Association.

The instrument appointing a proxy is required to be lodged at the registered office at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the Share in respect of which the vote is given provided no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office of our Company before the general meeting. Provided never the less that the chairman of any general meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

No member is entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any general meeting or upon a poll or to be reckoned in a quorum while any call or other sum payable to our Company in respect of any of the Equity Shares of such member shall remain unpaid, and no member is entitled to be present or to vote at any general meeting in respect of any Equity Share that he has acquired by transfer unless his name is entered as the registered holder of the Equity Share in respect of which he claims to vote, but this shall not affect Equity Shares acquired under a testamentary disposition or by succession to an intestate or under an insolvency or liquidation.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

Directors

The Articles of Association provide that the number of Directors shall not be less than three and not be more than fifteen. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles of Association. The Companies Act provides that not less than two-thirds of the total number of directors on the board of a company, excluding the independent directors, shall be liable to retire by rotation. One-third of the directors shall automatically retire every year at the annual general meeting and shall be eligible for re-appointment. The directors to retire by rotation shall be decided based on those who have been longest in office, and as between persons appointed on the same day, the same shall be decided by mutual agreement or by draw of lots. The independent directors may be appointed for a maximum of two terms of up to five consecutive years each; however, such directors are eligible for re-appointment after the expiry of three years of ceasing to be an independent director provided that such directors were not, during the three-year period, appointed in or associated with the company in any other capacity, either directly or indirectly. Any reappointment of independent directors, inter alia, shall be on the basis of performance evaluation report and requires the approval of the shareholders by way of a special resolution.

Our Board is required to meet at least once every 120 days for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year. The quorum for a meeting of our Board is one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. However, where it involves a decision on an affirmative vote item, the quorum is required to include an investor Director.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and the related SEBI guidelines issued in connection therewith.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system.

Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with NSDL and CDSL.

SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered. Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository. The Equity Shares shall be freely transferable, subject to applicable laws

Liquidation Rights

In the event that our Company is wound up, and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the Equity Shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid up capital at the commencement of the winding up the excess shall be distributed amongst the members but this shall be without prejudice to the rights of member registered in respect of Equity Shares issued upon special terms and conditions. On winding up, preference shares issued by our Company, if any, shall rank in priority to Equity Shares but shall not be entitled to any further participation in profits or assets.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors
Vishnu Chemicals Limited
8 - 2 - 293 / 82 / F23-C, Road No.8
Films Nagar, Jubilee Hills
Hyderabad – 500 032, Telangana

Emkay Global Financial Services Limited
7th Floor, The Ruby
Senapati Bapat Marg, Dadar - West
Mumbai 400 028
(Emkay Global Financial Services Limited is referred to as the "Book Running Lead Manager" or "BRLM" in relation to the Issue.)

Dear Sirs/Madams,

Sub: Qualified institutions placement of equity shares of face value of ₹2 each ("Equity Shares") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and applicable provisions of the Companies Act, 2013, and the rules framed thereunder, each as amended ("Companies Act") by Vishnu Chemicals Limited (the "Company", and such qualified institutions placement, the "Issue")

1. This certificate is issued in accordance with our engagement letter dated 15 June, 2023 with the Company in relation to the Issue.

2. We, the current statutory auditors of the Company, namely, M/s. Jampani & Associates, Chartered Accountants, (Firm Registration Number: 016581S), have been requested by the Company to provide this report, issued in accordance with the terms of our engagement letter dated 15 June, 2023 in context of the Issue of Equity Shares in accordance with the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013, by the Company.

3. The accompanying 'Statement of Possible Tax Benefits available to the Company, its shareholders and to its material subsidiaries namely Vishnu Barium Private Limited ("Material Subsidiaries"), attached herewith (the "Statement"), prepared by the Company, initialed by us for identification purpose and proposed to be included in the Preliminary Placement Document and Placement Document (the "Placement Documents") of the Company, states the possible special tax benefits available to the Company, to its shareholders, as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, read with Income tax Rules, 1962 including amendments made by Finance Act, 2023 other relevant circulars and notifications, as applicable for the financial year 2023-2024, Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2023 notified by Central Government, in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 as amended, presently in force in India as on the signing date as well as any special tax benefit. These possible tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961. Hence, the ability of the Company, its shareholders and to its Material Subsidiaries to derive these possible tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its shareholders and to its Material Subsidiaries may or may not choose to fulfill.

Management's Responsibility

4. The preparation of this Statement is the responsibility of the management of the Company. The management of the respective companies included in the Company are responsible for the preparation and maintenance of all accounting and other relevant supporting records and documents. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring compliance with the requirements of SEBI ICDR Regulations, and other applicable rules and regulations, for the purpose of furnishing this Statement and for providing all relevant information to the BRLM and Stock Exchanges.

Practitioner's Responsibility

5. Pursuant to the SEBI ICDR Regulations and the Companies Act 2013, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company, its shareholders and to its Material Subsidiaries, under the Income Tax and GST Regulations as at the date of our certificate.

6. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

7. We performed procedures in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Inherent Limitations

9. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. Several of the benefits mentioned in the Statement are dependent on the Company, its shareholders and to its Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company, its shareholders and to its Material Subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the Statement are not exhaustive.

10. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

11. Further, we give no assurance that the tax authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

12. In our opinion, the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of the date of this certificate, to the Company, its shareholders and to its Material Subsidiaries, under the Income Tax and GST Regulation, which as per the Statement prepared by the company are NIL.

13. Considering the matters referred to in preceding paragraphs above, we are unable to express any opinion or provide any assurance as to whether: (i) The Company, its shareholders and to its Material Subsidiaries will continue to obtain the benefits as per the Statement in future; or (ii) The conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

14. We hereby confirm that the information herein above is true, complete, accurate and not misleading. We consent to the inclusion of the above information or any extract thereof in the preliminary placement document and placement document to be filed by the Company with the BSE Limited and the National Stock Exchange of India Limited ("**Stock Exchanges**"), the Registrar of Companies, Hyderabad, or any other authority and such other documents as may be prepared in connection with the Issue (collectively "**Placement Documents**").

Restriction on Use

15. We consent to the inclusion of the above information in the Preliminary Placement Documents to be filed by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the "Stock Exchanges"), and the Registrar of Companies, and any other authority and such other documents as may be prepared in connection with the Issue.

16. This certificate has been prepared at the request of the Company for submission to the BRLM and legal counsels appointed in connection with the Issue by the Company and is not to be considered for any other purpose except submission with the Stock Exchanges, and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the BRLM in connection with the Issue. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

17. We hereby consent to this certificate being disclosed by the BRLM, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

For M/s. Jampani & Associates
Chartered Accountants
Firm Registration Number: 016581S
Peer Review Number: 013974
Trinadha Rao Marisetty
Partner
Membership Number:207990
Place: Hyderabad
Date: July 26, 2023
UDIN: 23207990BGRONB7692

cc:

M/s. Crawford Bayley & Co.
Advocates and Solicitors
State Bank Buildings,
N.G. N. Vaidya Marg,
Fort, Mumbai 400 023

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARY ND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Company, its Material Subsidiary and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The tax benefits stated below are as per the Income-tax Act, 1961 ("**IT Act**") as amended from time to time and Indirect Tax Regulations also amended from time to time.

A. Special tax benefits available to the Company

(i) under Income Tax Act, 1961

NIL

(ii) Indirect Tax Regulations

NIL

B. Special tax benefits available to Material Subsidiary

(iii) under Income Tax Act, 1961

NIL

(iv) Indirect Tax Regulations

NIL

C. Special tax benefits available to shareholders of the Company

(v) under Income Tax Act, 1961

NIL

(vi) Indirect Tax Regulations

NIL

The benefits discussed above cover only special tax benefits available to the Company, its Material Subsidiary and to the shareholders of the Company and do not cover any general tax benefits available to the Company, its Material Subsidiary and its shareholders. The benefits discussed above are not exhaustive and the preparation of the contents is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor advising the investors to invest in the Issue relying on this statement. Our views are based on the existing provisions of the tax laws and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update the tax benefits on any events subsequent to this date, which may have a material effect on the discussions herein. We do not express any opinion or provide any assurance as to whether:

a. the Company or its shareholders will obtain/ continue to obtain these special tax benefits in future;

b. the conditions prescribed for availing the special tax benefits have been / would be met with; or

c. the revenue authorities/courts will concur with the views expressed herein.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes and civil proceedings, which are pending before various adjudicating forums.

*In terms of our Company's "Policy for Determination of Materiality of Events/information" ("**Materiality Policy**") framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Preliminary Placement Document.*

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company; (ii) all outstanding actions by statutory or regulatory authorities against our Company; (iii) outstanding civil involving our Company, where the amount involved in such proceeding exceeds ₹ 68.28 million i.e. 5% of profit after tax, on a consolidated basis ("**Materiality Threshold**"); (iv) consolidated disclosure of the direct and indirect tax matters involving the Company; and (v) any other outstanding litigation involving our Company wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.*

Further, other than as disclosed in this section, (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company; (iii) there are no defaults in repayment of (a) undisputed statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or our Promoter from third parties (excluding statutory / regulatory /governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoter, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

1. Litigation involving our Company

Material civil proceedings involving our Company

A. Civil Proceedings filed by our Company

Our Company has filed a writ petition bearing number 3628 of 2019 under Article 226 of Constitution of India against (1) Union of India, Secretary of Revenue, Department of Revenue-Ministry of Finance, (2) Union of India, Directorate General of Trade Remedies, Department of Commerce- Ministry of Commerce and Industry, (3) Commissioner of Customs, Viakhapatnam and (4) Assistant Commissioner of Customs, Viakhapatnam (1, 2, 3 and 4 individually referred to as "**Respondent**" and jointly referred to as "**Respondents**") before High Court of

Andhra Pradesh at Amravati. Our Company imported Soda Ash in the course of business from Russia, South Africa, Kazakhstan and Turkey on which Respondent number 3 and 4 levied an anti-dumping duty of ₹3,438.01 million, applicable as per notification no. 34/2012 –Customs (ADD) dated July 3, 2012. Our Company alleges that in the absences of any valid notification issued by Respondent number 1 as required under section 9A (5) of the Customs Tariff Act, 1975 and rules made thereunder, such imposition of anti-dumping duty by Respondent number 3 and 4 is completely illegal, arbitrary, without jurisdiction, unauthorised and violative of our Company's rights as guaranteed under Articles 14, 19(1)(g) of Constitution of India. Therefore, our Company has filed a writ petition before High Court of Andhra Pradesh in order request the Court to consequently direct Respondent number 3 and 4 to refund the amount of ₹3,438.01 million back to our Company, which Respondent number 3 and 4 incorrectly charged as anti-dumping. The matter is currently pending before High Court of Andhra Pradesh at Amravati.

B. Civil Proceedings filed against our Company

As on the date of this Preliminary Placement Document, there are no outstanding civil proceedings against our Company

Criminal Proceedings involving our Company

A. Criminal Matters filed by our Company

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by the Company

B. Criminal Matters filed against our Company

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against the Company

Tax proceedings involving our Company

We have set out below claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number of cases	Amount Involved (Net of Provision) (in ₹million)
Direct Tax	Nil	-
Indirect Tax	6	88.12

2. Litigation involving our Subsidiaries

Material civil proceedings involving our Subsidiaries

A. Civil Proceedings filed by our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings by our Subsidiaries.

B. Civil Proceedings filed against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings against our Subsidiaries.

Criminal proceedings involving our Subsidiaries

A. Criminal Matters filed by our Subsidiaries

Our Subsidiary Vishnu Barium Private Limited filed a complaint number STC-NI-Summary Trial-Negotiable Instruments (420 of 2021) against E. Ventakamuni "**Accused**" under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques and recovery of dues. The aggregate amount involved in the matter is approximately ₹0.17 million. The matter is pending before Metropolitan Magistrate Court - Hyderabad at Nampally.

B. Criminal Matters filed against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Subsidiaries.

Tax proceedings involving our Subsidiaries

We have set out below claims relating to direct and indirect taxes involving our Subsidiaries in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number of cases	Amount Involved (net of provision) (in ₹million)
Direct Tax	Nil	-
Indirect Tax	Nil	-

3. Litigation involving our Directors

Criminal proceedings involving our Directors

A. Criminal Matters filed by our Directors

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Directors.

B. Criminal Matters filed against our Directors

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Directors.

4. Litigation involving our Promoters

Criminal proceedings involving our Promoters

A. Criminal Matters filed by our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Promoters.

B. Criminal Matters filed against our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Promoters.

5. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries.

6. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

7. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of undisputed statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

8. Details of defaults in annual filing of our Company under the Companies Act and the rules made thereunder

As on the date of this Preliminary Placement Document, our Company has not made any default in filings of our Company under the Companies Act and the rules made thereunder

9. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

10. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

Except as mentioned in "*Management's Discussion on Financial Condition and Results of Operations – Auditor's Observations*" on page 81, there are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document.

OUR STATUTORY AUDITORS

M/s. Jampani & Associates, Chartered Accountants, are the current independent Statutory Auditors with respect to our Company as required by the Companies Act and in accordance with the guidelines prescribed by ICAI.

M/s. Jampani & Associates, Chartered Accountants, have been re-appointed as the Statutory Auditors of our Company, pursuant to the approval of the Shareholders of our Company at the AGM held on July 12, 2021, for a term of 5 years commencing from the conclusion of the 28^{th} AGM of the Company till the conclusion of the 33^{rd} AGM.

M/s. Jampani & Associates, Chartered Accountants, have audited the Audited Consolidated Financial Statements for Fiscals 2023, 2022 and 2021, and their audit reports on those financial statements are included in this Preliminary Placement Document in "***Financial Statements***" on page 197.

GENERAL INFORMATION

1. Our Company was originally incorporated as "*Keystone Industries Limited*" in Mumbai, Maharashtra on January 15, 1993 as a public limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Maharashtra. We received our certificate of commencement of business on February 11, 1993. The registered office of our Company was changed from State of Maharashtra to State of Andhra Pradesh, pursuant to certificate of registration of regional director order dated January 19, 2005, for change of state issued by the RoC with effect from January 19, 2005. Subsequently, pursuant to the scheme of amalgamation approved vide order of the High Court of Judicature, Andhra Pradesh, Hyderabad dated December 15, 2005, Vishnu Chemicals Private Limited was amalgamated with our Company, with the appointed date being April 1, 2004 and the name of our Company was changed to "*Vishnu Chemicals Limited*" pursuant a fresh certificate of incorporation dated January 2, 2006, consequent upon change of name was issued by the RoC.

2. Our registered and corporate office is located at H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad – 500 096, Telangana.

3. Our corporate identification number is L85200TG1993PLC046359. The website of our Company is www.vishnuchemicals.com.

4. The Equity Shares are listed on BSE and NSE.

5. The Issue has been authorized by the Board of Directors pursuant to its resolution passed on February 10, 2023. Shareholders have authorized and approved the Issue by way of a special resolution passed through a postal ballot dated March 22, 2023.

6. Our Company has received in-principle approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from each of BSE and NSE on July 26, 2023 to list the Equity Shares issued pursuant to the Issue on the Stock Exchange. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

7. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10.00 am to 5.00 pm on all working days, (except Saturdays and public holidays) during the Bid/ Issue Period at our Registered and Corporate Office.

8. Except as disclosed in this Preliminary Placement Document, there has been no material adverse change in our financial or trading position since the date of the Fiscal 2023 Audited Consolidated Financial Statements, which has been included in this Preliminary Placement Document.

9. Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "***Legal Proceedings***" on page 189.

10. The Floor Price is ₹ 353.15 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through their resolution passed through a postal ballot dated March 22, 2023.

11. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

12. Our Company has obtained necessary consents, approvals and authorizations as may be required in connection with the Issue.

13. Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

14. Details of the Company Secretary and Compliance Officer of our Company:

Vibha Shinde
Company Secretary and Compliance Officer

Vishnu Chemicals Limited
H.No. 8-2-293/82/F/23-C, Plot No. 23
Road No. 8 Film Nagar, Jubilee Hills
Hyderabad – 500 096, Telangana
Tel: +91 40 2339 6817
Email: cs@vishnuchemicals.com

DETAILS OF PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^*
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^ Based on beneficiary position as on [●], 2023(adjusted for Equity Shares Allocated in the Issue).
** The details of the proposed Allottees have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges and issuing of the Placement Document to such proposed Allottees.*

FINANCIAL STATEMENTS

S. No.	Financial Information
1.	Fiscal 2023 Audited Consolidated Financial Statements along with audit report issued
2.	Fiscal 2022 Audited Consolidated Financial Statements along with audit report issued
3.	Fiscal 2021 Audited Consolidated Financial Statements along with audit report issued

INDEPENDENT AUDITOR'S REPORT

To the Members of Vishnu Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Vishnu Chemicals Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

Aspects determined as KAM

I Revenue Recognition:

The sanctity of Revenue recognition being the sine quo non for arriving at a true and fair presentation of the top line and bottom line in the Consolidated financial statements, it was determined as the key audit matter. In this context, attention is drawn to Note-1.B (h) (Significant Accounting Policies) and Note-27 (Revenue from operations) of the consolidated statements.

As is required, revenue is recognised by the company in the manner and methods that are in compliance with Ind AS. The core principle of the applicable Ind AS is that an entity should recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In accordance with the above, Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. The point at which recognition of revenue has to be made assumes significance in view of the continuous flow of goods or services.

Audit Measures adopted to validate KAM included the following:

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

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

Emphasis of Matter

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing 2.5% of the eligible 7% dividend amounting to Rs.191.59 Lakhs receivable by them for the financial year 2022-23. The preference shareholders of the Company, who are also the promoters, have given their consent for payment of reduced rate of dividend @4.5% instead of 7% for FY 2022-23

Our Opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, in doing so, consider whether the other information submitted with regard to unaudited financial statements of an overseas subsidiary is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statements / financial information of Vishnu South Africa (Pty) Limited, overseas subsidiary of the Holding Company, whose financial statements / financial information reflect total assets of ₹ 18.45 Lakhs as at 31st March, 2023, total revenues of NIL Lakhs and net cash outflows amounting to ₹ 2.34 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts

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

iv. (a) The respective managements of the parent company and its subsidiaries, those incorporated in India, whose financial statements were audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company or any such subsidiaries to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding whether recorded in writing or not, that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the holding company or any such subsidiaries (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries

(b) The respective managements of the parent company and its subsidiaries, those incorporated in India, whose financial statements were audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding company or any such subsidiaries from any person(s) or entities, including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or not, that the Holding company or any such subsidiaries shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding parties (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

(c) Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis-statement

v. In our opinion Company has complied with section 123 of the Companies Act, 2013 with respect to dividend declared/paid during the year

For JAMPANI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 016581S)

Trinadha Rao Marisetty
Partner
(Membership No.207990)
UDIN: 23207990BGROMK1073

Place: Hyderabad
Date: 03 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT:

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

We have audited the internal financial controls over financial reporting of **VISHNU CHEMICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company (Holding Company and its subsidiary together referred to as "the Group") incorporated in India as of March 31, 2023 in conjunction with our audit of the financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JAMPANI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 016581S)

Trinadha Rao Marisetty
Partner
(Membership No.207990)
UDIN: 23207990BGROMK1073

Place: Hyderabad
Date: 03 May 2023

VISHNU CHEMICALS LIMITED
Consolidated Balance Sheet as at March 31,2023

(₹ in Lakhs)

	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	46,464.42	46,324.58
	(b) Capital work-in-progress	2	9,796.12	541.43
	(c) Intangible Assets	2	1.04	0.39
			56,261.58	**46,866.40**
	(d) Financial Assets			
	Investments	3	23.27	22.49
	(e) Other non-current assets	4	1,984.97	2,847.30
			58,269.82	**49,736.19**
(2)	**Current assets**			
	(a) Inventories	5	20,743.84	16,775.88
	(b) Financial Assets			
	(i) Investments	6	143.62	246.39
	(i) Trade Receivables	7	18,092.60	19,083.27
	(ii) Cash and cash equivalents	8	65.63	33.52
	(iii) Bank balances other than (ii) above	9	2,033.09	1,499.97
	(iv) Other financial assets	10	104.63	78.82
	(c) Other current assets	11	5,640.07	3,847.84
	(d) Assets classified as held for sale	12	-	190.00
			46,823.48	**41,755.69**
	Total Assets		**1,05,093.30**	**91,491.88**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share capital	13	1,194.60	1,194.60
	(b) Other Equity	14	40,242.84	26,492.73
			41,437.44	**27,687.33**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	22,157.77	20,637.00
	(ii) Lease liabilities	16	41.89	82.58
	(b) Provisions	17	59.56	267.58
	(c) Deferred tax liabilities (Net)	18	4,701.98	4,297.75
	(d) Other Non-Current Liabilities	19	-	1,523.76
			26,961.20	**26,808.67**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	20	15,695.70	15,698.54
	(ii) Trade payables	21		
	- Due to MSME entities		54.08	28.59
	- Other than MSME entities		17,616.09	17,121.33
	(iii) Lease liabilities	22	44.27	62.66
	(iii) Other financial liabilities	23	353.48	142.38
	(b) Other current liabilities	24	1,550.08	2,202.31
	(c) Provisions	25	20.56	44.95
	(d) Current Tax Liabilities (Net)	26	1,360.40	1,695.12
			36,694.66	**36,995.88**
	Total Equity and Liabilities		**1,05,093.30**	**91,491.88**

Accompanying Notes form an integral part of the Financial Statements

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

Trinadha Rao Marisetty
Partner
Membership No. 207990

Place: Hyderabad
Date: May 03,2023

For and on behalf of the Board of Directors

CH. Manjula

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

Ch. Manjula
Director
DIN:01546339

Mahesh Bhatter
Chief Financial Officer

Vibha Shinde
Company Secretary
M.No: FCS8466

Place: Hyderabad
Date: May 03,2023

VISHNU CHEMICALS LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31 2023

(₹ in Lakhs)

	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
1 INCOME			
a. Revenue from Operations	27	1,39,099.36	1,06,900.18
b. Other Income	28	1,520.95	575.75
Total Income		**1,40,620.31**	**1,07,475.93**
2 EXPENSES			
a. Cost of Materials Consumed	29	55,084.68	39,979.25
b. Purchase of stock in trade		919.71	1,506.72
c. Cost of Consumables	30	21,572.06	15,487.02
d. Changes in Inventories of Finished Goods and Work-in-Progress	31	(2,306.86)	1,458.58
e. Employee Benefit Expenses	32	4,603.71	4,149.70
f. Finance Costs	33	3,337.06	2,609.52
g. Depreciation and Amortisation Expense	2	2,646.32	2,298.44
h. Power Cost	34	6,317.12	4,541.94
i. Manufacturing Expenses	35	14,174.10	9,578.64
j. Selling & Administrative Expenses	36	15,611.11	14,566.27
k. Other Expenses	37	116.42	66.52
Total Expenses		**1,22,075.43**	**96,242.60**
3 Profit Before Tax		**18,544.88**	**11,233.34**
4 Tax Expense	38		
a. Current Tax		4,478.55	2,458.55
b. Tax Pertaining to earlier years		24.49	(5.26)
c. Deferred Tax current year		385.46	640.78
		4,888.50	**3,094.07**
5 Profit / (Loss) For the Period from Continuing Operations		**13,656.38**	**8,139.27**
6 Other Comprehensive Income/ (losses)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		74.59	(70.19)
Tax on remeasurement of defined benefit plans		(18.77)	13.76
		55.82	**(56.43)**
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating the financial statements of foreign operations		0.27	
7 Other Comprehensive Income/ Expense (Net of Taxes)		**56.08**	**(56.43)**
8 Total Comprehensive Income for the Period (5+7)		**13,712.46**	**8,082.84**
9 Earnings Per Share			
Basic & Diluted (in ₹)		22.86 (Annualised)	13.63 (Annualised)

Accompanying Notes form an integral part of the Financial Statements

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

Trinadha Rao Marisetty
Partner
Membership No. 207990

Place: Hyderabad
Date: May 03,2023

For and on behalf of the Board of Directors

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

Ch. Manjula
Director
DIN:01546339

Mahesh Bhatter
Chief Financial Officer

Vibha Shinde
Company Secretary
M.No: FCS8466

Place: Hyderabad
Date: May 03,2023

M/s Vishnu Chemicals Limited
Consolidated Cashflow statement for the year ended March 31, 2023

(₹ in Lakhs)

	For the year ended March 31,2023	For the year ended March 31,2022
Profit before tax	**18,544.87**	**11,233.34**
Cash flows used in / from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	2,646.32	2,295.44
Profit on sale of Investments	(0.84)	(3.64)
Profit on sale of Property Plant and Equipment	(392.84)	(0.50)
Interest income	(110.79)	(66.07)
Unwinding of Interest on interest free Security deposits received from Suppliers	(0.20)	5.18
Interest expenses	2,780.24	2,399.30
Preference dividend expenses	344.87	76.64
Unwinding of interest expenses on Loan from Promoter Directors	186.84	220.05
Amortisation of Processing Fees of Long Term Loans	8.71	5.85
Fair value (Gain)/ Loss on investments (net)	(0.67)	(20.63)
Re-measurement of defined employee benefit plans	74.86	(70.19)
Assets written off/Discarded	58.31	-
Obsolete Stock provision	45.61	16.80
Operating profit before working capital changes	**24,185.20**	**15,884.56**
Movement in working capital:		
(Increase)/Decrease in inventories	(4,013.58)	2,282.28
(Increase)/Decrease in trade receivables	990.67	(7,514.12)
(Increase) / Decrease in Financial & Non Financial Assets	(955.70)	(2,618.84)
(Decrease)/ Increase in trade payables	520.25	3,448.94
Increase/(Decrease) in Financial & Non Financial Liabilities & Provisions	(2,463.83)	(1,008.39)
Cash generated from operations	**18,263.01**	**10,475.19**
Income tax paid	(4,837.76)	(1,039.06)
Net cash flows used in / from operating activities (A)	**13,425.25**	**9,436.12**
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress	(11,736.79)	(8,329.82)
Proceeds from Sale of Property Plant & Equipment	219.80	118.30
Investments in mutual funds	(98.42)	(182.10)
Proceeds from Sale of investments in mutual funds	151.92	212.57
Movement in Other Bank Balances	(333.12)	(463.47)
Interest received	110.79	66.07
Net cash flows used in / from investing activities (B)	**(11,835.82)**	**(8,578.43)**
Net cash flows used in / from financing activities		
(Decrease)/Increase in Long Term Borrowings	2,528.47	3,372.89
(Decrease)/Increase in Short Term Borrowings	(929.32)	(835.33)
Payment to lease liabilities	(59.08)	145.23
Interest Paid	(2,780.24)	(2,265.98)
Dividend Paid	(316.95)	(1,293.45)
Net cash flows used in/from financing activities (C)	**(1,557.32)**	**(856.60)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	32.11	1.10
Cash and cash equivalents at the beginning of the year	33.52	32.43
Cash and cash equivalents at the year end	**65.63**	**33.52**
Components of cash and cash equivalents:		
Cash on hand	-	-
Balances with banks	7.79	6.07
	57.84	27.45
Total cash and cash equivalents	**65.63**	**33.52**

As per our Report of even date
For Jampani & Associates
Chartered Accountants
Firm Regn No. 016581S

Trinadha Rao Marisetty
Partner
Membership No. 207990

Place: Hyderabad
Date: May 03,2023

For and on behalf of the Board of Directors

CH. Manjula

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

Ch. Manjula
Director
DIN:01546339

Mahesh Bhatter
Chief Financial Officer

Vibha Shinde
Company Secretary
M.No: FCS8466

Place: Hyderabad
Date: May 03,2023

VISHNU CHEMICALS LIMITED
Consolidated Statement of changes in Equity as at March 31, 2023
Note:13
a. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid-up*	Number of shares*		₹ in Lakhs	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Balance as at the beginning of the year	1,19,46,020	1,19,46,020	1,194.60	1,194.60
Changes in share capital during the year		-	-	-
Balance as at the end of the year	5,97,30,100	1,19,46,020	1,194.60	1,194.60

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

Note:14
b. Other Equity
For the year period March 31, 2023

(₹ in Lakhs)

	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Forein Currency Translation Reserve	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2022	982.88	659.07	23,769.69	1,146.81	-	(65.72)	26,492.73
Add Profit for the year			13,656.37				13,656.37
Add Changes during the year			-	276.57			276.57
Add/(less): Other Comprehensive Income for the year (net of taxes)		-			0.27	55.82	56.09
Less: Dividend			238.92				238.92
Balance as at March 31, 2023	**982.88**	**659.07**	**37,187.14**	**1,423.38**	**0.27**	**(9.90)**	**40,242.84**

For the year ended March 31, 2022

	Reserves and surplus				Items of Other Comprehensive Income		Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Forein Currency Translation Reserve	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2021	982.88	659.07	15,749.88	1,036.87	-	(9.19)	18,419.52
Add Profit for the year			8,139.27				8,139.27
Add Changes during the year			-	109.93			109.93
Add/(less) Other Comprehensive Income for the year (net of taxes)		-				(56.53)	(56.53)
Less: Divident			119.46				119.46
Balance as at March 31, 2022	**982.88**	**659.07**	**23,769.69**	**1,146.80**	-	**(65.72)**	**26,492.73**

As per our Report of even date
For Jampani & Associates
Chartered Accountants
Firm Regn No: 016581S

Trinadha Rao Mariselty
Partner
Membership No. 207990

Place: Hyderabad
Date: May 03,2023

For and on behalf of the Board of Directors

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

Ch. Manjula
Director
DIN:01546339

Mahesh Bhatter
Chief Financial Officer

Vibha Shinde
Company Secretary
M.No: FCS8466

Place: Hyderabad
Date: May 03,2023

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation of Financial Statements

a) Statement of Compliance

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

b) Description of the Group

The consolidated financial statements comprise financial statements of Vishnu Chemicals Limited (the 'Company'), its subsidiaries and step-down subsidiary (collectively, the 'Group') for the year ended March 31, 2023. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at:
Plot No. C-23, Road No. 8, Film Nagar,
Jubilee Hills, Hyderabad – 500 096

The consolidated financial statements were authorized for publication in accordance with a resolution of the directors on May 03rd, 2023.

The Group has the following investments in subsidiaries –

Name of the Entity	Principal place of business and Country of Incorporation	Investee relationship		Proportion of ownership interest	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Vishnu Barium Private Limited	India	Subsidiary	Subsidiary	100%	100%
Vishnu South Africa (Pty. Ltd.)	South Africa	Subsidiary	Subsidiary	100%	100%

As required under Consolidation of Financial Statements standards, the financial statements of the Group have been prepared in accordance with Ind AS, Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

c) Basis of Preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The consolidated financial statements have been prepared on a historical cost except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakhs, except otherwise indicated.

Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2023 and March 31, 2022.

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

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

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

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

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

d) Use of Estimates and Judgments

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

Critical estimates and judgments in applying accounting policies

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

i) Property, Plant and Equipment

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

Employee Benefit Plans

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

B. Significant Accounting Policies:

a) Property, Plant and Equipment

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

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

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

b) Intangible Assets

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

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

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

c) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straigh-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet.

d) Financial Instruments

Financial instruments are classified as:

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

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

Subsequently, financial assets are measured as follows:

a) Amortized Cost

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

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

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

b) Fair Value Through Profit and Loss Account

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

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

e) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

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

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

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

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

f) Impairment of Assets

a. Non-Financial Assets

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

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

b. Financial Assets

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

g) Inventories

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

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

h) Revenue Recognition

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

The Group recognizes revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Other income is comprised primarily of interest income, dividend income, gain/loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted when the right to receive payment is established.

i) Provisions

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

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

j) Borrowing Costs

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

k) Employee Benefits

The Group's contribution to Provident and Pension fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

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

Defined benefit costs are categorized as follows:

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

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

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

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

l) Foreign Currency Transactions and balances

The Group's consolidated financial statements are presented in Indian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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

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

m) Earnings Per Share

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

n) Statement of Cash Flows

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

o) Taxes on Income

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

i. Current income tax

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

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

ii. Deferred income tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Note 2 Property, Plant and Equipment

(₹ in Lakhs)

	Tangible Assets														Intangible Assets
	Freehold land	Leasehold Land	Buildings - Factory	Buildings - Residential	Lease hold Building	Plant and equipment	Lab equipment	R & D equipment	Office equipment	Data Processing Equipment	Furniture and Fixtures	Vehicles	ROU - Vehicles	Total	Computer Software
Cost															
At April 1, 2021	1,127.40	-	10,664.47	49.96	357.23	47,446.55	176.95	354.69	209.64	108.16	216.75	803.56	184.45	61,579.46	17.07
Additions	262.99	-	1,452.20	-	-	6,033.79	-	-	52.11	19.57	0.72	199.51	-	10,185.34	0.27
Disposals/discard	-	-	(31.93)	-	-	(232.63)	(48.93)	(354.69)	(6.57)	(8.11)	(15.89)	(4.97)	-	(703.72)	-
Reclassified to assets held for sale	(190.05)	-	-	-	-	-	-	-	-	-	-	-	-	(190.05)	-
March 31, 2022	**1,200.35**	**-**	**12,084.74**	**49.96**	**357.23**	**53,247.71**	**128.02**	**-**	**255.18**	**119.62**	**201.59**	**998.20**	**184.45**	**70,867.06**	**17.34**
Addition	18.82	490.05	315.17	-	9.96	1,871.32	-	-	62.67	18.55	21.89	40.79	-	2,849.30	0.82
Disposals/discard	(5.00)	-	-	-	-	(163.07)	-	-	(5.89)	(12.00)	(2.35)	(0.60)	-	(188.91)	-
Reclassified to assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March 31, 2023	**1,214.31**	**490.05**	**12,399.91**	**49.96**	**367.19**	**54,955.96**	**128.02**	**-**	**311.96**	**126.18**	**221.13**	**1,038.39**	**184.45**	**73,527.46**	**18.16**
Depreciation															
At April 1, 2021	-	-	4,068.43	2.01	111.67	17,388.58	146.57	347.36	180.00	81.57	118.96	383.95	-	22,829.25	16.89
Charge for the year	-	-	325.82	0.79	37.72	1,727.85	7.83	-	40.15	12.53	13.50	90.40	42.57	2,298.38	0.06
Disposals/discarded	-	-	(15.26)	-	-	(140.18)	(48.74)	(347.36)	(6.54)	(8.04)	(15.23)	(3.78)	-	(585.13)	-
March 31, 2022	**-**	**-**	**4,378.99**	**2.81**	**149.39**	**18,975.25**	**105.63**	**-**	**213.61**	**86.46**	**117.23**	**470.56**	**42.57**	**24,542.49**	**16.95**
Charge for the year	-	-	382.32	0.83	38.12	1,995.26	5.81	-	33.41	17.82	14.15	96.92	61.48	2,646.15	0.17
Disposals/discarded	-	-	-	-	-	(105.01)	-	-	(5.89)	(12.00)	(2.35)	(0.35)	-	(125.60)	-
March 31, 2023	**-**	**-**	**4,761.31**	**3.64**	**187.51**	**20,865.52**	**111.44**	**-**	**241.13**	**92.38**	**129.03**	**567.13**	**104.05**	**27,063.05**	**17.12**
Net Block															
At March 31, 2022	**1,200.35**	**-**	**7,705.75**	**47.15**	**207.84**	**34,272.46**	**22.39**	**-**	**41.57**	**33.16**	**84.36**	**527.64**	**141.88**	**46,324.58**	**0.39**
At March 31, 2023	**1,214.31**	**490.05**	**7,638.60**	**46.32**	**179.68**	**34,090.44**	**16.58**	**-**	**70.83**	**33.87**	**92.10**	**471.26**	**80.40**	**46,464.41**	**1.04**

Capital work in progress ageing

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
As on 31st March 2023					
Projects in Process	[illegible]	320.93	-		5,366.12
Projects temporarily suspended	-	-	-		-
As on 31st March 2022					
Projects in Process	541.43	-	-		541.43
Projects temporarily suspended	-	-	-		-

Note 3
NON CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at 31.03.2023	As at 31.03.2022
i. Non Trade Investments - Unquoted (At Fair Value)		
I Investment in Equity Instruments of other Companies		
a. Equity Shares in Kogarb Power Limited 60,000 (60,000) Nos. each ₹10/- Fully paid up, acquired at a cost of ₹ 600,000 (₹ 6,00,000)-Net of impairment recognised.	0.00	0.00
b. Equity Shares in Sireen Drugs Private Limited 1,000 (1,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹10,000 (₹10,000) - Net of impairment recognised.	0.00	0.00
ii. Non Trade Investments - quoted (At Fair Value)		
Equity Shares in Life Insurance Corporation of India 94 (NIL) Equity Shares of face value of ₹5/- each	0.50	-
iii. Investments in Mutual Funds - Quoted (At fair value)		
a. UMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,990 (49,990) Units, Cost ₹ 5,00,000 (₹ 5,00,000)	8.01	8.01
b. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹ 6,35,373 (₹ 6,35,373)	9.28	9.00
c. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units, Cost ₹ 1,99,900 (₹ 1,99,900)	2.60	2.64
d. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹ 2,00,000 (₹ 2,00,000)	2.90	2.84
	23.27	**22.49**

Disclosures:

Aggregate amount of Cost of Quoted Investments	15.24	15.35
Aggregate amount of market value of quoted investments	23.27	22.49
	5.10	6.10

Note 4
OTHER NON-CURRENT ASSETS

Unsecured, Considered Good:		
a. Capital Advances	838.24	1,374.10
b. Deposits	843.55	770.33
c. CSR Expenses - Excess spent	303.15	190.15
d. Other Long Term Advances	-	512.48
	1,984.97	**2,847.30**

Note 5
INVENTORIES

Valued at Cost or Net Realisable Value, whichever is lower		
a. Raw Materials	3,815.29	3,264.61
b. Work-in-progress	4,203.75	2,988.37
c. Finished Goods	8,577.29	7,456.43
d. Stock-in-trade (goods acquired for trading)	259.23	288.57
e. Stores, Spares & Packing	3,875.81	2,849.11
f. Provision for obsolescence of non-moving stores	(87.49)	(71.23)
	3,788.32	2,777.88
	20,743.84	**16,775.88**

Note 6
CURRENT FINANCIAL ASSETS - INVESTMENTS

Valued at Cost or Net Realisable Value, whichever is lower		
a. UBI Union Dynamic Bond Fund- Growth at fair value 1,35,521.388 units (PY 1,35,521.388 units) - Cost Rs. 22,00,000/-(PY Rs. 22,00,000/-)	26.75	26.06
b. UBI Union Small Cap Fund Regular plan- Growth at fair value 1,76,120.338 units (PY 1,76,120.314 units) - Cost Rs.23,33,906.58/- (PY Rs. 23,33,906.58/-)	49.33	51.02
c. UBI Union Flexi Cap Fund Growth plan- Growth at fair value 46,645.340 units (PY 35,029.634 Units) - Cost Rs.11,99,875/- (PY Rs.7,99,900/-)	14.73	15.96
d. UBI Union Large Cap Fund Regular plan- Growth at fair value 1,876.173 units (PY 1,876.173 units) - Cost Rs 20,000/- (PY Rs.20,000/-)	0.30	0.30
e. UBI Union Corporate Bond Fund Regular Plan Growth at fair value 4,20,412.194 units (PY Nil) - Cost Rs. 51,03,344/- (PY Rs. Nil)	52.50	52.59
f. UBI-Union Corporate Bond Fund Regular plan Nil (PY 8,02,715) Units, Cost ₹ Nil (PY 1,00,00,000)	-	100.40
	143.62	**246.39**

Disclosures:

Aggregate amount of Cost of Quoted Investments	106.94	208.57
Aggregate amount of market value of quoted investments	143.62	246.39

Investments in UBI – Union corporate bond fund - regular plan Nil (8,02,715) units is under lien with Union bank of India against BG/LC issued

Note 7
CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered Good	18,092.60	19,083.27
	18,092.60	**19,083.27**

Trade receivables ageing schedule as at 31 March,2023

	Outstanding for the following periods from the due date of payment					
	Less than 6 months*	6 months to 1year	1year to 2 years	2 years to 3 years	More than 3 years	Total
Undisputed trade receivables						
a. Considered good	17,387.06	530.02	110.73	18.80	45.99	18,092.60
b. Which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

Trade receivables ageing schedule as at 31 March,2022

	Outstanding for the following periods from the due date of payment					
	Less than 6 months*	6 months to 1year	1year to 2 years	2 years to 3 years	More than 3 years	Total
Undisputed trade receivables						
a. Considered good	18,866.11	81.10	79.94	-	56.12	19,083.27
b. Which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

* Includes amounts not yet due for payment

Note 8
CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

a. Cash on Hand	7.79	6.07
b. Balances with Banks	57.84	27.45
	65.63	**33.52**

Note 9
CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE

a. Margin Money Deposit in Banks against LCs & BGs	2,024.48	1,489.96
b. Unpaid Dividend Accounts	8.61	10.01
	2,033.09	**1,499.97**

Note 10
CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

a. Staff and other Advances recoverable in cash or kind	26.04	39.90
b. Interest Receivable	42.00	28.88
c. Derivative Financial Instruments - Asset	27.92	-
d. TDS Receivable from NBFCS	8.67	10.04
	104.63	**78.82**

Note 11
OTHER CURRENT ASSETS

a. Advances to Suppliers	1,758.23	2,034.50
b. Balances with Government Authorities	1,289.62	1,140.83
c. Prepaid Expenses	442.08	539.22
d. CSR Expenses - Excess spent	289.83	133.29
e. Deposits	1,860.31	-
	5,640.07	**3,847.84**

Note 12
Assets classified as held for sale

Assets classified as held for sale	-	190.00
	-	**190.00**

Disclosures:

The Group intends to dispose off freehold land which it no longer utilises in the next 12 months. No impairment loss have been recognised on reclassification of such assets as held for sale, as the company expects that the fair value less costs to sell is higher than the related carrying value

Note 14
EQUITY SHARE CAPITAL

Authorised Share Capital		
7,50,00,000 of equity shares of ₹2 par value (1,50,00,000 of equity shares of ₹10 par value in PY)	1,500.00	1,500.00
	1,500.00	**1,500.00**
Issued, Subscribed and Fully Paid-up Capital		
At the beginning of the year 1,19,46,020 of equity shares of ₹10 par value	1,194.60	1,194.60
At the end of the year 5,97,30,100 of equity shares of ₹2 par value	1,194.60	1,194.60
	1,194.60	**1,194.60**

Disclosures:

1. The Company has only one class of equity shares at a par value of ₹ 2 All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.
2. During the year ended March 31, 2023, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from January 13, 2023 (record date).
3. Names of shareholders holding more than 5% of the Share capital and their shareholding.

EQUITY SHARES

S.No.	Name of shareholder	As at 31.03.2023	As at 31.03.2022
1	Sri. Ch. Krishna Murthy - No of Shares	3,10,98,950	62,19,790
	- % held	52.07	52.07
2	Smt. Ch. Manjula - No of Shares	80,70,240	16,14,048
	% held	13.51	13.51
3	Sri. Ch. Siddartha - No of Shares	56,28,340	11,25,668
	- % held	9.42	9.42

Promoters' Shareholding

Shares held by Promoters at the end of the year				
S.No.	Name of the promoter	No of shares	% of total shares	% change during the year
1	Sri. Ch. Krishna Murthy	3,10,98,950	52.07%	Nil
2	Smt. Ch. Manjula	80,70,240	13.51%	Nil
3	Sri. Ch. Siddartha	56,28,340	9.42%	Nil

Note 15
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31.03.2023	As at 31.03.2022
A. Secured:		
1 Term Loans:		
From Banks	10,096.77	10,031.15
2 Long Term Maturities of Finance Lease Obligations:		
From Banks	86.45	196.34
B. Unsecured:		
1 Business Loans		
From Banks	66.67	3.18
From NBFC'S	360.04	42.87
Loans and Advances from Related Parties:		
2 Loans from promoter directors (at amortised cost)	2,610.06	2,699.79
3 Cumulative Redeemable Preference Shares	7,663.75	7,663.75
4 Security Deposits	1,373.46	—
	22,157.77	20,637.88

Disclosures:
1 Loans of Holding Company:
A- **Secured**

S.No	Name of the Lender	Period of maturity	Loan amount outstanding	No. of instalments outstanding	Rate of Interest	Overdue amount and period	Security
1	State Bank of India (TL-III)	Jun-2024	693.38	8	12.40%	-	Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, Indian Overseas Bank and Union Bank of India. Term Loans are secured by charge on the assets acquired out of the term loan and charge on entire existing movable/ immovable assets of the Company. The above loans are further secured by personal guarantee of promoter directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2	Union Bank of India (e-AB) (TL-III)	Mar-2024	944.00	4	11.25%		
3	Union Bank of India (TL-III)	Nov-2023	171.44	3	11.40%	-	
4	Union Bank of India (TL-III-2)	Nov-2023	328.84	3	11.40%		
5	State Bank of India (ECLGS 2.0)	Dec-2025	1,031.25	33	9.25%	-	
6	State Bank of India (ECLGS 2.0 Ext)	Nov-2027	870.00	48	9.05%	-	
7	Union Bank of India (ECLGS 2.0)	Nov-2025	1,022.38	32	8.85%	-	
8	Union Bank of India (ECLGS 2.0 Ext)	Nov-2027	1,320.00	48	8.80%	-	For Emergency Credit Line Guarantee System -2 (ECLGS-2) term loans availed from Consortium of Bankers - State Bank of India, Indian Overseas Bank and Union Bank of India, Term Loans are secured by 2nd charge on the current assets and fixed assets of the company. The above loans are further secured by personal guarantee of promoter directors and their personal assets i.e. land, plots and building etc.,. All the above securities rank in all respects pari passu amongst the consortium of bankers.
9	Indian Overseas Bank (ECLGS 2.0)	Dec-2025	326.56	33	8.45%		
10	Indian Overseas Bank (ECLGS 2.0 Ext)	Nov-2027	237.00	48	8.45%		

A. **Secured**

Hire Purchase Loans (Holding and Subsidiary Companies)

The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2023 is ₹ 321.22 Lakhs (March 31, 2022: ₹ 352.04 Lakhs). The company had capitalised the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Minimum Lease Payments outstanding		
Within one Year	122.51	157.78
Later than one year and not later than five years	103.09	205.61
Future Interest on outstanding Lease payments		
Within one Year	16.01	25.18
Later than one year and not later than five years	16.63	29.26
Present Value of Minimum Lease Payments		
Within one Year	106.50	132.60
Later than one year and not later than five years	86.46	186.35

B) Unsecured Loans:

i. **Loans from Promoter Directors:**

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

C) 7% Cumulative Redeemable Preference Shares

The Company has issued and allotted 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of face value of Rs. 10/- each aggregating ₹ 76,63,75,000/- to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing 4,75,00,000 7% Cumulative Redeemable Preference Shares of face value of ₹ 10/- each aggregating ₹ 47,50,00,000/- and the outstanding accumulated dividend thereon up to March 31, 2017 amounting to ₹ 29,13,75,000. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31-03-2035. During the year, the company obtained equity and preference shareholders approval for early redemption or early repayment to CRPS shareholders on or before any time March 31,2038 in full or part in one or more tranches. Also, a provision for preference dividend @ 4.5% has been provided amounting to ₹ 3,44,86,875/- and preference shareholders have given their consent to forego 2.5% preference dividend amounting to ₹

S.No.	Name of shareholder	As at 31.03.2023	As at 31.03.2022
1.	Sri. Ch. Krishna Murthy - No of Shares	7,11,21,750	7,11,21,750
	- % held	92.80	92.80
2.	Smt. Ch. Manjula - No of Shares	52,71,250	52,71,250
	- % held	6.88	6.88
3.	Sri. Ch. Siddartha - No of Shares	2,44,500	2,44,500
	- % held	0.32	0.32

II. Loans of Subsidiary Company:

A. **Secured loans:**

Term loans from banks:

S.No.	Name of the Lender	Period of maturity	Loan amount outstanding	No. of instalments outstanding	Rate of Interest	Overdue amount and period	Security
1	Union Bank of India (TL-INR)	Dec-2028	1,106.35	23	1 Year MCLR Plus 2.75%	-	The above loans are secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture & fittings of the company and the loan has been guaranteed by personal guarantees of Mr. Ch. Siddartha, Managing Director and Mrs. Ch. Manjula, Executive Director of the company and Mr. Ch. Krishna Murthy, Director of the holding company-Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 17,20,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.
2	Union Bank of India (TL-INR)	Dec-2028	1,983.75	23	1 Year MCLR Plus 2.75%	-	
3	Union Bank of India (TL-INR)	Jun-2025	3,537.93	24	1 Year MCLR Plus 2.75%	-	
4	Union Bank of India WCTL under UGECL 1.0	Aug-2027	127.00	16	7.50%	-	

B. **Unsecured loans:**

Business loans:

(i) The above unsecured business loans from various NBFC's, carries interest rate ranging from 14.00% to 19.50% p.a. The loans are repayable in 18/24 monthly equal installments and the last installment of loan is in the month of May 2025. The aggregate amount of installments outstanding (including current maturities presented in Note 20 below) as on March 31, 2023 is Rs. 610.97 Lakhs (March 31, 2022 ₹ 193.54 lakhs). There are no overdue installments or interest payable.

(ii) The above unsecured business loans from HDFC bank, Karur Vysya Bank, and Unity Small Finance bank, carry interest rate is 14.50%,15.00% and 16.50% p.a. The loans are repayable in 18/36 monthly equal installments and the last installment of respective loans fall due in the month of September 2024 and March 2026. The aggregate amount of installments outstanding (including current maturities presented in Note 20 below) as on March 31, 2023 is Rs. 150.00 Lakhs (March 31, 2022 Rs.68.88 lakhs). There are no overdue installments or interest payable.

Note 18

LEASE LIABILITIES

Lease liabilities on ROU assets	41.89	82.58
	41.89	**82.58**

Note 17
NON-CURRENT PROVISIONS

	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits (Net of Fund Assets)	59.56	267.58
	59.56	**267.58**

Note 18
DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability		
Property, Plant and Equipment	4,735.85	4,358.59
Deferred Tax Assets		
Provisions allowable on payment basis	33.87	60.84
Net Deferred Tax Liability	**4,701.98**	**4,297.75**

Disclosures:

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Income Taxes" (Ind AS 12) issued by the Institute of Chartered Accountants of India.

The gross movement in the deferred income tax account for the financial years ended March 31, 2023 and March 31, 2022, is as follows

a.	Net deferred tax liability at the beginning	4,297.75	3,670.62
b.	Accelerated depreciation for tax purposes	345.33	655.69
c.	Provisions allowable on payment basis	51.94	(15.80)
d.	Temporary differences on Other Comprehensive Income	6.96	(12.76)
e.	Net deferred tax liability at the end	**4,701.98**	**4,297.75**

Note 19
OTHER NON-CURRENT LIABILITIES

Security Deposits		1,523.76
	-	**1,523.76**

Note 20
CURRENT FINANCIAL LIABILITIES - BORROWINGS

A. Secured:		
Loans repayable on demand		
From Banks		
a. Working capital - Cash Credit	10,038.26	11,981.98
B. Unsecured:		
a. Loans from Promoter Directors	11.13	8.14
b. Loan from Bajaj finance limited	1,338.21	-
c. Inter Corporate Deposits		329.01
Current maturities of long term debt	3,868.17	3,034.36
Current maturities of finance lease obligations	439.92	347.06
	15,695.70	**15,698.54**

Disclosures:

I. Loans of Holding Company:

A) Secured Loans:

1. The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+2.50% to +3.00%. The rate of Interest on convertible FCNRB demand loan ranges from Libor+1.50% per annum.
2. Interest rate for the Bill Discounting facility ranges from 6.65% to 8.10%.
3. Security:
   Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India, Indian Overseas Bank and Andhra Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the company, and second pari passu charge on the fixed assets of the company. The directors have extended their personal assets as securities i.e. land, plots and buildings etc.
4. Guarantees:
   All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:

1. Loans from Promoter Directors disclosed here are short term in nature. There are no specified terms and conditions.
2. The credit facilities with Bajaj Finance Limited against purchase bill discounting (PBD) for working capital requirement. The interest rate is MCLR & 9.60%.

II. Loans of Subsidiary Company

A. Secured loans:
Cash Credit:

a) The above cash credit from Union Bank of India is repayable on demand and carries interest rate of 1 year MCLR+2.50%, currently @ 10.90%.

b) The cash credit is secured by hypothecation of all stocks and book debts of the company and the loan has been guaranteed by personal guarantee of Mr. Ch. Siddartha, Managing and Mrs. Ch. Manjula Executive Director of the company and Mr. Ch. Krishnamurthy Director of the holding company Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 17,20,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.

Note 21
CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31.03.2023	As at 31.03.2022
Trade payables - Due to Micro Small and Medium Enterprises	54.08	28.59
Trade payables - Other parties	17,190.76	17,023.27
Trade payables - Related parties	425.33	98.06
	17,670.17	**17,149.92**

Disclosures:

The principal amount remaining unpaid as at March 31, 2023 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 53.32 Lakhs (March 31, 2022 ₹ 28.39 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 0.76 Lakhs (March 31, 2022 ₹ 0.20 Lakhs)

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

Trade Paybles ageing schedule as at 31 March,2023

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1year to 2 years	2year to 3 years	More than 3 years	Total
Undisputed trade receivables					
a. MSME	54.08		-	-	54.08
b. Others	17,487.92	128.17	0.00	-	17,616.09
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

Trade Paybles ageing schedule as at 31 March,2022

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1year to 2 years	2year to 3 years	More than 3 years	Total
Undisputed trade receivables					
a. MSME	28.42	-	0.18	-	28.60
b. Others	16,571.43	542.18	7.71	-	17,121.32
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

* Includes amounts not yet due for payment

Note 22
LEASE LIABILITIES

Lease liabilities on ROU assets	44.27	62.66
	44.27	**62.66**

Note 23
OTHER CURRENT FINANCIAL LIABILITIES

Cumulative Unpaid Preference Dividend	344.87	76.64
Interest Payable to others	-	0.49
Unclaimed dividends	8.61	10.00
Derivative Financial Instruments - Liability	-	55.25
	353.48	**142.38**

Note 24
OTHER CURRENT LIABILITIES

Advance from Customers	376.93	1,185.79
Creditors for Capital Expenditure	911.94	338.55
Advances received against sale of Capital Assets	-	410.00
Advance from others	7.95	8.99
Statutory dues Payable	253.25	359.67
	1,550.08	**2,303.31**

Note 25
CURRENT PROVISIONS

Provision for Employee Benefits (Net of Fund Assets)	20.56	44.95
	20.56	**44.95**

Note 26
CURRENT TAX LIABILITIES

Provision for Income Tax (Net of TDS)	1,360.40	1,695.12
	1,360.40	**1,695.12**

Note 27
REVENUE FROM OPERATIONS

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Sale of Products	1,38,765.58	1,06,587.61
2. Other Operating Revenues		
a. Sale of Scrap	196.54	158.22
b. Testing Charges	-	44.25
c. Export Incentives	137.24	110.10
	333.78	312.57
	1,39,099.36	**1,06,900.18**

Note 28
OTHER INCOME

1. Interest Income		
a. Interest Income on bank and other deposits	110.79	66.08
b. Amortised Interest on Deposits/Loans	20.05	118.36
2. Other Non-Operating Income		
a. Insurance Claim Received	14.96	17.79
b. Profit on Sale of Investments	0.84	3.64
c. Net gain on foreign exchange fluctuations	974.25	348.19
e. Other Income	6.04	0.56
f. Fair value gain on Investments (net)	1.18	20.63
g. Profit on Sale of property, plant and equipment	392.84	0.50
	1,520.95	**575.75**

Note 29
COST OF MATERIAL CONSUMED

Opening Stock	3,264.61	4,351.03
Add: Purchase	55,735.36	38,892.83
Total	58,999.97	43,243.86
Less: Closing Stock	3,915.29	3,264.61
	55,084.68	**39,979.25**

Note 30
COST OF CONSUMABLES

Consumption of Petcoke	3,097.90	3,561.25
Consumption of Furnace Oil	5,882.77	3,638.85
Consumption of Husk	1,175.22	655.28
Consumption of Coal	10,160.25	6,802.98
Consumption of LDO/Kerosene	1,255.92	828.66
	21,572.06	**15,487.02**

Note 31
CHANGES IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS AND STOCK-IN-TRADE

1. **Finished Goods**		
a. Opening Stock:	7,456.43	8,288.18
b. Closing Stock:	8,577.25	7,456.43
	(1,120.82)	831.75
2. **Work-in-progress**		
a. Opening Stock:	2,988.37	3,615.19
b. Closing Stock:	4,203.75	2,988.36
	(1,215.38)	626.83
3 **Stock-in-Trade**		
a. Opening Stock:	288.57	288.57
b. Closing Stock:	259.23	288.57
	29.34	-
Total Decrease / (Increase)	**(2,306.86)**	**1,458.58**

Note 32
EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries & Wages	4,056.12	3,683.08
Contribution to Provident and Other Funds	283.07	252.45
Staff Welfare Expenses	264.52	214.17
	4,603.71	**4,149.70**

Note 33
FINANCE COSTS

Interest Expense	1,887.15	1,641.81
Interest on Others	152.39	208.92
Unwinding of Interest on Financial Instruments	211.95	343.58
Other Borrowing Costs	740.70	338.57
Preference Dividend	344.87	76.64
	3,337.06	**2,609.52**

Note 34
POWER COST

Power Charges	6,317.12	4,541.94
	6,317.12	**4,541.94**

Note 35
MANUFACTURING EXPENSES

Equipment Hire Charges	1,047.74	777.69
Consumption of Stores & Spares	3,007.77	2,495.19
Repairs & Maintenance - Buildings	301.84	237.78
Repairs & Maintenance - P & M	1,441.60	836.92
Lease Rentals - Factory	1,753.91	-
Labour costs	2,168.95	1,821.10
Factory/Godown Maintenance	1,045.02	616.01
Effluent Disposal Expenses	2,832.51	2,061.48
Goods Movement Charges	574.76	732.47
	14,174.10	**9,578.64**

Note 36
SELLING & ADMINISTRATIVE EXPENSES

Labour costs	48.24	43.22
Insurance	258.21	352.83
Packing Charges	2,958.52	2,596.44
Shipping & forwarding Charges	8,753.75	8,719.25
Other Selling Cost	638.75	464.47
Rent	841.82	787.60
Rates & Taxes	144.97	144.59
Bank charges	127.38	192.24
Travelling, Vehicle Maintenance & Conveyance	663.75	406.45
Professional & Consultancy Charges	514.75	331.13
Security Charges	123.57	112.99
Miscellaneous Expenses	479.09	415.06
Impairment loss on fixed assets	58.31	-
	15,611.11	**14,566.27**

Disclosures:

Payment to statutory auditors

	For the year ended March 31, 2023	For the year ended March 31, 2022
The details of payment to statutory auditors included in Professional & Consultancy charges above, are given		
a. As an auditor - Statutory audit fee	19.00	16.50
b. For taxation matters - Tax audit fee	5.15	5.25
c. For comapany law matters	-	-
d. For other services	6.01	4.60
e. For reimbursement of expenses	-	-
	30.16	**26.35**

Note 37

CORPORATE SOCIAL RESPONSIBILITY EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
CSR Expenses	116.42	66.52
	116.42	**66.52**
a. Gross amount required to be spent by the company during the year	116.42	66.52
b. Amount Spent during the year on the above	116.42	66.52
c. Shortfall at the end of the year	-	-
d. Total of previous year shortfall	Not Appliable	Not Appliable
f. Nature of activity	* see note below	* see note below
g. Details of related party transactions		
Contribution to a trust controlled by the company in relation to company	379.30	389.36
(i) Applicable for the current year	116.42	66.52
(ii) Excess amount contributed for future settoff	269.29	323.48
h. where a povision is made with respect to laibility incurred-		
movement in the provision needs to be disclosed separately	-	-

* Note:

Construction of old-age home through Krishna Foundation, a registered public charitable Trust

Note 38

TAX EXPENSE

Current Tax	4,478.55	2,458.55
Tax Pertaining to earlier years	24.49	(5.26)
Deferred Tax current year	385.46	640.78
	4,888.50	**3,094.07**

39. Group:

Vishnu Chemicals Limited has two 100% wholly owned subsidiaries – Vishnu Barium Private Limited in India and Vishnu South Africa (Pty) Ltd. in South Africa. Vishnu South Africa (Pty) Ltd., incorporated in financial year 2017-18 is yet to commence operations.

40. Contingent Liabilities and Commitments (To the Extent Not Provided for):

(Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2023	As at 31.03.2022
1	**Contingent Liabilities:**		
	a. Claims against the Group not acknowledged as debt		
	II. Claims arising from disputes not acknowledged as debts-Sales Tax (against which Pre-deposit of Rs.146.79 Lakhs made (P.Y. Pre-deposit Rs.146.79 Lakhs)	**179.76**	204.52
	III. Claims arising from disputes not acknowledged as debts-Service Tax (against which Pre-deposit of Rs.17.55 Lakhs made (P.Y. Pre-deposit Rs. 17.55 Lakhs)	**652.62**	652.62
	IV. Fuel surcharge adjustment expense pertaining to the period from April, 2008 to March, 2010 was not recognised as the collection of the same was stayed by Honorable High Court of Andhra Pradesh, which is still pending for disposal.	**27.38**	27.38
	V. The Recovery Officer, Employee State Insurance Corporation, has raised a demand to pay arrears along with interest. A writ petition was filed against the same in the Honorable High court of Andhra Pradesh and is contesting the aforesaid matter. Based on internal assessment and legal advice, the Management strongly believes that matter will be decided in its favour.	**21.48**	21.48
	VI. The Assistant Commissioner (CT), LTU, Chittoor Division, Andhra Pradesh has raised a demand of ₹ 7.51 Lakhs for the period June 2017 towards excess Input Tax Credit availed and an equivalent amount towards penalty (against which pre-deposit of ₹ 0.94 Lakhs made)	-	15.02
	VII. Guarantees excluding financial guarantees	**88.19**	66.48
2	**Commitments:**		
	a. Estimated amount of contracts remaining to be executed on capital account and not provided for	**2054.00**	2241.55

41. Segment Reporting:

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

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

(Rs. in Lakhs)

Geographic Location	2022-23 Revenue	2021-22 Revenue
Domestic	70,841.70	52,079.70
Overseas	67,923.88	54,507.91

Details of Non-Current Assets*

(Rs. in Lakhs)

Geographic Location	As at 31.03.2023	As at 31.03.2022
Domestic	58,246.55	49,713.70
Overseas	-	-

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

42. Related Party Disclosures:

a) Details of Related Parties:

Sl No	Name of the Related Party	Nature of Relationship
1	Mr. Ch. Krishna Murthy	Chairman and Managing Director, Key Management Personnel
2	Mrs.Ch. Manjula	Non-executive Director (Executive Director in Subsidiary Vishnu Barium Private Limited)
3	Mr. Ch. Siddartha	Joint Managing Director, Key Management Personnel
4	Late Mr. P. Anjaneyulu	Chief Financial Officer, Key Management Personnel (till Juanuary 21,2023)
5	Mr. Mahesh Bhatter	Chief Financial Officer, Key Management Personnel (with effect from February 10, 2023)
6	Mr. Kishore Kathri	Company Secretary, Key Management Personnel (till June 15,2022)
7	Mrs. Vibha Shinde	Company Secretary, Key Management Personnel (with effect from August 06, 2022)
8	Mr. Pradip Saha	Independent Director (retired on November 09, 2021)
9	Mr. Tirthankar Mitra	Independent Director (Non-executive director in Subsidiary Vishnu Barium Private Limited)
10	Mr. Chetan Shah	Independent Director (appointed on February 12, 2021)
11	Mr. V. Vimalanand	Independent Director (appointed on December 31, 2021)
12	Santanu Mukherjee	Independent Director (retired on October 08, 2021) in Subsidiary

		Vishnu Barium Private Limited
13	Mrs. Sita Vanka	Independent Director (appointed on May 16, 2022)
14	M/s. Vasantha Transport Corporation	Concern in which Key Management Personnel is interested
15	M/s. K.M.S. Infrastructure Limited	Concern in which Key Management Personnel are interested
16	M/s. Vishnu Life Sciences Limited	Concern in which Key Management Personnel is interested
17	M/s. Vishnu Barium Private Limited	Wholly Owned Subsidiary
18	M/s. Vishnu South Africa (Pty) Ltd.	Wholly Owned Subsidiary
19	M/s. Krishna Foundation	Trust in which directors are Trustees and the Company is the settlor

b) Details of Transactions:

(Rs. in Lakhs)

Nature of Transaction	Key Management Personnel		Concerns in which Key Management Personnel are Interested	
	2022-23	2021-22	2022-23	2021-22
Expenses				
Remuneration	394.52	286.83		
Rent Expenses	76.46	72.24	-	10.00
Transportation, CHA services and hire charges			3,466.62	2,394.75
Purchases			195.68	225.82
Sales			10.43	111.73
Hire Charges	4.50	4.80	107.60	119.25
Service Charges			94.20	-
Receipts & Payments, Payables & Receivables Outstanding at year end				
Unsecured Loan from Promoter Directors during the year	5.00	208.28	-	-
Unsecured Loans from Promoter Directors outstanding at year end	3,020.13	3015.13	-	-
Payables to KMP and Concerns in which KMP are interested	30.12	22.21	399.37	75.85

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

As post-employment benefits are actuarially determined on overall basis, the amount pertaining to the Key Management personnel is not ascertainable and, therefore, not included above.

During the year, the Group has paid directors sitting fees to non-executive director and independent directors as under:

Sl. No.	Director Name	2022-23	2021-22
1	Mrs. Ch. Manjula	2.00	1.00
2	Mr. Pradip Saha	-	1.40
3	Mr. Tirthankar Mitra	4.60	2.80
4	Mr. Chetan Shah	3.20	2.00
5	Mrs. Sita Vanka	1.20	-
6	Mr.Santanu Mukherjee	-	0.60
7	Mr. Vimalanand	3.60	0.60
	Total	**14.60**	**8.40**

An amount of Rs. 378.30 Lakhs (Previous Year: Rs. 389.36 Lakhs) has been contributed to Krishna Foundation during the year towards Corporate Social Responsibility.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

43. The paid-up share capital of the Company as on financial year ended March 31, 2023 is ₹ 8,858.35 Lakhs divided into 5,97,30,100 Equity Shares of Rs. 2/- each and financial year ended March 31, 2022 is ₹ 8,858.35 Lakhs divided into 1,19,46,020 Equity Shares of ₹ 10/- each and 7,66,37,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each. The Public Shareholding in equity capital as on March 31, 2023 and as on March 31,2022 is 25%.

The preference shareholders have given their consent to forego 2.5% preference dividend of the eligible 7% preference dividend amounting ₹ 191.59 lakhs for the financial year 2022-23 and The preference shareholders have given their consent to forego 6% preference dividend amounting ₹ 459.83 lakhs for the FY 2021-22.

44. Employee Benefits:

1. Defined Contribution Plan:

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

(Rs. in Lakhs)

Particulars	**2022-23**	2021-22
Contribution to Provident Fund	**133.79**	**132.96**
Contribution to Employee State Insurance	**3.77**	**4.73**

2. Defined Benefit Plan – Gratuity:

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

(Rs. in Lakhs)

	Particulars	Gratuity (Funded) 2022-23	Gratuity (Funded) 2021-22
1	**Assumptions:**		
	Discount Rate	7.17%-7.21%	7.14%-7.36%
	Escalation	3%-5.50%	3%-5.50%
2	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Present value of obligations at beginning of year	639.24	526.10
	Interest Cost	44.17	33.84
	Current Service Cost	57.30	49.08
	Benefits Paid	(38.02)	(37.16)
	Actuarial (gain)/ loss on obligation	(47.84)	67.38
	Present Value of obligation at end of year	654.85	639.24
3	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Opening fair value of plan asset	315.24	149.80
	Adjustment to opening Fair Value of Plan Asset	0.85	(1.15)
	Return on Plan Assets excl. interest income	(0.70)	(1.37)
	Interest Income	22.42	10.46
	Contributions by Employer	282.18	194.66
	Benefits paid	(38.02)	(37.16)
	Fair Value of plan Assets at end	581.97	315.24
4	**Net defined benefit asset/ (liability) recognized in the balance sheet**		
	Present value of defined benefit obligation	654.87	639.24
	Fair Value of plan Assets at end of period	581.97	315.23
	Net Asset/(liability) recognized in the balance sheet.	(72.90)	(324.01)
5	**Expenses recognized in the statement of Profit and Loss:**		
	Current service cost	57.30	49.08
	Net interest	21.74	23.37
	Expense recognized in the statement of Profit and Loss	79.04	72.45
6	**Other Comprehensive Income (OCI):**		
	Actuarial gain/(loss) recognized for the period	(47.84)	67.38
	Return on plan assets excluding net interest	0.70	1.37
	Total actuarial (gain)/ loss recognized in OCI	(47.14)	68.75

Sensitivity Analysis:

(Rs. in Lakhs)

Particulars	31.03.2023			
	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligation	609.04	706.81	706.38	608.65

Categories of Plan Assets:

(Rs. in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Gratuity Fund managed by Life Insurance Corporation of India	**581.97**	**315.23**

45. Earnings Per Share:

Particulars	2022-23	2021-22
Net Profit after Tax (Rs. in Lakhs) (a)	**13,656.38**	8,139.27
Weighted Average no. of Shares - Basic & Diluted (b)	**5,97,30,100**	5,97,30,100
Nominal value of equity share (in ` per share)	**2**	2
Earnings per Share - Basic & Diluted (₹) (a)/(b)	**22.86**	13.63

During the year ended March 31, 2023, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from January 13, 2023 (record date). The basic & diluted earnings per share (EPS) for the current, previous periods/year has been restated to give effect of the share spilt as per Ind As 33.

46. Un-hedged Foreign Currency Exposure:

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

(Rs. in Lakhs)

Particulars	Currency	March 31, 2023		March 31, 2022	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade receivables	USD	1,50,10,502	12,334.13	1,69,36,654	12,836.72
Trade receivables	EURO	5,63,822	504.30	9,87,591	831.75
Trade payables	USD	(17,64,458)	(1,449.86)	(24,09,286)	(1,826.06)
Secured loans	USD	(29,65,561)	(2,436.81)	(1,19,18,882)	(9,033.62)
Secured loans	EURO	-	-	(8,27,400)	(696.84)

47. Analytical Ratios:

Sl. No	Ratio	Numerator	Denominator	2023	2022	Variance	Remarks
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.28	1.13	13.27%	
2	Debt-equity Ratio (in times)	Total Debt	Shareholders Equity	0.92	1.32	(30.30%)	Decrease was primarily on account of increase in profits
3	Debt service coverage ratio (in times)	Earnings before debt service = net profit after taxes + non cash operating expenses + Interest + other non cash adjustments (like loss on Sale of fixed assets etc)	Debt service = Interest & lease payments + principle repayments	2.30	2.54	(9.45%)	
4	Return on equity ratio (in %)	Profit for the Year	Average total Equity	39.51%	34.41%	14.82%	
5	Inventory Turnover ratio (in times)	Revenue from operations	Average total inventory	7.41	5.96	24.33%	
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	7.48	6.97	7.32%	
7	Trade payables turnover	Raw material purchases + Fuel purchase +Other expenses	Average trade payables	6.30	5.35	17.76	
8	Net capital turnover ratio	Revenue from operations	Average Working capital (ie., Total current assets less Total current liabilities)	18.69%	31.01%	(39.73)%	Decrease was primarily on account of increase in profits
9	Net profit ratio (in %)	Profit for the Year	Revenue from operations	9.82%	7.61%	29.04%	Increase was I primarily on account of increase in

							profits than increase in revenue
10	Return on capital employed (in %)	Earnings before Tax and finance cost	Capital employe = Net worth + Debt + Deferred tax Liabilities	20.21%	25.26%	(19.99%)	
11	Return on Investment	Income generated From invested Funds	Average invested funds in treasury investments	385.24%	859.20%	(55.16%)	Decrease was primarily on account of increase in raw material cost of the subsidiary

48. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013-'General instructions for the preparation of consolidated financial statements':

31st March 2023 **(Rs. in Lakhs)**

S.No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	**Holding Company**								-
	Vishnu Chemicals Limited	83.52%	34,609.29	94.71%	12,934.47	36.89%	20.69	94.48%	12,955.16
2	**Subsidiaries:**								
	Indian Subsidiaries								
	Vishnu Barium Private Limited	19.21%	7,958.80	5.30%	724.24	62.65%	35.13	5.54%	759.37
	Foreign Subsidiary								
	Vishnu South Africa (Pty) Ltd	0.04%	18.41	(0.01%)	(2.34)	0.46%	0.26	(0.02%)	(2.07)
	Less: Consolidation Adjustments	(2.77%)	(1,149.05)	0.00%	-	-		-	-
	TOTAL	**100.00%**	**41,437.45**	**100.00%**	**13,656.37**	**100.00%**	**56.08**	**100.00%**	**13,712.46**

31st March 2022 **(Rs. in Lakhs)**

S.No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	**Holding Company**								
	Vishnu Chemicals Limited	78.07%	21,616.48	80.15%	6,523.90	72.51%	40.92	80.21%	6,482.98
2	**Subsidiaries:**								
	Indian Subsidiaries								
	Vishnu Barium Private Limited	24.73%	6,847.57	19.85%	1,615.38	27.49%	15.51	19.79%	1,599.87
	Foreign Subsidiary								
	Vishnu South Africa (Pty) Ltd.	0.00%	(0.04)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
	Less: Consolidation Adjustments	(2.80%)	(777.67)	0.00%	-	0.00%	-	0.00%	-
	TOTAL	**100.00%**	**27,687.34**	**100.00%**	**8,139.27**	**100.00%**	**56.43**	**100.00%**	**8,082.84**

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

Per our Report of even date
For Jampani & Associates
Chartered Accountants
FRN: 016581S

Trinadha Rao Marisetty
Partner
M.No: 207990

Place: Hyderabad
Date: May 03, 2023

For and on behalf of the Board of Directors

Ch. Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Ch. Manjula
Director
DIN: 01250728

Mahesh Bhatter
Chief Financial Officer

Vibha Shinde
Company Secretary

Place: Hyderabad
Date: May 03, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISHNU CHEMICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Vishnu Chemicals Limited** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Aspects determined as KAM

1. Trade Receivables:

   Trade receivables comprise almost half of the current assets and also form a sizeable component of the total assets of the company. Management's judgement in assessing their recoverability and estimating possible provision for any credit loss would involve consideration of facts from a multi-dimensional perspective like, among others, contractual terms, credit history of the customers, past payment patterns, any identifiable rejection possibilities and the like.

   Audit Measures adopted to validate KAM included the following:

   - Assessing the appropriateness in validation of certain overdue receivables basis the past payment history, current transactional issues and long-term binding contracts in place and correspondence with the customers.
   - Testing the operational efficacy of relevant controls with respect to recognition and realizability of receivables and their application on a consistent basis.
   - Undertook a substantive testing to ascertain any inconsistent realization patterns that would give raise to any impairment provisioning;

   Basis the above stated measures, no significant exceptions were noted in valuation of trade receivables requiring any provision.

2. Contingent Liabilities and Disputed Liabilities:

   The provisioning for Contingent and disputed liabilities involves significant judgment to determine the possible outcome and their treatment in the books of accounts. These judgments could eventually lead to making an appropriate disclosure or might even require some provisioning to be made in the financial statements depending on whether an obligation requiring outflow of resources would arise in future or not.

   As part of audit procedures, we sought the source documents as well as the correspondence and other material pertaining to each issue. We reviewed to validate the appropriateness of the management's judgment in arriving at a decision of disclosure / provision and see if they are adequate and comprehensive to the extent possible.

Emphasis of Matter

The preference shareholders of the company, who are also the promoters, have given an undertaking foregoing 6% of the eligible 7% dividend amounting to ₹ 459.83 Lakhs. receivable by them for the financial year 2021-22 as mentioned in Note 43 of Notes to Accounts.

Our Opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, in doing so, consider whether the other information submitted with regard to unaudited financial statements of an overseas subsidiary is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statements / financial information of Vishnu South Africa (Pty) Limited, overseas subsidiary of the Holding Company, whose financial statements / financial information reflect total assets of ₹ NIL Lakhs as at 31st March, 2022, total revenues of ₹ Nil and net cash outflows amounting to ₹ NIL Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

vi. a. The respective managements of the parent company and its subsidiaries, those incorporated in India, whose financial statements were audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company or any such subsidiaries to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding whether recorded in writing or not, that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the holding company or any such subsidiaries (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

b. The respective managements of the parent company and its subsidiaries, those incorporated in India, whose financial statements were audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding company or any such subsidiaries from any person(s) or entities, including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or not, that the Holding company or any such subsidiaries shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding parties (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

c. Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis-statement.

v. In our opinion Company has complied with section 123 of the Companies Act,2013 with respect to dividend declared/paid during the year.

For JAMPANI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 016581S)

Trinadha Rao Marisetty
Partner
(Membership No.207990)
UDIN:22207990AJSAIC5264

Place: Hyderabad
Date: 16 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT:

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

We have audited the internal financial controls over financial reporting of **VISHNU CHEMICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company (Holding Company and its subsidiary together referred to as "the Group") incorporated in India as of March 31, 2022 in conjunction with our audit of the financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JAMPANI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 016581S)

Trinadha Rao Marisetty
Partner
(Membership No.207990)
UDIN:22207990AJSAIC5264

Place: Hyderabad
Date: 16 May 2022

VISHNU CHEMICALS LIMITED
Consolidated Balance Sheet as at March 31,2022

₹ in lakhs

	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	46,324.58	38,746.20
	(b) Capital work-in-progress	2	541.43	2,396.44
	(c) Intangible Assets	2	0.39	0.18
			46,866.40	**41,142.82**
	(d) Financial Assets			
	Investments	3	22.49	28.69
	(e) Other non-current assets	4	2,847.30	1,206.93
			49,736.19	**42,378.44**
(2)	**Current assets**			
	(a) Inventories	5	16,775.88	19,074.94
	(b) Financial Assets			
	(i) Investments	6	246.39	72.30
	(i) Trade Receivables	7	19,083.27	11,569.15
	(ii) Cash and cash equivalents	8	33.52	32.42
	(iii) Bank balances other than (ii) above	9	1,499.97	1,036.50
	(iv) Other financial assets	10	78.82	74.46
	(c) Other current assets	11	3,847.84	3,048.62
	(d) Assets classified as held for sale	12	190.00	-
			41,755.69	**34,908.39**
	Total Assets		**91,491.88**	**77,286.83**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share capital	13	1,194.60	1,194.60
	(b) Other Equity	14	26,492.73	18,419.52
			27,687.33	**19,614.12**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	20,637.00	17,490.85
	(ii) Lease liabilities	16	82.58	-
	(b) Provisions	17	267.58	400.33
	(c) Deferred tax liabilities (Net)	18	4,297.75	3,670.62
	(d) Other Non-Current Liabilities	19	1,523.76	3,338.22
			26,808.67	**24,900.02**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	20	15,698.54	16,061.23
	(ii) Trade payables			
	- Due to MSME entities	21	28.59	60.74
	- Other than MSME entities	21	17,171.33	13,640.25
	(iii) Lease liabilities	22	62.66	-
	(iv) Other financial liabilities	23	142.38	1,331.79
	(b) Other current liabilities	24	2,202.31	1,348.40
	(c) Provisions	25	44.95	49.38
	(d) Current Tax Liabilities (Net)	26	1,695.12	280.90
			36,995.88	**32,772.69**
	Total Equity and Liabilities		**91,491.88**	**77,286.83**

Accompanying Notes form an integral part of the Financial Statements

per our report of even date
For JAMPANI & ASSOCIATES
Chartered Accountants
Firm Registration No. 016681S

Trinadha Rao Marisetty
Partner
Membership No. 207990

Place: Hyderabad
Date: 16 May, 2022

For and on behalf of the Board of Directors

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

CH Manjula
Ch. Manjula
Director
DIN:01546339

P. Anjaneyulu
Chief Financial Officer

Kishore Kathri
Company Secretary

VISHNU CHEMICALS LIMITED
Consolidated Statement of Profit and Loss for the period ended March 31 2022

₹ in lakhs

	Note No.	For the year ending March 31, 2022	For the year ending March 31, 2021
1 REVENUE			
a. Revenue from Operations	27	1,06,900.18	67,868.09
b. Other Income	28	575.75	282.30
Total Revenue		**1,07,475.93**	**68,150.39**
2 EXPENSES			
a. Cost of Materials Consumed	29	39,979.25	27,569.51
b. Purchase of stock in trade		1,506.72	-
c. Cost of Consumables	30	15,487.02	8,467.18
d. Changes in Inventories of Finished Goods and Work-in-Progress	31	1,458.58	1,217.49
e. Employee Benefit Expenses	32	4,149.70	3,428.81
f. Finance Costs	33	2,609.52	2,597.15
g. Depreciation and Amortisation Expense	2	2,298.44	2,029.77
h. Power Cost	34	4,541.94	3,136.24
i. Manufacturing Expenses	35	9,578.64	7,424.20
j. Selling & Administrative Expenses	36	14,566.27	8,750.88
k. Corporate social responsibility expneses	37	66.52	138.87
Total Expenses		**96,242.60**	**64,750.10**
3 Profit Before Tax	38	**11,233.34**	**3,400.29**
4 Tax Expense			
a. Current Tax		2,458.55	386.74
b. Tax Pertaining to earlier years		(5.26)	(136.84)
c. MAT Reversal		-	785.86
e. Deferred Tax reversal due to change in tax rate		-	(1,328.51)
f. Deferred Tax current year		640.78	243.58
		3,094.07	**(49.17)**
5 Profit / (Loss) For the Period from Continuing Operations		**8,139.27**	**3,449.46**
6 Other Comprehensive Income/ Expense		(70.19)	22.65
Less: Tax on above		(13.76)	6.83
7 Other Comprehensive Income/ Expense (Net of Taxes)		(56.43)	15.83
8 Total Comprehensive Income for the Period (5+7)		**8,082.84**	**3,465.29**
9 Earnings Per Share			
Basic & Diluted		68.13 (Annualised)	28.88 (Annualised)

Accompanying Notes form an integral part of the Financial Statements

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

Trinadha Rao Marisetty
Partner
Membership No. 207990

Place: Hyderabad
Date: 16 May, 2022

For and on behalf of the Board of Directors

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

Ch. Manjula
Director
DIN:01546339

P. Anjaneyulu
Chief Financial Officer

Kishore Kathri
Company Secretary

M/s Vishnu Chemicals Limited

Cashflow statement for the year ended March 31, 2022

₹ in lakhs

	For the year ended March 31,2022	For the year ended March 31,2021
Profit before tax	**11,233.34**	**3,400.29**
Cash flows used in / from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	2,298.44	2,029.77
Profit on sale of Property Plant and Equipment	(0.50)	(12.40)
Profit on sale of Investments	(3.64)	(0.77)
Interest income	(56.07)	(61.67)
Unwinding of interest on Interest free Security deposits received from Suppliers	5.17	(4.19)
Interest expenses	2,265.94	2,317.19
Unwinding of interest expenses on Loan from Promoter Directors	220.05	185.46
Amortisation of Processing Fees of Long Term Loans	5.85	8.90
Fair value (Gain)/ Loss on investments (net)	(20.63)	(28.20)
Obsolete Stock provision	16.80	16.55
Re-measurement of defined employee benefit plans	(70.19)	22.65
Advances and bad debts written back (Net)		52.64
Operating profit before working capital changes	**15,884.56**	**7,906.22**
Movement in working capital:		
(Increase)/Decrease in inventories	2,282.26	1,674.87
(Increase)/Decrease in trade receivables	(7,514.12)	(2,481.41)
(Increase) / Decrease in Financial & Non Financial Assets	(3,081.54)	(61.97)
(Decrease)/ Increase in trade payables	3,440.93	(118.68)
Increase/(Decrease) in Financial & Non Financial Liabilities & Provisions	(1,088.39)	483.19
Cash generated from operations	**10,011.73**	**7,402.22**
Income tax paid	(1,039.06)	(665.56)
Net cash flows used in / from operating activities (A)	**8,972.67**	**6,736.66**
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress less Capital Advances	(8,329.88)	(5,445.93)
Proceeds from Sale of Property Plant & Equipment	118.30	20.10
Investments in mutual funds	(182.10)	(10.99)
Proceeds from Sale of investments in mutual funds	212.57	60.19
Interest received	66.07	194.69
Net cash flows used in / from investing activities (B)	**(8,114.97)**	**(5,181.94)**
Net cash flows used in / from financing activities		
(Decrease)/ Increase in Long Term Borrowings	3,518.12	1,513.47
(Decrease)/ Increase in Short Term Borrowings	(815.33)	(988.98)
Interest Paid	(2,265.94)	(2,317.19)
Dividend Paid	(1,293.45)	(119.46)
Net cash flows used in/from financing activities (C)	**(856.60)**	**(1,912.06)**
Net decrease in cash and cash equivalents (A+B+C)	1.10	(357.34)
Cash and cash equivalents at the beginning of the year	32.42	389.77
Cash and cash equivalents at the year end	**33.52**	**32.42**
Components of cash and cash equivalents:		
Cash on hand	27.45	3.68
Balances with banks	6.07	28.74
Total cash and cash equivalents	**33.52**	**32.42**

As per our Report of even date

For Jampani & Associates
Chartered Accountants
Firm Regn No: 016581S

Trinadha Rao Marisetty
Partner
Membership No. 207990

Place: Hyderabad
Date: 16 May, 2022

For and on behalf of the Board of Directors

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

Ch. Manjula
Director
DIN:01546339

P. Anjaneyulu
Chief Financial Officer

Kishore Kathri
Company Secretary

VISHNU CHEMICALS LIMITED

Consolidated Statement of changes in Equity as at March 31, 2022

Note:13

a. Equity Share Capital

₹ in lakhs

Equity shares of Rs. 10 each issued, subscribed and fully paid-up	Number of shares		Amount in Rs.	
	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
Balance as at the beginning of the year	1,19,46,020	1,19,46,020	1,194.60	1,194.60
Changes in share capital during the year	-	-	-	-
Balance as at the end of the year	1,19,46,020	1,19,45,020	1,194.60	1,194.60

Note:14

b. Other Equity

For the year ended March 31, 2022

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2021	982.88	659.07	15,749.88	1,036.88	(9.19)	18,419.52
Add/(less) Profit for the year (Net of Taxes)			8,139.27			8,139.27
Add/(less) Changes during the year (net)				109.93		109.93
Add/(less) Other Comprehensive Income for the year (net of taxes)		-			(56.53)	(56.53)
Less: Dividend			119.46			119.46
Less: Corporate dividend tax						-
Less :Transfer to general reserve						-
Balance as at March 31, 2022	**982.88**	**659.07**	**23,769.69**	**1,146.81**	**(65.72)**	**26,492.73**

For the year ended March 31, 2021

	Reserves and surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2020	982.88	659.07	12,419.88	768.04	(25.01)	14,804.86
Add/(less) Profit for the year			3,449.46			3,449.46
Add/(less) Changes during the year (net)				268.84		268.84
Add/(less) Other Comprehensive Income for the year (net of taxes)					15.83	15.83
Add/(Less) Adjustment on account of discontinution of foreign operations						-
Less: Dividend			119.46			119.46
Less: Corporate dividend tax						-
Less :Transfer to general reserve				-	-	-
Balance as at March 31, 2021	**982.88**	**659.07**	**15,749.88**	**1,036.88**	**(9.19)**	**18,419.52**

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation of Financial Statements

a) Statement of Compliance

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

b) Description of the Group

The consolidated financial statements comprise financial statements of Vishnu Chemicals Limited (the 'Company'), its subsidiaries (collectively, the 'Group') for the year ended March 31, 2022. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at:
Plot No. C-23, Road No. 8, Film Nagar,
Jubilee Hills, Hyderabad – 500 096

The consolidated financial statements were authorized for publication in accordance with a resolution of the directors on May 16th, 2022.

The Group has the following investments in subsidiaries –

Name of the Entity	Principal place of business and Country of Incorporation	Investee relationship		Proportion of ownership interest	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Vishnu Barium Private Limited	India	Subsidiary	Subsidiary	100%	100%
Vishnu South Africa (Pty. Ltd.)	South Africa	Subsidiary	Subsidiary	100%	100%

As required under Consolidation of Financial Statements standards, the financial statements of the Group have been prepared in accordance with Ind AS, Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

c) Basis of Preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The consolidated financial statements have been prepared on a historical cost except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakhs, except otherwise indicated.

Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2022 and March 31, 2021.

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

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

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

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

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

d) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e) **Use of Estimates and Judgments**

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

Critical estimates and judgments in applying accounting policies

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

i) **Property, Plant and Equipment**

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

ii) **Employee Benefit Plans**

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

B. Significant Accounting Policies:

a) Property, Plant and Equipment

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

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

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

b) Intangible Assets

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

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

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

c) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet.

d) Financial Instruments

Financial instruments are classified as:

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

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

Subsequently, financial assets are measured as follows:

a) Amortized Cost

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

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

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

b) Fair Value Through Profit and Loss Account

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

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

e) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

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

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

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

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

f) Impairment of Assets

a. Non-Financial Assets

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

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

b. Financial Assets

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

g) Inventories

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

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

h) Revenue Recognition

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

The Group recognizes revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

i) Provisions

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

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

j) Borrowing Costs

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

k) Employee Benefits

The Group's contribution to Provident and Pension fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

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

Defined benefit costs are categorized as follows:

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

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

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

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

l) Foreign Currency Transactions and balances

The Group's consolidated financial statements are presented in Indian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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

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

m) Earnings Per Share

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

n) Statement of Cash Flows

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

o) Taxes on Income

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

i. Current income tax

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

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

ii. Deferred income tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

M/S VISHNU CHEMICALS LIMITED
Note 2 Property, Plant and Equipment

(₹ in lakhs)

	Tangible Assets														Intangible Assets
	Freehold land	Roads	Buildings - Factory	Buildings - Residential	Lease hold Building	Plant and equipment	Lab equipment	R & D equipment	Office equipment	Data Processing Equipment	Furniture and Fixtures	Vehicles	ROU - Vehicles	Total	Computer Software
Cost															
At April 1, 2020	1,135.10	-	9,829.60	44.25	357.23	41,774.30	176.95	354.60	221.56	84.12	194.47	613.05	-	54,795.31	17.07
Additions	-	-	834.87	5.71	-	5,892.40	-	-	38.07	24.03	22.28	190.61	-	7,107.99	-
Disposals/discard	(7.70)	-	-	-	-	(220.15)	-	-	-	-	-	-	-	(227.85)	-
March 31, 2021	**1,127.40**	**-**	**10,664.47**	**49.96**	**357.23**	**47,446.55**	**176.95**	**354.60**	**259.64**	**108.15**	**216.75**	**803.66**	**-**	**61,675.45**	**17.07**
Addition	262.99	179.30	1,272.80	-	-	8,033.79	-	-	32.11	19.57	0.73	199.51	184.45	10,185.25	0.27
Disposals/discard	-	-	(31.83)	-	-	(232.63)	(40.93)	(354.60)	(6.57)	(8.11)	(15.89)	(4.97)	-	(703.72)	-
Reclassified to assets held for sale	(190.00)	-	-	-	-	-	-	-	-	-	-	-	-	(190.00)	-
March 31, 2022	**1,200.39**	**179.30**	**11,905.44**	**49.96**	**357.23**	**55,247.71**	**136.02**	**-**	**285.18**	**119.62**	**201.59**	**998.20**	**184.45**	**70,867.08**	**17.34**
Depreciation															
At April 1, 2020	-	-	3,727.31	1.29	73.95	16,013.68	115.93	347.38	144.54	75.92	106.67	328.93	-	20,955.67	16.66
Charge for the year	-	-	341.12	2.52	37.72	1,530.20	10.99	-	35.46	6.06	12.29	55.02	-	2,029.77	-
Disposals/discarded	-	-	-	-	-	(155.53)	-	-	-	-	-	-	-	(155.53)	-
March 31, 2021	**-**	**-**	**4,068.43**	**3.81**	**111.67**	**17,388.38**	**146.52**	**347.38**	**180.00**	**81.97**	**118.96**	**383.95**	**-**	**22,829.91**	**16.89**
Charge for the year	-	1.45	324.37	0.79	37.72	1,727.05	7.65	-	40.15	12.53	13.50	90.40	42.57	2,298.38	0.06
Disposals/discarded	-	-	(15.20)	-	-	(140.18)	(48.74)	(347.38)	(6.54)	(8.04)	(15.23)	(3.76)	-	(586.13)	-
March 31, 2022	**-**	**1.45**	**4,377.54**	**2.81**	**149.39**	**18,975.25**	**105.83**	**-**	**213.61**	**86.46**	**117.23**	**470.59**	**42.57**	**24,542.50**	**16.95**
Net Block															
At March 31, 2021	**1,127.40**	**-**	**6,596.04**	**47.95**	**245.56**	**30,058.18**	**30.43**	**7.22**	**79.64**	**26.18**	**97.79**	**419.71**	**-**	**38,746.20**	**0.18**
At March 31, 2022	**1,200.39**	**177.85**	**7,527.90**	**47.15**	**207.84**	**36,272.46**	**22.39**	**-**	**71.57**	**33.16**	**84.36**	**527.61**	**141.88**	**46,324.58**	**0.39**

Capital work in progress

CWIP	As on 31st March 2022						As on 31st March 2021
	Project I	Project II	Project III	Project IV	Project V	Total	Project I
Capital Work in Progress (Civil Works)							
Capital Work in Progress at the beginning of the reporting period	208.99	-	-	-	-	208.99	71.41
Add: Additions during the year	526.66	170.79	554.87	48.54	14.88	1,315.64	463.82
Less: Capitalised during the year	703.55	146.90	554.87	26.82	14.88	1,447.02	326.24
Capital Work in Progress at the end of the reporting period (Civil Works)	**32.00**	**23.89**	**-**	**21.72**	**-**	**77.61**	**208.99**
Capital Work in Progress (Plant & Machinery)							
Capital Work in Progress at the beginning of the reporting period	2,187.44	-	-	-	-	2,187.44	1,343.99
Add: Additions during the year	4,307.85	608.62	999.23	242.84	-	6,158.54	1,483.19
Less: Capitalised during the year	6,286.00	376.97	976.35	242.84	-	7,882.16	639.73
Capital Work in Progress at the end of the reporting period (Plant & Machinery)	**209.29**	**231.65**	**22.88**	**-**	**-**	**463.82**	**2,187.45**
Total Capital Work in Progress at end of the reporting period						**541.43**	**2,396.44**

Capital work-in-progress ageing schedule for the year ending March 31, 2022 & March 31,2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
As on 31st March 2022					
Projects in Process	541.43	-	-	-	541.43
Projects temporarily suspended	-	-	-	-	-
As on 31st March 2021					
Projects in Process	1,410.17	645.41	340.06	-	2,396.44
Projects temporarily suspended	-	-	-	-	-

Note 3
NON CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at 31.03.2023	As at 31.03.2022
i. ***Non Trade Investments - Unquoted (At Fair Value)***		
Investment in Equity Instruments of other Companies		
a. Equity Shares in Kogenti Power Limited 60,000 (60,000) Nos. each ₹10/- Fully paid up, acquired at a cost of ₹ 600,000 (₹ 6,00,000)-Net of impairment recognised	0.00	0.00
b. Equity Shares in Street Drugs Private Limited 1,000 (1,000) Nos. each ₹ 10/- Fully paid up, acquired at a cost of ₹10,000 (₹10,000) - Net of impairment recognised	0.00	0.00
ii **Investments in Mutual Funds - Quoted (At fair value)**		
a. LMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,900 (49,990) Units, Cost ₹ 5,00,000 (₹ 5,00,000)	8.01	6.53
b. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost ₹ 6,35,373 (₹ 6,35,373)	9.00	8.41
c. UBI-Union Equity Savings Fund Regular Plan - 19,990 (19,990) Units Cost ₹ 1,99,990 (₹ 1,99,990)	2.64	2.40
d. Nippon (Reliance) Balanced Advantage Fund - Growth Plan - 2,352 (2,352) Units, Cost ₹ 2,00,000 (₹ 2,00,000)	2.84	2.57
e. SBI Life Smart Wealth Builder - Nil (45,085.23) Units, Cost ₹ Nil (₹7,00,000)	-	8.70
	22.49	**28.69**
Disclosures:		
Aggregate amount of Cost of Quoted Investments	15.35	22.35
Aggregate amount of market value of quoted investments	22.49	28.69
Aggregate Amount of Cost of Unquoted Investments ₹ 100 (₹ 100)	0.00	0.00

Note 4
OTHER NON-CURRENT ASSETS

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered Good:		
a. Capital Advances	1,374.10	493.00
b. Deposits	770.53	713.93
c. CSR expenses - Excess spent	190.19	-
d. Other Long Term Advances	512.48	-
	2,847.30	**1,206.93**

Note 5
INVENTORIES

Particulars	As at 31.03.2023	As at 31.03.2022
Valued at Cost or Net Realisable Value, whichever is lower:		
a. Raw Materials	3,264.61	4,351.03
b. Work-in-progress	2,988.37	3,615.19
c. Finished Goods	7,456.47	8,288.18
d. Stock-in-trade (goods acquired for trading)	398.57	289.57
e. Stores, Spares & Packing	2,849.13	1,586.39
f. Provision for obsolescence of non-moving stores	(71.23)	(54.42)
	2,777.90	1,531.97
	16,775.88	**19,874.94**

Note 6
CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at 31.03.2023	As at 31.03.2022
Valued at Cost or Net Realisable Value, whichever is lower:		
a. UBI Union Dynamic Bond Fund- Growth at fair value 1,35,521.388 units (PY 1,35,521.388 units) - Cost Rs. 22,00,000/-(PY Rs. 22,00,000/-)	26.06	25.38
b. UBI Union Small Cap Fund Regular plan- Growth at fair value 1,76,120.314 units (PY 1,76,120.314 units) - Cost Rs.23,33,906.58/- (PY Rs. 23,33,906.58/-)	51.07	37.27
c. UBI Union Flexi Cap Fund Growth plan- Growth at fair value 48,645.340 units (PY 35,029.634 Units) - Cost Rs.11,99,875/- (PY Rs 7,99,900/-)	15.96	9.39
d. UBI Union Large Cap Fund Regular plan- Growth at fair value 1,876.173 units (PY 1,876.173 units) - Cost Rs 20,000/- (PY Rs 20,000/-)	0.31	0.36
e. UBI Union Corporate Bond Fund Regular Plan Growth at fair Value 4,20,412.194 Units (PY NIL) - Cost Rs. 51,03,344/- (PY Rs. NIL)	52.59	-
f. UBI-Union Corporate Bond Fund Regular plan - 8,02,715 (Nil) Units, Cost ₹ 1,00,00,000 (₹ Nil)	100.40	-
	246.39	**72.39**
Disclosures:		
Aggregate amount of Cost of Quoted Investments	208.57	53.54
Aggregate amount of market value of quoted investments	246.39	72.30

Investments in UBI - Union corporate bond fund - regular plan (8,02,715) units is under lien with union bank of India against BG/LC issued

Note 7
CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

Particulars	As at 31.03.2023	As at 31.03.2022
a. Trade Receivables Considered Good: secured	19,083.27	11,589.15
b. Trade Receivables Considered Good; unsecured	-	-
c. Trade Receivables which have significant increase in credit risk	-	-
d. Trade Receivables - Credit impaired		
Less: Allowance for expected credit losses		
	19,083.27	**11,589.15**

Trade receivables ageing schedule as at 31 March, 2022

	Outstanding for the following periods from the due date of payment					
	Less than 6 months*	6 months to 1year	1year to 2 years	2 years to 3 years	More than 3 years	Total
Undisputed trade receivables						
a. Considered good	18,866.11	81.10	79.94	-	56.12	19,083.27
b. which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

Trade receivables ageing schedule as at 31 March, 2021

	Outstanding for the following periods from the due date of payment					
	Less than 6 months*	6 months to 1year	1year to 2 years	2 years to 3 years	More than 3 years	Total
Undisputed trade receivables						
a. Considered good	11,051.59	478.41	11.84	27.31	-	11,569.15
b. which have significant increase in credit risk	-	-	-	-	-	-
c. Credit impaired	-	-	-	-	-	-

* Includes amounts not yet due for payment

Note 8
CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

a. Cash on Hand	6.07	3.68
b. Cheques, drafts on hand	-	-
c. Balances with Banks	27.45	28.74
d. Others	-	-
	33.52	**32.42**

Note 9
CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE

a. Margin Money Deposit in Banks against LCs & BGs	1,489.96	1,023.97
b. Unpaid Dividend Accounts	10.01	12.53
	1,499.97	**1,036.50**

Note 10
CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

a. Salary and other Advances recoverable in cash or kind	39.90	29.25
b. Interest Receivable	28.88	36.21
c. Derivative Financial Instruments – Asset	-	0.12
d. TDS Receivable from NBFCS	10.04	8.88
	78.82	**74.46**

Note 11
OTHER CURRENT ASSETS

a. Advances to Suppliers	2,034.50	1,712.36
b. Balances with Government Authorities	1,140.83	1,233.97
c. Prepaid Expenses	539.22	102.29
d. CSR Expenses – Excess spent	133.29	-
	3,847.84	**3,048.62**

Note 12
Assets classified as held for sale

Assets classified as held for sale	190.00	-
	190.00	-

Disclosures:

The Group intends to dispose off freehold land, it no longer utilises in the next 12 months. No impairment loss have been recognised on reclassification of such assets as held for sale, as the Company expects that the fair value less costs to sell is higher than the related carrying value.

Note 13
EQUITY SHARE CAPITAL

Authorised Share Capital		
1,50,00,000 of equity shares of ₹10 par value	1,500.00	1,500.00
	1,500.00	**1,500.00**
Issued, Subscribed and Fully Paid-up Capital		
At the beginning of the year		
1,19,46,020 of equity shares of ₹10 par value	1,194.60	1,194.60
At the end of the year		
1,19,46,020 of equity shares of ₹10 par value	1,194.60	1,194.60
	1,194.60	**1,194.60**

Disclosures:

i. The Company has only one class of equity shares at a par value of Rs.10. All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.

ii. Names of shareholders holding more than 5% of the Share capital and their shareholding.

EQUITY SHARES

S.No.	Name of shareholder	As at 31.03.2022	As at 31.03.2021
1	Sri. Ch. Krishna Murthy - No of Shares	62,19,790	62,19,790
	- % held	52.07%	52.07
2	Smt. Ch. Manjula - No of Shares	16,14,048	16,14,048
	- % held	13.51%	13.51%
3	Sri. Ch. Siddartha - No of Shares	11,25,668	11,25,668
	- % held	9.42%	9.42%

Promoters' Shareholding

		Shares held by Promoters at the end of the year		% change during the year
S.No.	Name of the promoter	No of shares	% of total shares	
1	Sri. Ch. Krishna Murthy	62,19,790	52.07%	Nil
2	Smt. Ch. Manjula	16,14,048	13.51%	Nil
3	Sri. Ch. Siddartha	11,25,668	9.42%	Nil

Note 15

NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

A. Secured:		
1. Term Loans: From Banks	10,031.15	7,324.18
2. Long Term Maturities of Finance Lease Obligations: From Banks	196.34	164.86
B. Unsecured:		
1. Business Loans: From Banks	3.10	5.27
From NBFC'S	42.87	
Loans and Advances from Related Parties:	2,699.79	2,231.34
2. Loans from promoter directors (at amortised cost)	7,663.75	7,663.75
3. Cumulative Redeemable Preference Shares: 66637600, 7% Cumulative Redeemable Preference Shares of 10/- per value each	-	101.85
4. Inter corporate Deposits		
	20,637.00	**17,490.85**

Disclosures:

I. Loans of Holding Company:

A. Secured

(i) Term loans from Banks

S.No.	Name of the Lender	Period of maturity	Loan amount outstanding	No. of instalments outstanding	Rate of Interest	Overdue amount and period	Security
1	State Bank of India (FCTL)	Nov-2023	1,460.71	7	SOFR Plus 3.00%	-	Term Loans from banks represents loans from Consortium of Bankers - State Bank of India, Indian Overseas Bank and Union Bank of India. Term Loans are secured by charge on the assets acquired out of the term loan and charge on entire existing movable/ immovable assets of the Company. The above loans are further secured by personal guarantee of promoter directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2	Union Bank of India (TL-III)	Feb-2024	500.78	8	1 Year MCLR Plus 3%	-	
3	Union Bank of India (e-AB - FCTL)	Mar-2024	1,281.84	8	SOFR Plus 3.31%		
4	Union Bank of India (FCTL)	Feb-2024	882.42	8	SOFR Plus 3.31%	-	
5	State Bank of India (ECLGS 2.0)	Jan-2026	1,447.39	46	6 months MCLR Plus 1%	-	For Emergency Credit Line Guarantee System - 2 (ECLGS-2) term loans availed from Consortium of Bankers - State Bank of India, Indian Overseas Bank and Union Bank of India. Term loans are secured by 2nd charge on the current assets and fixed assets of the company. The above loans are further secured by personal guarantee of promoter directors and their personal assets i.e. land, plots, building and shares etc... All the above securities rank in all respects pari passu amongst the consortium of bankers.
6	State Bank of India (ECLGS 2.0 Ext)	Nov-2027	875.87	48	6 months MCLR Plus 1%		
7	Union Bank of India (ECLGS 2.0)	Nov-2025	1,341.56	44	1 Year MCLR Plus 0.60%	-	
8	Union Bank of India (ECLGS 2.0 Ext)	Nov-2027	1,328.00	48	1 Year MCLR Plus 0.60%	-	
9	Indian Overseas Bank (ECLGS 2.0)	Dec-2025	445.31	45	1 Year MCLR Plus 1%		
10	Indian Overseas Bank (ECLGS 2.0 Ext)	Nov-2027	237.00	48	1 Year MCLR Plus 1%	-	

(ii) Hire Purchase Loans (Holding and Subsidiary Companies)

The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2022 is Rs. 352.04 Lakhs (March 31, 2021: Rs 312.58 Lakhs). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:-

(₹ in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Minimum Lease Payments outstanding		
Within one Year	157.74	122.03
Later than one year and not later than five years	225.61	176.23
Future Interest on outstanding Lease payments		
Within one Year	25.14	17.36
Later than one year and not later than five years	29.26	11.77
Present Value of Minimum Lease Payments		
Within one Year	132.60	104.67
Later than one year and not later than five years	196.35	164.46

B) Unsecured Loans:

Loans from Promoter Directors:

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

C) **Cumulative Redeemable Preference Shares**

During the financial year 2017-18, the Company has issued and allotted 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of face value of Rs. 10/- each aggregating Rs. 76,63,75,000/- to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing 4,75,00,000 7% Cumulative Redeemable Preference Shares of face value of Rs. 10/- each aggregating Rs. 47,50,00,000/- and the outstanding accumulated dividend thereon up to March 31, 2017 amounting to Rs. 29,13,75,000. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31-03-2033. During the year, preference shareholders have given their consent to forego entire 6% preference dividend amounting Rs. 4,59,82,500/- for the financial year 2021-22

S.No.	Name of shareholder	As at 31.03.2022	As at 31.03.2021
1	Sri. Ch. Krishna Murthy - No of Shares - % held	7,11,21,750 92.80%	7,11,21,750 92.80%
2	Smt. Ch. Manjula - No of Shares - % Held	52,71,250 6.88%	52,71,250 6.88%
3	Sri. Ch. Siddartha - No of Shares - % held	2,44,500 0.32%	2,44,500 0.32%

II. Loans of Subsidiary Company:

A. Secured loans:

(i) Term loans from Banks

S.No.	Name of the Lender	Period of maturity	Loan amount outstanding	No. of instalments outstanding	Rate of Interest	Overdue amount and period	Security
1	Union Bank of India (TL-INR)	May-2022	9.84	1	1 Year MCLR Plus 4%	-	The above loans are secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture & fittings of the company and the loan has been guaranteed by personal guarantees of Mr. Ch. Siddartha, Managing Director and Mrs. Ch. Manjula, Executive Director of the company and Mr. Ch. Krishna Murthy, Director of the holding company Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.
2	Union Bank of India (TL - FCTL)	May-2022	38.60	1	SOFR Plus 4.50%	-	
3	Union Bank of India (TL-INR)	Dec-2028	1,229.15	24	1 Year MCLR Plus 4%	-	
4	Union Bank of India (TL - FCTL)	Dec-2028	1,052.94	24	SOFR Plus 3.00%	-	

B. Unsecured loans:

i) **Business loans:**

(i) The above unsecured business loans from various NBFC's, carries interest rate ranging from 17.00% to 18.00% p.a. The loans are repayable in 18/24 monthly equal installments and the last installment of loan is in the month of August 2023. The aggregate amount of installments outstanding (including current maturities presented in Note 20 below) as on March 31, 2022 is Rs. 193.84 Lakhs (March 31, 2021 ₹ 139.09 lakhs). There are no overdue installments or interest payable.

(ii) The above unsecured business loans from HDFC bank and IDFC First bank, carry interest rate of 17.60% and 16.50% p.a. The loans are repayable in 24/36 monthly equal installments and the last installment of respective loans fall due in the month of and June 2022 and January 2023. The aggregate amount of installments outstanding (including current maturities presented in Note 20 below) as on March 31, 2022 is Rs. 08.88 Lakhs (March 31, 2021 Rs.40.93 lakhs). There are no overdue installments or interest payable.

Note 16

LEASE LIABILITIES

a. Lease liabilities on ROU assets	83.58	-
	83.58	**-**

Note 17

NON-CURRENT PROVISIONS

Provision for Employee Benefits (Net of Fund Assets)	367.58	400.33
	367.58	**400.33**

Note 18

DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2022	As at 31.03.2021
1. **Deferred Tax Liability** Property, Plant and Equipment	4,358.59	3,750.08
2. **Deferred Tax Assets** Provisions allowable on payment basis	60.84	79.46
Net Deferred Tax Liability	**4,297.75**	**3,670.62**

Disclosures:

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Income Taxes" (Ind AS 12) issued by the Institute of Chartered Accountants of India.

The gross movement in the deferred income tax account for the financial years ended March 31, 2022 and March 31, 2021, is as follows:

a. Net deferred tax liability at the beginning	3,670.62	3,962.86
b. Accelerated depreciation for tax purposes	656.69	228.67
c. Provisions allowable on payment basis	(15.80)	14.91
d. Temporary differences on Other Comprehensive Income	(13.76)	9.83
e. Deferred tax liability (net) reversal due to new tax rate adoption	-	(1,320.51)
f. MAT Credit Entitlement		785.86
g. Net deferred tax liability at the end	**4,297.75**	**3,670.62**

Note 19

OTHER NON-CURRENT LIABILITIES

Security Deposits	1,523.76	1,338.22
	1,523.76	**1,338.22**

Note 20

CURRENT FINANCIAL LIABILITIES - BORROWINGS

A. Secured:		
Loans repayable on demand		
From Banks		
a. Working capital - Cash Credit	11,981.98	11,449.25
B. Unsecured:		
a. Loans from Promoter Directors	8.14	160.14
b. Inter Corporate Deposits	329.01	327.91
c. Other Short Term obligations	-	185.53
Current maturities of long term debt	3,034.36	2,685.07
Current maturities of finance lease obligations	347.05	249.76
	15,698.54	**15,061.23**

Disclosures:

I. Loans of Holding Company:

A) Secured Loans:

1. The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+2.25% to +5.20%. The rate of interest on convertible FCNRB demand loan ranges from Libor+250 to 400 basis points per annum.
2. Interest rate for the Bill Discounting facility ranges from 6.65% to 7.50%.
3. **Security:** Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India, Indian Overseas Bank and Andhra Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the company, and second pari passu charge on the fixed assets of the company. The directors have extended their personal assets as securities i.e. land, plots, buildings, shares etc.
4. **Guarantees:** All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:

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

II Loans of Subsidiary Company

A. Secured loans:

Cash Credit:

a) The above cash credit from Union Bank of India is repayable on demand and carries interest rate of 1 year MCLR+2.80%, currently @ 10.05%.

b) The cash credit is secured by hypothecation of all stocks and book debts of the company and the loan has been guaranteed by personal guarantee of Mr. Ch. Siddartha, Managing and Mrs. Ch. Manjula Executive Director of the company and Mr. Ch. Krishnamurthy Director of the holding company Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.

Note 21

CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Trade payables - Due to Micro Small and Medium Enterprises	26.59	30.74
Trade payables - Other parties	17,025.27	13,720.53
Trade payables - Related parties	98.06	39.72
	17,149.92	**13,790.99**

Disclosures:

The principal amount remaining unpaid as at March 31, 2022 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is ₹ 28.38 Lakhs (March 31, 2021 ₹ 58.25 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 0.20 Lakhs (March 31, 2021 ₹ 4.49 Lakhs)

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

Trade Paybles ageing schedule as at 31 March,2022

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1 – 2 years	2 – 3 years	More than 3 years	Total
Undisputed trade payables					
a. MSME	28.42	-	0.18	-	28.60
b. Others	16,571.43	542.18	7.71	-	17,121.32
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

Trade Paybles ageing schedule as at 31 March,2021

	Outstanding for the following periods from the due date of payment				
	Less than 1 year*	1 – 2 years	2 – 3 years	More than 3 years	Total
Undisputed trade payables					
a. MSME	40.18	20.56	-	-	60.74
b. Others	13,221.16	310.43	6.39	2.07	13,540.25
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-

* Includes amounts not yet due for payment.

Note 22

LEASE LIABILITIES

	As at 31.03.2022	As at 31.03.2021
Lease liabilities on ROU assets	62.66	-
	62.66	-

Note 23

OTHER CURRENT FINANCIAL LIABILITIES

Cumulative Unpaid Preference Dividend	76.64	332.90
Dividend Distribution Tax on Preference Dividend	-	675.01
Interest on Dividend Distribution Tax Payable	-	238.90
Interest Payable to others	0.49	-
Unclaimed dividends	10.00	12.51
Derivative Financial Instruments - Liability	55.29	73.16
	142.38	**1,331.75**

Note 24

OTHER CURRENT LIABILITIES

Advance from Customers	1,186.70	621.29
Creditors for Capital Expenditure	338.99	213.36
Advances received against sale of Capital Assets	410.00	210.00
Advance from others	6.59	7.23
Statutory dues Payable	259.63	296.52
	2,202.31	**1,348.40**

Note 25

CURRENT PROVISIONS

Provision for Employee Benefits (Net of Fund Assets)	44.95	49.38
	44.95	**49.38**

Note 26

CURRENT TAX LIABILITIES

Provision for Income Tax (Net of TDS)	1,695.17	283.90
	1,695.17	**283.90**

Note 27
REVENUE FROM OPERATIONS

	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Sale of Products	1,06,587.61	67,176.15
2. Other Operating Revenues		
a. Sale of Scrap	158.22	140.31
b. Testing Charges	44.25	53.49
c. Export Incentives	110.10	498.14
	312.57	691.94
	1,06,900.18	**67,868.09**

Note 28
OTHER INCOME

1. Interest Income		
a. Interest Income on bank and other deposits	66.08	81.67
b. Amortised Interest on Deposits/Loans	118.36	89.78
2. Other Non-Operating Income		
a. Insurance Claim Received	17.79	12.72
b. Profit on Sale of Investments (net)	3.64	0.77
c. Net Loss on Foreign Currency Transaction & Translation	348.19	39.02
d. Other Income	0.56	3.66
e. Fair value gain on Investments (net)	20.63	28.20
f. Profit on Sale of property, plant and equipment	0.50	26.48
	575.75	**282.30**

Note 29
COST OF MATERIAL CONSUMED

Opening Stock	4,351.03	5,049.76
Add: Purchase	38,892.83	26,860.78
Total	43,243.86	31,910.54
Less: Closing Stock	3,264.61	4,351.03
	39,979.25	**27,559.51**

Note 30
COST OF CONSUMABLES

Consumption of Petcoke	3,561.25	1,598.14
Consumption of Furnace Oil	3,638.85	2,459.53
Consumption of Husk	655.28	539.40
Consumption of Coal	6,802.98	3,269.46
Consumption of LDO/Kerosene	828.66	600.65
	15,487.02	**8,467.18**

Note 31
CHANGES IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS AND STOCK-IN-TRADE

1. **Finished Goods**		
a. Opening Stock:	8,288.18	9,635.99
b. Closing Stock:	7,456.43	8,288.18
	831.75	1,347.81
2. **Work-in-progress**		
a. Opening Stock:	3,615.19	3,484.87
b. Closing Stock:	2,988.36	3,615.19
	626.83	(130.32)
3 **Stock-in-Trade**		
a. Opening Stock:	288.57	288.57
b. Closing Stock:	288.57	288.57
	-	-
Total Decrease / (Increase)	**1,458.58**	**1,217.49**

Note 32
EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries & Wages	3,683.08	2,968.95
Contribution to Provident and Other Funds	252.45	224.81
Staff Welfare Expenses	214.17	235.05
	4,149.70	**3,428.81**

Note 33
FINANCE COSTS

Interest Expense	1,641.81	1,904.10
Interest on Others	208.92	184.24
Unwinding of Interest/Discount on Financial Instruments	343.58	272.26
Other Borrowing Costs	338.57	236.55
Preference Dividend	76.64	-
	2,609.52	**2,597.15**

Note 34
POWER COST

Power Charges	4,541.94	3,136.24
	4,541.94	**3,136.24**

Note 35
MANUFACTURING EXPENSES

Equipment Hire Charges	777.69	694.94
Consumption of Stores & Spares	2,495.19	2,099.11
Repairs & Maintenance - Buildings	237.78	119.73
Repairs & Maintenance - P & M	836.92	688.76
Labour costs	1,821.10	906.16
Factory/Godown Maintenance	616.01	429.60
Effluent Disposal Expenses	2,061.48	1,810.51
Goods Movement Charges	732.47	675.39
	9,578.64	**7,424.20**

Note 36
SELLING & ADMINISTRATIVE EXPENSES

Labour costs	43.22	29.22
Insurance	352.83	288.79
Packing Charges	2,596.44	1,877.03
Shipping & forwarding Charges	8,719.25	4,110.66
Other Selling Cost	464.47	374.07
Rent	787.60	805.77
Rates & Taxes	144.59	124.89
Bank charges	192.24	131.16
Net Loss on Foreign Currency Transaction & Translation	-	119.39
Travelling, Vehicle Maintenance & Conveyance	408.45	211.90
Professional & Consultancy Charges	331.13	253.23
Security Charges	112.99	100.66
Miscellaneous Expenses	415.06	324.11
	14,566.27	**8,750.88**

Disclosures:

Payment to statutory auditors

	For the year ended March 31, 2022	For the year ended March 31, 2021
The details of payment to statutory auditors included in Professional & Consultancy charges above, are given below		
a. As an auditor - Statutory audit fee	16.50	13.50
b. For taxation matters - Tax audit fee	5.25	3.50
c. For comapany law matters	-	-
d. For other services	4.60	3.45
e. For reimbursement of expenses	-	-
	26.35	**20.45**

Note 37

CORPORATE SOCIAL RESPONSIBILITY EXPENSES

CSR Expenses	66.52	138.87
	66.52	**138.87**
a. Gross amount required to be spent by the company during the year	66.52	55.68
b. Amount Spent during the year on the above	66.52	138.87
c. Shortfall at the end of the year	-	-
d. Total of previous year shortfall	-	-
e. Reason for shortfall	Not Appliable	Not Appliable
f. Nature of activity	* see note below	* see note below
g. Details of related party tranactions		
Contribution to a trust controlled by the company in relation to company	389.36	138.00
(i) Applicable for the current year	66.52	-
(ii) Excess amount contributed for future settoff	323.48	-
h. where a povision is made with respect to laibility incurred- movement in the provision needs to be disclosed separately	-	-

*** Note:**

Construction of old-age home through Krishna Foundation, a registered public charitable Trust

Note 38

TAX EXPENSE

a. Current Tax	2,458.55	386.74
b. Tax Pertaining to earlier years	(5.26)	(136.84)
c. MAT Reversal	-	785.86
d. Deferred Tax Prior period	-	(1,328.51)
e. Deferred Tax current year	640.78	243.58
	3,094.07	**(49.17)**

39. Group:

Vishnu Chemicals Limited has two 100% wholly owned subsidiaries – Vishnu Barium Private Limited in India and Vishnu South Africa (Pty) Ltd. in South Africa. Vishnu South Africa (Pty) Ltd., incorporated in financial year 2017-18 is yet to commence operations. Vishnu Chemicals Limited invested Rand 1,000 in equity share capital during the financial year 2019-20.

40. Contingent Liabilities and Commitments (To the Extent Not Provided for):

(Rs. in Lakhs)

S.No.	Particulars	As on 31.03.2022	As on 31.03.2021
1	**Contingent Liabilities:**		
	a. Claims against the Group not acknowledged as debt		
	II. Claims arising from disputes not acknowledged as debts-Sales Tax (against which Pre-deposit of Rs.146.79 Lakhs made (P.Y. Pre-deposit Rs.146.79 Lakhs)	**204.52**	204.52
	III. Claims arising from disputes not acknowledged as debts-Service Tax (against which Pre-deposit of Rs.17.55 Lakhs made (P.Y. Pre-deposit Rs. 17.55 Lakhs)	**652.62**	652.62
	IV. Fuel surcharge adjustment expense pertaining to the period from April, 2008 to March, 2010 was not recognised as the collection of the same was stayed by Honorable High Court of Andhra Pradesh, which is still pending for disposal.	**27.38**	27.38
	V. The Recovery Officer, Employee State Insurance Corporation, has raised a demand to pay arrears along with interest. A writ petition was filed against the same in the Honorable High court of Andhra Pradesh and is contesting the aforesaid matter. Based on internal assessment and legal advice, the Management strongly believes that matter will be decided in its favour.	**21.48**	21.48
	VI. The Assistant Commissioner (CT), LTU, Chittoor Division, Andhra Pradesh has raised a demand of ₹ 7.51 Lakhs for the period June 2017 towards excess Input Tax Credit availed and an equivalent amount towards penalty (against which pre-deposit of ₹ 0.94 Lakhs made)	**15.02**	15.02
	VII. Guarantees excluding financial guarantees	**66.48**	21.79
2	**Commitments:**		
	a. Estimated amount of contracts remaining to be executed on capital account and not provided for	**2,241.55**	1,609.58

41. Segment Reporting:

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

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

(Rs. in Lakhs)

Geographic Location	**2021-22 Revenue**	2020-21 Revenue
Domestic	52,079.70	33,118.75
Overseas	54,507.91	34,057.40

Details of Non-Current Assets* **(Rs. in Lakhs)**

Geographic Location	**As on 31.03.2022**	As on 31.03.2021
Domestic	**49,713.70**	42,349.75
Overseas	-	-

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

42. Related Party Disclosures:

a) Details of Related Parties:

Sl No	**Name of the Related Party**	**Nature of Relationship**
1	Mr. Ch. Krishna Murthy	Chairman and Managing Director, Key Management Personnel
2	Mrs.Ch. Manjula	Non-executive Director (Executive Director in Subsidiary Vishnu Barium Private Limited)
3	Mr. Ch. Siddartha	Joint Managing Director, Key Management Personnel
4	Mr. P. Anjaneyulu	Chief Financial Officer, Key Management Personnel
5	Mr. Kishore Kathri	Company Secretary, Key Management Personnel
6	Mr. Pradip Saha	Independent Director (retired on 9th November 2021)
7	Mr. Tirthankar Mitra	Independent Director (Non-executive director in Subsidiary Vishnu Barium Private Limited)
8	Mr. Chetan Shah	Independent Director (appointed on 12th February 2021)
9	Mr. V. Vimalanand	Independent Director (appointed on 31st December 2021)
10	Mr. S.Saranathan	Independent Director (retired on 2nd

		February 2021)
11	Santanu Mukherjee	Independent Director (retired on 8th Oct,2021) in Subsidiary Vishnu Barium Private Limited
12	M/s. Vasantha Transport Corporation	Concern in which Key Management Personnel is interested
13	M/s. K.M.S. Infrastructure Private Limited	Concern in which Key Management Personnel are interested
14	M/s. Vishnu Life Sciences Limited	Concern in which Key Management Personnel is interested
15	M/s. Vishnu Barium Private Limited	Wholly Owned Subsidiary
16	M/s. Vishnu South Africa (Pty) Ltd.	Wholly Owned Subsidiary
17	M/s. Krishna Foundation	Trust in which directors are Trustees and the Company is the settlor

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

Nature of Transaction	Key Management Personnel		Concerns in which Key Management Personnel are Interested	
	2021-22	2020-21	**2021-22**	2020-21
Expenses				
Remuneration	286.83	229.18		
Rent Expenses	72.24	49.47	10.00	19.50
Maintenance Charges			-	8.76
Transportation, CHA services and hire charges			2,394.75	2,392.68
Purchases			225.82	-
Sales			111.73	-
Hire Charges	4.80	4.80	119.25	112.40
Contract Service Charges			-	37.58
Receipts & Payments, Payables & Receivables Outstanding at year end				
Unsecured Loan from Promoter Directors during the year	208.28	35.00	-	-
Unsecured Loans from Promoter Directors outstanding at year end	3,015.13	2,810.80	-	-
Payables to KMP and Concerns in which KMP are interested	22.21	17.38	75.85	61.01

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

As post-employment benefits are actuarially determined on overall basis, the amount pertaining to the Key Management personnel is not ascertainable and, therefore, not included above.

During the year, the Group has paid directors sitting fees to non-executive director and independent directors as under:

Sl. No.	Director Name	2021-22	2020-21
1	Mrs. Ch. Manjula	1.00	0.60
2	Mr. Pradip Saha	1.40	1.60
3	Mr. Tirthankar Mitra	2.80	1.80
4	Mr. Chetan Shah	2.00	0.20
5	Mr. T.S.Appa Rao	-	0.40
6	Mr. S. Saranathan	-	0.20
7	Mr.Santanu Mukherjee	0.60	0.80
8	Mr. Vimalanand	0.60	-
	Total	**8.40**	**5.60**

An amount of Rs. 389.36 Lakhs (Previous Year: Rs. 138.00 Lakhs) has been contributed to Krishna Foundation during the year towards Corporate Social Responsibility.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

43. The paid-up share capital of the Company as on financial year ended March 31, 2022 and financial year ended March 31, 2021 is ₹ 8,858.35 Lakhs divided into 1,19,46,020 Equity Shares of ₹ 10/- each and 7,66,37,500 7% Cumulative Redeemable Preference Shares of ₹ 10/- each. The Public Shareholding in equity capital as on March 31, 2022 and as on March 31,2021 is 25%.

The preference shareholders have given their consent to forego 6% preference dividend of the eligible 7% preference dividend amounting ₹ 459.83 lakhs for the financial year 2021-22 and The preference shareholders have given their consent to forego 7% preference dividend amounting ₹ 536.46 lakhs for the FY 2020-21.

44. Employee Benefits:

1. Defined Contribution Plan:

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

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Contribution to Provident Fund	**132.96**	118.96
Contribution to Employee State Insurance	**4.73**	10.64

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

(Rs. in Lakhs)

	Particulars	Gratuity (Funded) 2021-22	Gratuity (Funded) 2020-21
1	**Assumptions:**		
	Discount Rate	**7.14%-7.36%**	6.57%-6.74%
	Escalation	**3%-5.50%**	3%-5.50%
2	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Present value of obligations at beginning of year	**526.10**	514.91
	Interest Cost	**33.84**	33.27
	Current Service Cost	**49.08**	46.21
	Benefits Paid	**(37.16)**	(44.95)
	Actuarial (gain)/ loss on obligation	**67.38**	(23.33)
	Present Value of obligation at end of year	**639.24**	526.10
3	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Opening fair value of plan asset	**149.80**	71.96
	Adjustment to opening Fair Value of Plan Asset	**(1.15)**	(2.37)
	Return on Plan Assets excl. interest income	**(1.37)**	1.29
	Interest Income	**10.46**	5.14
	Contributions by Employer	**194.66**	118.73
	Benefits paid	**(37.16)**	(44.95)
	Fair Value of plan Assets at end	**315.24**	149.80
4	**Net defined benefit asset/ (liability) recognized in the balance sheet**		
	Present value of defined benefit obligation	**639.24**	526.10
	Fair Value of plan Assets at end of period	**315.23**	149.80
	Net Asset/(liability) recognized in the balance sheet.	**(324.01)**	(376.31)
5	**Expenses recognized in the statement of Profit and Loss:**		

	Current service cost	**49.08**	46.22
	Net interest	**23.37**	28.12
	Expense recognized in the statement of Profit and Loss	**72.45**	74.34
6	**Other Comprehensive Income (OCI):**		
	Actuarial gain/(loss) recognized for the period	**67.38**	(23.33)
	Return on plan assets excluding net interest	**1.37**	(1.29)
	Total actuarial (gain)/ loss recognized in OCI	**68.75**	(24.62)

Sensitivity Analysis: (Rs. in Lakhs)

Particulars	**31.03.2022**		**31.03.2021**	
	Discount Rate		**Salary Escalation Rate**	
	+1%	**-1%**	**+1%**	**-1%**
Present Value of Obligation	592.76	692.18	691.64	592.40

Categories of Plan Assets: (Rs. in Lakhs)

Particulars	**31.03.2022**	31.03.2021
Gratuity Fund managed by Life Insurance Corporation of India	**315.23**	149.80

45. Earnings Per Share:

Particulars	**2021-22**	2020-21
Net Profit after Tax (Rs. in Lakhs) (a)	**8,139.27**	3,449.46
Weighted Average no. of Shares - Basic & Diluted (b)	**1,19,46,020**	1,19,46,020
Nominal value of equity share (in ` per share)	**10**	10
Earnings per Share - Basic & Diluted (Rs.) (a)/(b)	**68.13**	28.88

46. Un-hedged Foreign Currency Exposure:

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

(Rs. in Lakhs)

Particulars	**Currency**	**March 31, 2022**		**March 31, 2021**	
		Amount in Foreign Currency	**Amount in Indian Rupees**	**Amount in foreign currency**	**Amount in Indian Rupees**
Trade receivables	USD	1,69,36,654	12,836.72	95,96,375	7,015.91
Trade receivables	EURO	9,87,591	831.75	17,83,376	1,529.24
Trade payables	USD	(24,09,286)	(1,826.06)	(62,49,843)	(4,569.26)
Secured loans	USD	(1,19,18,882)	(9,033.62)	(23,83,234)	(1,742.38)
Secured loans	EURO	(8,27,400)	(696.84)	(16,67,958)	(1,430.28)

47. Analytical Ratios:

Sl. No	Ratio	Numerator	Denominator	2022	2021	Variance	Remarks
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.13	1.07	5.96%	
2	Debt-equity ratio (in times)	Total Debt	Shareholders Equity	1.32	1.71	(22.97%)	Increase was primarily on account of increase in profits
3	Debt service coverage ratio (in times)	Earnings before Debt service = Net profit after taxes + non Cash operating expenses + Interest + Other non cash adjustments (like loss on sale of fixed assets etc)	Debt service = Interest & lease payments + principle repayments	2.54	1.61	57.84%	Increase was primarily on account of increase in profits
4	Return on equity ratio (in %)	Profit for the year	Average total Equity	34.41%	19.37%	77.65%	Increase was primarily on account of increase in profits
5	Inventory Turnover ratio (in times)	Revenue from operations	Average total inventory	5.96	3.41	75.04%	Increase was primarily on account of increase in revenue
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	6.97	6.57	6.23%	
7	Trade payables turnover	Raw material purchases + Fuel purchase + Other expenses	Average trade payables	5.35	3.97	34.77	Increase was primarily on account of increase in raw material and other related expenses with proportionate revenue than average trade payables
8	Net capital turnover ratio	Revenue from operations	Average worki capital (ie., Total current assets	31.01	34.67	(10.58%)	

			less Total current liabilities)				
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	7.61%	5.08%	49.80%	Increase was primarily on account of increase in profits than increase in revenue
10	Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Debt + Deferred tax Liabilities	25.26%	13.00%	94.33%	Increase was primarily on account of increase in profits
11	Return on Investment	Income generated From invested Funds	Average invested funds in treasury investments	859.20%	624.45%	37.59%	Increase was primarily both on account of increase in revenue as well as profit of the subsidiary

48. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013-'General instructions for the preparation of consolidated financial statements':

(Rs. in Lakhs)

31st March 2022

S.No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	**Holding Company**								
	Vishnu Chemicals Limited	78.07%	21,616.48	80.15%	6,523.90	72.51%	40.92	80.21%	6,482.98
2	**Subsidiaries:**								
	Indian Subsidiaries								
	Vishnu Barium Private Limited	24.73%	6,847.57	19.85%	1,615.38	27.49%	15.51	19.79%	1,590.87
	Foreign Subsidiary								
	Vishnu South Africa (Pty) Ltd.	0.00%	(0.04)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
	Less: Consolidation	(2.80%)	(777.67)	0.00%	-	0.00%	-	0.00%	-

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISHNU CHEMICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Vishnu Chemicals Limited** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Aspects determined as KAM

1. Revenue recognition being the significant component of the operations of the consolidated financial statements, it was identified as the key audit matter. Revenue is required to be recognised in consonance with the relevant accounting methodology and as per Ind As 115 pertaining to Revenue Recognition.
   In this context, attention is drawn to Note-1.B.h) (Significant Accounting Policies) and Note-23 (Revenue from operations) of the consolidated financial statements.
   The Holding Company recognizes revenue in accordance with Ind AS115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

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

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

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

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

Emphasis of Matter

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

Our Opinion is not modified in respect of this matter.

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

FRN

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

We did not audit the financial statements / financial information of Vishnu South Africa (Pty) Limited, overseas subsidiary of the Holding Company, whose financial statements / financial information reflect total assets of ₹ 0.01 Lakhs as at 31st March, 2021, total revenues of ₹ Nil and net cash outflows amounting to ₹ 0.05 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

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

J. RAM SESH CHOUDARY
Partner
(Membership No. 202150)
UDIN: 21202150AAAABZ2433

Place: Hyderabad
Date: 19 May 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT:
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):

We have audited the internal financial controls over financial reporting of **VISHNU CHEMICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company (Holding Company and its subsidiary together referred to as "the Group") incorporated in India as of March 31, 2021 in conjunction with our audit of the financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JAMPANI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 016581S)

J. RAM SESH CHOUDARY
Partner
(Membership No. 202150)
UDIN: 21202150AAAABZ2433

Place: Hyderabad
Date: 19 May 2021

VISHNU CHEMICALS LIMITED
Consolidated Balance Sheet as at March 31, 2021

Rs. in Lakhs

	Particulars	Note No.	March 31, 2021	March 31, 2020
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	38,746.20	33,840.28
	(b) Capital work-in-progress	2	2,396.44	3,636.82
	(c) Intangible Assets	2	0.18	0.18
			41,142.82	**37,477.28**
	(d) Financial Assets			
	(i) Investments	3	100.98	121.21
	(e) Other non-current assets	4	1,206.94	1,398.09
			42,450.74	**38,996.58**
(2)	**Current assets**			
	(a) Inventories	5	19,074.04	20,766.34
	(b) Financial Assets			
	(i) Trade Receivables	6	11,569.15	9,103.64
	(ii) Cash and cash equivalents	7	32.42	389.77
	(iii) Bank balances other than (ii) above	8	1,036.50	1,149.52
	(iv) Other financial assets	9	74.46	673.48
	(c) Other current assets	10	3,048.62	2,453.55
			34,836.09	**34,536.30**
	Total Assets		**77,286.83**	**73,532.88**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share capital	11	1,194.60	1,194.60
	(b) Other Equity	12	18,419.52	14,804.86
			19,614.12	**15,999.46**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	13	17,490.85	17,419.22
	(b) Provisions	14	400.33	501.85
	(c) Deferred tax liabilities (Net)	15	3,670.62	3,962.86
	(d) Other Non-Current Liabilities	16	3,338.22	2,892.05
			24,900.02	**24,775.98**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	17	13,132.45	14,121.33
	(ii) Trade payables	18	13,700.99	13,782.94
	(iii) Other financial liabilities	19	4,260.57	2,529.57
	(b) Other current liabilities	20	1,348.40	1,586.91
	(c) Provisions	21	49.38	40.14
	(d) Current Tax Liabilities (Net)	22	280.90	696.55
			32,772.69	**32,757.44**
	Total Equity and Liabilities		**77,286.83**	**73,532.88**

Accompanying Notes form an integral part of the Financial Statements

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

J. Ram Sesh Choudary
Partner
Membership No. 202150

Place: Hyderabad
Date: 19 May 2021

For and on behalf of the Board of Directors

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

Ch. Manjula
Director
DIN:01546339

P. Anjaneyulu
Chief Financial Officer

Kishore Kathri
Company Secretary

VISHNU CHEMICALS LIMITED

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

	Note No.	Rs. in Lakhs For the year ending March 31, 2021	Rs. in Lakhs For the Year ending March 31, 2020
1 REVENUE			
a. Revenue from Operations	23	67,868.09	67,350.23
b. Other Income	24	282.30	733.75
Total Revenue		**68,150.39**	**68,083.98**
2 EXPENSES			
a. Cost of Materials Consumed	25	27,559.51	30,661.28
b. Cost of Consumables	26	8,467.18	8,349.31
c. Changes in Inventories of Finished Goods and Work-in-Progress	27	1,217.49	(545.17)
d. Employee Benefit Expenses	28	3,428.81	3,343.05
e. Finance Costs	29	2,507.15	3,577.00
f. Depreciation and Amortisation Expense	2	2,029.77	2,019.01
g. Power Cost		3,136.24	3,158.18
h. Manufacturing Expenses	30	7,424.20	6,595.23
i. Selling & Administrative Expenses	31	8,750.88	7,718.83
j. Corporate Social Responsibility Expenses	32	138.87	176.58
Total Expenses		**64,750.10**	**65,053.30**
3 Profit Before Tax (1+2)		**3,400.29**	**3,030.68**
4 Tax Expense	33		
a. Current Tax		386.74	554.51
b. Tax Pertaining to earlier years		(136.84)	59.39
c. MAT Reversal		785.86	-
d. MAT Credit Entitlement		-	(141.93)
e. Deferred Tax reversal due to change in tax rate		(1,328.51)	-
f. Deferred Tax current year		243.58	335.82
		(49.17)	**807.77**
5 Profit For the Year from Continuing Operations (3-4)		**3,449.46**	**2,222.91**
6 Other Comprehensive Income/ Expense		22.65	84.96
Less: Tax on above		6.83	30.21
7 Other Comprehensive Income/ Expense (Net of Taxes) (6-7)		15.83	54.75
8 Total Comprehensive Income for the Period (5+7)		**3,465.29**	**2,277.66**
9 Earnings Per Share			
Basic & Diluted		28.88 (Annualised)	18.61 (Annualised)

Accompanying Notes form an integral part of the Financial Statements

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

J. Ram Sesh Choudary
Partner
Membership No. 202150

Place: Hyderabad
Date: 19 May 2021

For and on behalf of the Board of Directors

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

Ch. Manjula
Director
DIN:01546339

P. Anjaneyulu
Chief Financial Officer

Kishore Kathri
Company Secretary

VISHNU CHEMICALS LIMITED
Consolidated Statement of Cash Flow

Rs. In Lakhs

Particulars	2020-21	2019-20
Profit before tax	**3,400.29**	**3,030.68**
Cash flows used in / from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	2,029.77	2,019.01
Profit on sale of Property Plant and Equipment	(12.40)	(0.69)
Profit on sale of Investments	(0.77)	2.30
Interest income	(81.67)	(135.24)
Unwinding of Interest income on Interest free Security deposits received from Suppliers	(89.78)	(295.41)
Interest expenses	2,317.19	3,126.27
Unwinding of interest expenses on Loan from Promoter Directors.	185.46	185.41
Unwinding of interest expenses on Interest free Security deposits received from suppliers.	85.60	255.15
Amortisation of Processing Fees of Long Term Loans.	8.90	10.18
Fair value (Gain)/ Loss on investments (net)	(28.20)	(1.92)
Obsolete Stock provision	16.54	14.38
Re-measurement of defined employee benefit plans	22.65	84.96
Provision for Bad/doubtful debts	15.90	(41.25)
Advances and bad debts written back (Net)	36.74	(11.47)
Operating profit before working capital changes	**7,906.22**	**8,242.34**
Movement in working capital:		
(Increase)/Decrease in inventories	1,674.87	(1,834.86)
(Increase)/Decrease in trade receivables	(2,481.41)	1,238.51
(Increase) / Decrease in Financial Assets (Current)	599.02	(611.84)
(Increase) / Decrease in Other Assets (Current)	(595.07)	933.57
(Increase) / Decrease in Other Assets (Non-Current)	(65.92)	38.59
(Decrease)/ Increase in trade payables	(118.68)	(96.19)
(Decrease)/ Increase in Financial Liabilities (Current)	94.79	62.30
(Decrease)/ Increase in Provisions (Current)	9.25	7.69
(Decrease)/ Increase in Provisions (Non-Current)	(101.53)	(63.98)
(Decrease)/ Increase in Other Liabilities (Current)	(238.51)	(928.92)
(Decrease)/ Increase in Other Liabilities (Non-Current)	719.20	(861.92)
Cash generated from operations	**7,402.21**	**6,123.40**
Income tax paid	(665.56)	(1,200.91)
Net cash flows used in / from operating activities (A)	**6,736.65**	**4,922.58**
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress less Capital Advances	(5,445.93)	(2,908.41)
Proceeds from Sale of Property Plant & Equipment	20.10	1.85
Net Investments in mutual funds	(10.42)	(33.55)
Proceeds from Sale of Investments	59.62	36.23
Movement in Other Bank Balances	113.02	265.33
Interest received	81.67	135.24
Net cash flows used in / from investing activities (B)	**(5,181.94)**	**(2,203.31)**

VISHNU CHEMICALS LIMITED
Consolidated Statement of Cash Flow

Rs. In Lakhs

Particulars	2020-21	2019-20
Net cash flows used in / from financing activities		
(Decrease)/Increase in Long Term Borrowings	1,513.47	(473.33)
(Decrease)/Increase in Short Term Borrowings	(988.88)	1,362.66
Interest Paid	(2,317.19)	(3,126.27)
Dividend Paid	(119.46)	(119.46)
Tax on dividend	-	(24.56)
Net cash flows used in/from financing activities (C)	**(1,912.06)**	**(2,361.06)**
Net decrease in cash and cash equivalents (A+B+C)	(357.35)	358.21
Cash and cash equivalents at the beginning of the year	389.77	31.56
Cash and cash equivalents at the year end	**32.42**	**389.77**
Components of cash and cash equivalents:		
Cash on hand	3.68	7.43
Balances with banks	28.74	382.33
Total cash and cash equivalents	**32.42**	**389.77**

As per our Report of even date

J. Ram Sesh Choudary

Partner
Membership No. 202150

Ch. Krishna Murthy
Chairman & Managing Director
DIN:00030274

Ch. Manjula
Director
DIN:01546339

P. Anjaneyulu
Chief Financial Officer

Kishore Kathri
Company Secretary
FCS-9845

Place: Hyderabad
Date: 19 MAY 2021

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

a. Equity Share Capital

(Rs. in Lakhs)

Equity shares of Rs. 10 each issued, subscribed and fully paid-up	Number of shares		Rs. in Lakhs	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance as at the beginning of the year	1,19,46,020	1,19,46,020	1,194.60	1,194.60
Changes in share capital during the year	-	-	-	-
Balance as at the end of the year	1,19,46,020	1,19,46,020	1,194.60	1,194.60

Note:12
b. Other Equity
For the year ended March 31, 2021

	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effect of Amortization of Interest free loans from Promoter Directors	Remeasurement of Net Defined Benefit Plans	
Balance as at April 01, 2020	982.88	659.07	12,419.88	768.04	(25.01)	14,804.86
Add/(less) Profit for the year (Net of Taxes)			3,449.46			3,449.46
Add/(less) Changes during the year (net)				268.84		268.84
Add/(less) Other Comprehensive Income for the year (net of taxes)					15.83	15.83
Less: Dividend		-	119.46			119.46
Balance as at March 31, 2021	982.88	659.07	15,749.88	1,036.87	(9.19)	18,419.52

For the year ended March 31, 2020

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

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation of Financial Statements

a) Statement of Compliance

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

b) Description of the Group

The consolidated financial statements comprise financial statements of Vishnu Chemicals Limited (the 'Company'), its subsidiaries and step-down subsidiary (collectively, the 'Group') for the year ended March 31, 2021. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at:
Plot No. C-23, Road No. 8, Film Nagar,
Jubilee Hills, Hyderabad – 500 033

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

The Group has the following investments in subsidiaries –

Name of the Entity	Principal place of business and Country of Incorporation	Investee relationship		Proportion of ownership interest	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Vishnu Barium Private Limited	India	Subsidiary	Subsidiary	100%	100%
Vishnu South Africa (Pty. Ltd.)	South Africa	Subsidiary	Subsidiary	100%	100%
Vishnu Renewable Energy Private Limited*	India	Step-down Subsidiary	Step-down Subsidiary	-	100%

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

As required under Consolidation of Financial Statements standards, the financial statements of the Group have been prepared in accordance with Ind AS, Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

c) Basis of Preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The consolidated financial statements have been prepared on a historical cost except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakhs, except otherwise indicated.

Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2021 and March 31, 2020.

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

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

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

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

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

d) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e) **Use of Estimates and Judgments**

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

Critical estimates and judgments in applying accounting policies

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

i) **Property, Plant and Equipment**

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

ii) Employee Benefit Plans

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

B. Significant Accounting Policies:

a) Property, Plant and Equipment

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

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

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

b) Intangible Assets

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

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

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

c) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

d) Financial Instruments

Financial instruments are classified as:

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

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

Subsequently, financial assets are measured as follows:

a) Amortized Cost

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

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

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

b) Fair Value Through Profit and Loss Account

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

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

e) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

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

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

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

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

f) Impairment of Assets

a. Non-Financial Assets

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

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

b. Financial Assets

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

g) Inventories

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

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

h) Revenue Recognition

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

The Group recognizes revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". The core principle of the standard is that an entity should recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

i) Provisions

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

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

j) Borrowing Costs

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

k) Employee Benefits

The Group's contribution to Provident and Pension fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

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

Defined benefit costs are categorized as follows:

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

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

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

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

l) Foreign Currency Transactions and balances

The Group's consolidated financial statements are presented in Indian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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

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

m) Earnings Per Share

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

n) Statement of Cash Flows

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

o) Taxes on Income

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

i. Current income tax

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

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

ii. Deferred income tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

p) New standards and interpretations not yet adopted

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

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

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

Note 1

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

in Rs. Lakhs

	Tangible assets												Intangible Assets
	Freehold Land	Buildings-Residential	Buildings-Factory	Improvements to Leasehold Buildings	Plant and Machinery	Office Equipment	Data Process Equipment	Furniture and Fixtures	Vehicles	R&D Equipment	Lab Equipment	Total	Computer software
Cost													
At April 1, 2019	985.10	44.25	9,719.70	356.72	41,238.82	220.95	77.44	191.37	575.79	354.69	176.95	53,901.77	17.07
Additions	150.00	-	109.90	0.51	548.53	10.41	6.68	3.10	45.53	-	-	914.86	-
Disposals/discard	-	-	-	-	13.07	-	-	-	8.26	-	-	21.33	-
March 31, 2020	1,135.10	44.25	9,829.60	357.23	41,774.28	231.36	84.12	194.47	613.06	354.69	176.95	54,795.31	17.07
Additions	-	5.71	834.87	-	5,992.42	38.07	24.03	22.28	190.61	-	-	7,107.99	-
Disposals/discard	7.70	-	-	-	320.15	-	-	-	-	-	-	327.85	-
March 31, 2021	1,127.39	49.96	10,664.47	357.23	47,444.55	269.64	108.16	216.75	803.66	354.69	176.95	61,575.45	17.07
Depreciation													
At April 1, 2019	-	0.59	3,387.96	36.27	14,493.32	112.14	71.86	94.59	103.10	347.36	121.42	18,948.61	16.89
Charge for the year	-	0.70	338.35	37.47	1,525.31	32.41	4.06	12.28	32.72	-	14.51	2,019.01	-
Disposals/discard	-	-	-	-	5.49	-	-	-	7.10	-	-	12.59	-
At March 31, 2020	-	1.29	3,727.31	73.93	16,013.14	144.54	75.92	106.87	128.73	347.36	135.93	20,955.03	16.89
Charge for the year	-	0.72	341.13	37.72	1,130.84	35.46	6.05	12.29	55.02	-	10.59	2,029.81	-
Disposals/discard	-	-	-	-	155.59	-	-	-	-	-	-	155.59	-
At March 31, 2021	-	2.01	4,068.42	111.67	17,388.38	180.00	81.97	119.16	383.74	347.36	146.52	22,829.25	16.89
Net Block													
At March 31, 2021	1,127.39	47.95	6,596.05	245.56	30,058.17	89.64	26.19	97.59	419.92	7.33	30.42	38,746.20	0.18
At March 31, 2020	1,135.10	42.96	6,102.30	283.28	25,761.14	87.02	8.21	87.60	484.33	7.33	41.02	33,840.28	0.18

Capital work in progress

	Civil works under construction	Plant & machinery under erection	Pre-Operative Exp., Pending Capitalisation	Total
At April 1, 2019	244.34	1,579.58	94.92	1,909.25
Additions	4.21	2,337.69	-	2,341.89
Capitalisations	109.90	536.43	-	644.33
March 31, 2020	138.66	3,380.26	94.92	3,639.82
Additions	759.22	3,854.00	-	4,613.25
Capitalisation	708.89	5,051.83	94.92	5,855.63
March 31, 2021	209.00	2,187.44	-	2,396.44

Note 3
NON CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	Rs. in Lakhs March 31, 2021	Rs. in Lakhs March 31, 2020
I. ***Non Trade Investments - Unquoted (At Fair Value)***		
i **Investment in Equity Instruments of other Companies**		
a. Equity Shares in Koganti Power Limited (60,000 (60,000) Nos. each Rs.10/- Fully paid up, acquired at a cost of Rs.600,000)- Net of impairment recognised. (Rs. 100 (Rs. 100))	0.00	0.00
b. Equity Shares in Sireen Drugs Private Limited (1,000 (1,000) Nos. each Rs.10/- Fully paid up, acquired at a cost of Rs.10,000) - Net of impairment recognised. (Rs. 100 (Rs. 100))	0.00	0.00
ii **Investments in Mutual Funds**		
a. UMRG-Union Large & Midcap Fund Regular Plan - Growth - 49,990 (49,990) Units, Cost Rs. 4,99,900 (Rs. 4,99,900)	6.53	3.79
b. UBI -Union Balanced advantage fund regular plan - growth- 60,339 (60,339) Units, Cost Rs.6,35,373 (Rs. 6,35,373)	8.41	5.76
c. UBI-Union Equity Savings Fund Regular Plan 19,990 (19,990) Units, Cost Rs. 1,99,900 (Rs. 1,99,900)	2.40	2.00
d. UBI-Union Corporate Bond Fund Regular plan - Nil (5,00,000) units, Cost Rs.Nil (Rs. 50,00,000)		55.71
e. Nippon (Reliance) Balanced Advantage Fund Growth Plan - 2,357 (2,252) Units, Cost Rs.2,00,000 (Rs. 2,00,000)	2.57	1.85
f. SBI Life Smart Wealth Builder - 45,085 (64,364) Units, Cost Rs 7,00,000 (Rs. 10,00,000)	8.70	11.84
g. UBI Union Dynamic Bond Fund- Growth at fair value 1,35,521 (1,35,521) units, Cost Rs.22,00,000 (Rs.22,00,000)	25.38	23.97
h. UBI Union Small Cap Fund Regular plan Growth at fair value 1,76,170 (1,50,866) units, Cost Rs 23,33,907 (Rs.20,33,907)	37.27	16.15
i. UBI Union Large Cap Fund Regular plan Growth at fair value 1,876 (1,876) units, Cost Rs. 20,000 (Rs.20,000)	0.26	0.16
j. UBI Union Flexi Cap Fund Growth plan- Growth at fair value 35,030 units (Nil), Cost Rs. 7,99,900 (Rs. Nil)	9.39	-
	100.98	**121.21**
Disclosures:		
Aggregate amount of Cost of Quoted Investments		
Aggregate amount of market value of quoted investments	75.89	117.69
Aggregate amount of Cost of Unquoted Investments (Rs. 100 (Rs. 100))	100.98	121.21
Investment in UBI Union Dynamic Bond Fund - Growth (1,35,521 units) is under lien with Union Bank of India against BG/LC issued.	0.00	0.00

Note 4
OTHER NON-CURRENT ASSETS

Unsecured, Considered Good:		
a. Capital Advances	493.01	750.08
b. Deposits	713.93	648.00
	1,206.94	**1,398.09**

Note 5
INVENTORIES

Valued at Cost or Net Realisable Value, whichever is lower		
a. Raw Materials (including stock at yard Rs. 830.15 Lakhs (March 31, 2020 - Rs. 1,207.21	4,351.03	5,089.76
b. Work-in-progress	3,615.19	3,484.87
c. Finished Goods	8,288.18	9,635.99
d. Stock-in-trade	288.57	288.57
e. Stores, Spares & Packing	7,586.38	7,345.03
less: Provision for obsolescence of non-moving stores	(54.42)	(37.88)
	19,074.94	**20,766.34**

Note 6
CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

a. Unsecured, Considered Good	11,569.15	9,103.64
	11,569.15	**9,103.64**

Note 7
CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

a. Balances with Banks	28.74	382.33
b. Cash on Hand	3.68	7.43
	32.42	**389.77**

Note 8
CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE

a. Margin Money Deposit in Banks against LCs & BGs	1,023.97	1,139.12
b. Unpaid Dividend Accounts	12.53	10.40
	1,036.50	**1,149.52**

Note 9
CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

a. Staff and other Advances recoverable in cash or kind	29.26	35.21
b. Interest Receivable	36.21	44.87
c. Derivative Financial Instruments - Asset	0.12	593.40
d. TDS Receivable from NBFCs	8.08	-
	74.46	**673.48**

Note 10
OTHER CURRENT ASSETS

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

Note 11
EQUITY SHARE CAPITAL

Authorised Share Capital		
1,50,00,000 Equity Shares of 10/- par value	1,500.00	1,500.00
	1,500.00	**1,500.00**
Issued, Subscribed and Fully Paid-up Capital		
At the beginning and close of the year		
1,19,46,020 Equity Shares of 10/- par value each	1,194.60	1,194.60
	1,194.60	**1,194.60**

Disclosures:

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

EQUITY SHARES

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

Note 13
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

A. Secured:		
1. Term Loans		
From Banks	7,324.18	6,562.71
2. Long Term Maturities of Finance Lease Obligations:		
a. From Banks	164.46	4.12
b. From NBFCs	-	15.66
B. Unsecured:		
1. Business Loans		
a. From Banks	5.22	38.48
b. From NBFC'S		121.78
Loans and Advances from Related Parties:		
2. Loans from promoter directors (at amortised cost)	2,231.33	2,314.71
3. Cumulative Redeemable Preference Shares 76637500; 7% Cumulative Redeemable Preference Shares of 10/- par value each	7,663.75	7,663.75
4. Inter corporate Deposits	101.85	700.00
	17,490.85	**17,419.37**

Disclosures:

I. Loans of Holding Company:

A. Secured

i. Term Loans from Banks

1. Term loans from banks represents loans from consortium of bankers - State Bank of India, Indian Overseas Bank and Union Bank of India. Term loans are secured by charge on the assets acquired out of the term loan and charge on entire existing movable/ immovable assets of the Company. The above loans are further secured by personal guarantee of promoter directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2. For Emergency Credit Line Guarantee System-2 (ECLGS-2) term loan availed from consortium of bankers - State Bank of India, Indian Overseas Bank and Union Bank of India, the term loans are secured by 2nd charge on the current assets and fixed assets of the Company. The above loans are further secured by personal guarantee of promoter directors and their personal assets i.e., land, plots, buildings, shares etc., All the above securities rank in all respects pari passu amongst the consortium of bankers.
3. The term loans are repayable in predetermined periodic instalments extending up to 5 years period from the date of respective loan. These are repayable by 2025-26. Interest rate on convertible Foreign Currency Term Loans (FCTL) range from Libor+2.56% to 5.40% per annum and the Term loans carry interest rate of 11.05% to 13.75% p.a. Apart from this the Company has availed Covid Emergency Line of Credit (CELC) carrying interest rate ranging from 7.75% to 8% and Emergency Credit Line Guarantee System-2 (ECLGS-2) carrying interest rate ranging from 7.80% to 8.45%. The aggregate amount of instalments outstanding as on March 31, 2021 is Rs. 8,754.31 lakhs (March 31, 2020 Rs. 7,070.60 Lakhs).

B. Hire Purchase Loans (Holding and Subsidiary Companies)

The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2021 is Rs. 312.50 Lakhs (March 31, 2020 Rs.207.72 Lakhs). The company had capitalised the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease. The details are as follows:

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

B) Unsecured Loans:

I. **Loans from Promoter Directors:**

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

C) Cumulative Redeemable Preference Shares

During the financial year 2017-18, the Company has issued and allotted 7,66,37,500 7% Cumulative Redeemable Preference Shares (CRPS) of face value of Rs. 10/- each aggregating Rs. 76,63,75,000/- to the existing 7% Cumulative Redeemable Preference Shareholders in lieu of their existing 4,75,00,000 7% Cumulative Redeemable Preference Shares of face value of Rs. 10/- each aggregating Rs. 47,50,00,000/- and the outstanding accumulated dividend thereon up to March 31, 2017 amounting to Rs. 29,13,75,000. The redemption tenure has also been extended from 10 to 15 years and are now redeemable by 31-03-2033. During the year, preference shareholders have given their consent to forego entire 7% preference dividend amounting Rs 5,36,46,250/- for the financial year 2020-21.

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

II. Loans of Subsidiary Company:

A. Secured loans:

i. Term loans from Banks:

a) The above secured term loan from Union Bank of India, Mid Corporate Branch, Jubilee Hills, carries interest rate of one year MCLR+4.20%, currently @ 12.30%. The loan is repayable in 24 quarterly equal instalments and matures in the year 2022-23. The aggregate amount of installments outstanding (including current maturities presented in Note 19 below) as on March 31, 2021 is ₹ 229.65 Lakhs (March 31, 2020 ₹ 417.85 Lakhs). There are no over due installments or interest payable.

b) This loan is secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture & fittings of the company and the loan has been guaranteed by personal guarantees of Mr. Ch. Siddartha, Managing Director and Mrs. Ch. Manjula, Executive Director of the company and Mr. Ch. Krishna Murthy, Director of the holding company-Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishna Murthy.

B. Unsecured loans:

i) **Business loans:**

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

(ii) The above unsecured business loans from HDFC bank and IDFC First bank, carry interest rate of 17.00% and 16.50% p.a respectively. The loans are repayable in 36 monthly equal installments and the last installment of respective loans fall due in the month of January 2022 and June 2022 respectively. The aggregate amount of installments outstanding (including current maturities presented in Note 18 below) as on March 31, 2021 is ₹ 40.33 Lakhs (March 31, 2020 ₹ 74.09 lakhs). There are no overdue installments or interest payable.

Note 14

NON-CURRENT PROVISIONS

Provision for Employee Benefits (Net of Fund Assets)	400.33	501.85
	400.33	**501.85**

Note 15
DEFERRED TAX LIABILITIES (NET)

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

Disclosures:
Deferred Tax has been provided in accordance with the Accounting Standard on "Income Taxes" (IND AS 12) issued by the Institute of Chartered Accountants of India. The details of deferred tax assets and liabilities of the Company as on the date of Balance Sheet are as given above:

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

Particulars	March,31 2021	March,31 2020
a. Net deferred tax liability at the beginning	3,962.86	3,738.77
b. Accelerated depreciation for tax purposes	228.67	342.28
c. Provisions allowable on payment basis	14.91	(6.46)
d. Temporary differences on Other Comprehensive Income	6.83	30.21
e. Deferred tax liability (net) reversal due to new tax rate adoption	(1,828.51)	-
f. MAT Credit Entitlement	785.86	(141.94)
g. Net deferred tax liability at the end	**3,670.62**	**3,962.86**

Note 16
OTHER NON-CURRENT LIABILITIES

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

Note 17
CURRENT FINANCIAL LIABILITIES - BORROWINGS

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

Disclosures:
I. Loans of Holding Company:
A) Secured Loans:

1. The Rate of interest for loans repayable on demand from consortium of banks ranges from MCLR+2.75% to +5.50%. The rate of interest on convertible FCNRB demand loan ranges from Libor+3.25% to 5.75% per annum.
2. Interest rate for the Bill Discounting facility ranges from 6.60% to 10.30%.
3. **Security:**
   Working Capital Loans from Consortium Bankers consisting of State Bank of India, Union Bank of India and Indian Overseas Bank and are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the company, and second pari passu charge on the fixed assets of the company. The promoter directors have extended their personal assets as securities i.e. land, plots, buildings, shares etc.
4. **Guarantees:**
   All the above loans are guaranteed by the Promoter Directors.

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

II. Loans of Subsidiary Company

A. Secured loans:
Cash Credit:

a) The above cash credit from Union Bank of India is repayable on demand and carries interest rate of 1 year MCLR+3.70%, currently @ 11.80%.

b) The cash credit is secured by hypothecation of all stocks and book debts of the company and the loan has been guaranteed by personal guarantee of Mr. Ch. Siddartha, Managing Director and Mrs. Ch. Manjula, Executive Director of the company and Mr. Ch. Krishna Murthy, Director of the holding company, Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishna Murthy.

Note 18

CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

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

Disclosures:

The principal amount remaining unpaid as at 31.03.2021 in respect of enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) is Rs.33.98 Lakhs (31.03.2020 - Rs.29.78 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is Rs.4.49 Lakhs (31.03.2020 - Rs. 8.90 Lakhs)

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

Note 19

OTHER CURRENT FINANCIAL LIABILITIES

	March 31, 2021	March 31, 2020
a. Current maturities of long term debt	2,685.02	941.50
b. Current maturities of finance lease obligations	104.67	98.62
c. Unsecured Loans from NBFCs	139.09	252.05
d. Interest Accrued on Term Loans and Working Capital Borrowings	-	41.86
e. Cumulative Unpaid Preference Dividend	332.50	332.50
f. Dividend Distribution Tax on Preference Dividend	676.61	676.61
g. Interest on Dividend Distribution Tax Payable	238.99	166.88
h. Unclaimed dividends	12.53	10.40
i. Derivative Financial Instruments - Liability	71.15	8.74
	4,260.57	**2,529.57**

Note 20

OTHER CURRENT LIABILITIES

a. Advance from Customers	621.29	1,173.60
b. Creditors for Capital Expenditure	213.35	199.79
c. Advance received against sale of land	210.00	
d. Advance from others	7.23	7.75
e. Statutory dues Payable	296.52	205.78
	1,348.40	**1,586.91**

Note 21

CURRENT PROVISIONS

Provision for Employee Benefits (Net of Fund Assets)	49.38	40.14
	49.38	**40.14**

Note 22

CURRENT TAX LIABILITIES

Provision for Income Tax (Net)	280.90	696.55
	280.90	**696.55**

Note 23

REVENUE FROM OPERATIONS

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

Note 24

OTHER INCOME

1. Interest Income		
a. Interest Income on bank and other deposits	81.67	135.24
b. Amortised Interest on Deposits/Loans	89.78	295.41
2. Other Non-Operating Income		
a. Insurance Claim Received	12.72	37.68
b. Profit on Sale of Investments (net)	0.77	-
c. Profit on Sale of Property, Plant and Equipment (net)	26.48	2.03
d. Net Gain on Foreign Currency Translation and Transactions	39.02	208.74
e. Balances Written back (net)	-	52.73
f. Other Income	3.66	-
g. Fair value gain on investments (net)	28.20	1.92
	282.30	**733.75**

Note 25

COST OF MATERIAL CONSUMED

a. Opening Stock	5,049.76	3,977.86
b. Add: Purchases	26,860.78	31,733.18
c. Total	31,910.54	35,711.04
d. Less: Closing Stock	4,351.03	5,049.76
	27,559.51	**30,661.28**

Note 26

COST OF CONSUMABLES

a. Consumption of Petcoke	1,598.14	1,525.46
b. Consumption of Furnace Oil	2,459.53	1,729.73
c. Consumption of Husk	539.40	814.61
d. Consumption of Coal	3,269.46	3,631.75
e. Consumption of LDO/Kerosene/Diesel	600.65	647.76
	8,467.18	**8,349.31**

Note 27

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

1. **Finished Goods**		
a. Opening Stock:	9,635.99	9,208.82
b. Closing Stock:	8,288.18	9,635.99
	1,347.81	(427.17)
2. **Work-in-progress**		
a. Opening Stock:	3,484.87	3,366.87
b. Closing Stock:	3,615.19	3,484.87
	(130.32)	(118.00)
3. **Stock-in-Trade**		
a. Opening Stock:	288.57	288.57
b. Closing Stock:	288.57	288.57
	-	-
Total Decrease / (Increase)	**1,217.49**	**(545.17)**

Note 28

EMPLOYEE BENEFITS EXPENSE

a. Salaries & Wages	2,968.95	2,953.80
b. Contribution to Provident and Other Funds	224.81	216.62
c. Staff Welfare Expenses	235.05	172.62
	3,428.81	**3,343.05**

Note 29
FINANCE COSTS

a. Interest Expense		
b. Interest on Others	1,577.38	2,008.14
c. Unwinding of Interest/Discount on Financial Instruments	510.97	729.44
d. Other Borrowing Costs	272.26	442.30
	236.55	397.13
	2,597.15	**3,577.00**

Note 30
MANUFACTURING EXPENSES

a. Equipment Hire Charges		
b. Consumption of Stores & Spares	694.94	528.51
c. Repairs & Maintenance - Buildings	2,099.11	1,806.14
d. Repairs & Maintenance - Plant & Machinery	119.73	95.15
e. Labour costs	688.76	650.46
f. Factory/Godown Maintenance	906.16	966.90
g. Effluent Disposal Expenses	428.59	324.61
h. Goods Movement Charges	1,810.51	1,581.17
	675.38	642.30
	7,424.20	**6,595.23**

Note 31
SELLING & ADMINISTRATIVE EXPENSES

a. Labour costs - Others		
b. Insurance	29.22	28.70
c. Packing Charges	288.79	159.31
d. Shipping & forwarding Charges	1,877.03	1,823.22
e. Other Selling Cost	4,110.66	2,957.83
f. Rent	374.07	544.13
g. Rates & Taxes	805.77	661.33
h. Bank charges	124.89	123.42
i. Net Loss on Foreign Currency Transaction & Translation	131.16	344.13
j. Traveling, Vehicle Maintenance & Conveyance	119.39	-
k. Professional & Consultancy Charges	211.90	418.50
l. Security Charges	253.24	216.47
m. Miscellaneous Expenses	100.66	94.55
n. Loss on Sale of Investments	324.11	344.95
		2.30
Disclosures:	**8,750.88**	**7,718.83**

Payments to Statutory Auditors -

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

Note 32
CORPORATE SOCIAL RESPONSIBILITY EXPENSES

a. Water Treatment Plant & Swachh Bharat		
b. Donation for Old Age Home infrastructure development		1.04
c. COVID-19 Relief Measures	138.00	174.67
d. Environmental sustainability	0.87	
		0.87
CSR Expenses	**138.87**	**176.58**
a. Gross amount required to be spent by the company during the year	35.51	33.51
b. Amount Spent during the year on the above	138.87	176.58

Note 33
TAX EXPENSE

a. Current Tax for the year		
b. Prior period Income tax expense recognised during the year	386.74	554.51
c. MAT Credit entitlement relating to earlier years	(136.84)	59.39
d. MAT Reversal due to Change in Tax Rate	-	(141.93)
Deferred Tax reversal due to change in tax rate	785.00	-
e. /Prior period Deferred Tax	(1,328.51)	
f. Deferred Tax for the year		-
	243.58	335.82
	(49.17)	**807.77**

34. Group:

Vishnu Chemicals Limited has two 100% wholly owned subsidiaries – Vishnu Barium Private Limited in India and Vishnu South Africa (Pty) Ltd. in South Africa. Vishnu South Africa (Pty) Ltd., incorporated in financial year 2017-18 is yet to commence operations. Vishnu Chemicals Limited invested Rand 1,000 in equity share capital during the financial year 2019-20. Vishnu Renewable Energy Private Limited is a step-down subsidiary of Vishnu Chemicals Limited, and a wholly owned subsidiary of Vishnu Barium Private Limited. There are no operations in Vishnu Renewable Energy Private Limited since inception. Vishnu Renewable Energy Private Limited filed an application with the Ministry of Corporate Affairs (MCA) on January 09, 2021 for voluntary strike-off and is pending with MCA. Pending strike-off by MCA, Vishnu Barium Private Limited has written-off the investment of Rs. 1.00 Lakhs during the year.

35. Contingent Liabilities and Commitments (To the Extent Not Provided for):

(Rs. in Lakhs)

S.No.	Particulars	As on 31.03.2021	As on 31.03.2020
I	**Contingent Liabilities:**		
	a. Claims against the Group not acknowledged as debt		
	I. Claims arising from disputes not acknowledged as debts - Income Tax (against which Pre-deposit of Rs. Nil Lakhs made (P.Y. Pre-deposit Rs.Nil Lakhs)	-	27.77
	II. Claims arising from disputes not acknowledged as debts-Sales Tax (against which Pre-deposit of Rs.146.79 Lakhs made (P.Y. Pre-deposit Rs.146.79 Lakhs)	**204.52**	204.52
	III. Claims arising from disputes not acknowledged as debts-Service Tax (against which Pre-deposit of Rs.17.55 Lakhs made (P.Y. Pre-deposit Rs. 17.55 Lakhs)	**652.62**	652.62
	IV. Fuel surcharge adjustment expense pertaining to the period from April, 2008 to March, 2010 was not recognised as the collection of the same was stayed by Honorable High Court of Andhra Pradesh, which is still pending for disposal.	**27.38**	27.38
	V. The Recovery Officer, Employee State Insurance Corporation, has raised a demand to pay arrears along with interest. A writ petition was filed against the same in the Honorable High court of Andhra Pradesh and is contesting the aforesaid matter. Based on internal assessment and legal advice, the Management strongly believes that matter will be decided in its favour.	**21.48**	21.48

	VI. The Assistant Commissioner (CT), LTU, Chittoor Division, Andhra Pradesh has raised a demand of ₹ 7.51 Lakhs for the period June 2017 towards excess Input Tax Credit availed and an equivalent amount towards penalty (against which pre-deposit of ₹ 0.94 Lakhs made)	**15.02**	-
	VII. Guarantees excluding financial guarantees	**21.79**	21.79
2	**Commitments:**		
	a. Estimated amount of contracts remaining to be executed on capital account and not provided for	**1,609.58**	604.46

36. Segment Reporting:

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

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

(Rs. in Lakhs)

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

Details of Non-Current Assets*

(Rs. in Lakhs)

Geographic Location	**As on 31.03.2021**	As on 31.03.2020
Domestic	**42,349.75**	38,875.37
Overseas	-	-

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

37. Related Party Disclosures:

a) Details of Related Parties:

Sl No	**Name of the Related Party**	**Nature of Relationship**
1	Mr. Ch. Krishna Murthy	Chairman and Managing Director, Key Management Personnel
2	Mrs.Ch. Manjula	Non-executive Director (Executive Director in Subsidiary Vishnu Barium Private Limited)
3	Mr. Ch. Siddartha	Joint Managing Director, Key Management Personnel
4	Mr. P. Anjaneyulu	Chief Financial Officer, Key Management Personnel

5	Mr. Kishore Kathri	Company Secretary, Key Management Personnel
6	Mr. Pradip Saha	Independent Director
7	Mr. Tirthankar Mitra	Independent Director (appointed on 14th August 2020) (Non-executive director in Subsidiary Vishnu Barium Private Limited)
8	Mr. Chetan Shah	Independent Director (appointed on 12th February 2021)
9	Mr. T.S.Appa Rao	Independent Director (retired on 28th June 2020)
10	Mr. S.Saranathan	Independent Director (retired on 2nd February 2021)
11	Santanu Mukherjee	Independent Director in Subsidiary Vishnu Barium Private Limited
12	M/s. Vasantha Transport Corporation	Concern in which Key Management Personnel is interested
13	M/s. K.M.S. Infrastructure Limited	Concern in which Key Management Personnel are interested
14	M/s. Vishnu Life Sciences Limited	Concern in which Key Management Personnel is interested
15	M/s. Vishnu Barium Private Limited	Wholly Owned Subsidiary
16	M/s. Vishnu South Africa (Pty) Ltd.	Wholly Owned Subsidiary
17	M/s. Vishnu Renewable Energy Private Limited	Step-down Subsidiary (wholly owned subsidiary of Vishnu Barium Private Limited – Application for Voluntary Strike off filed on January 9th 2021)
18	M/s. Krishna Foundation	Trust in which directors are Trustees and the Company is the settlor

b) Details of Transactions:

(Rs. in Lakhs)

Nature of Transaction	Key Management Personnel		Concerns in which Key Management Personnel are Interested	
	2020-21	2019-20	**2020-21**	2019-20
Expenses				
Remuneration	229.18	226.54		
Rent Expenses	49.47	44.47	19.50	12.00
Maintenance Charges			8.76	8.25
Transportation Charges			2,359.68	1,328.98
Purchases				0.50
Hire Charges	4.80	4.80	145.40	76.50
Contract Service Charges			37.58	70.60

Receipts & Payments, Payables & Receivables Outstanding at year end				
Unsecured Loan from Promoter Directors during the year	35.00	254.65	-	-
Unsecured Loans from Promoter Directors outstanding at year end	2,810.80	2,780.31	-	-
Payables to KMP and Concerns in which KMP are interested	17.38	12.64	61.01	94.22

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

As post-employment benefits are actuarially determined on overall basis, the amount pertaining to the Key Management personnel is not ascertainable and, therefore, not included above.

During the year, the Group has paid directors sitting fees to non-executive director and independent directors as under:

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

An amount of Rs. 138.00 Lakhs (Previous Year: Rs. 170.00 Lakhs) has been contributed to Krishna Foundation during the year towards Corporate Social Responsibility.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

38. The paid-up share capital of the Company as on financial year ended March 31, 2021 and financial year ended March 31, 2020 is Rs. 8,858.35 Lakhs divided into 1,19,46,020 Equity Shares of Rs. 10/- each and 7,66,37,500 7% Cumulative Redeemable Preference Shares of Rs. 10/- each. The Public Shareholding in equity capital as on March 31, 2021 is 25%.

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

39. **Employee Benefits:**

1. **Defined Contribution Plan:**

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

(Rs. in Lakhs)

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

2. **Defined Benefit Plan – Gratuity:**

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

(Rs. in Lakhs)

	Particulars	**Gratuity (Funded) 2020-21**	Gratuity (Funded) 2019-20
1	**Assumptions:**		
	Discount Rate	**6.57%-6.74%**	6.62% -6.77%
	Escalation	**3%-5.50%**	3%-5.50%
2	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Present value of obligations at beginning of year	**514.91**	521.76
	Interest Cost	**33.27**	38.87
	Current Service Cost	**46.21**	53.36
	Benefits Paid	**-44.95**	-18.79
	Actuarial (gain)/ loss on obligation	**-23.33**	-80.29
	Present Value of obligation at end of year	**526.10**	514.91
3	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Opening fair value of plan asset	**71.96**	67.23
	Adjustment to opening Fair Value of Plan Asset	**-2.37**	2.87
	Return on Plan Assets excl. interest income	**1.29**	-4.18
	Interest Income	**5.14**	5.84
	Contributions by Employer	**118.73**	18.98
	Benefits paid	**-44.95**	-18.79
	Fair Value of plan Assets at end	**149.80**	71.96

4	**Net defined benefit asset/ (liability) recognized in the balance sheet**		
	Present value of defined benefit obligation	**526.10**	514.91
	Fair Value of plan Assets at end of period	**149.80**	71.96
	Net Asset/(liability) recognized in the balance sheet.	**-376.31**	-442.95
5	**Expenses recognized in the statement of Profit and Loss:**		
	Current service cost	**46.22**	53.36
	Net interest	**28.12**	33.03
	Expense recognized in the statement of Profit and Loss	**74.34**	86.39
6	**Other Comprehensive Income (OCI):**		
	Actuarial gain/(loss) recognized for the period	**-23.33**	-80.29
	Return on plan assets excluding net interest	**-1.29**	4.18
	Total actuarial (gain)/ loss recognized in OCI	**-24.62**	-76.11

Sensitivity Analysis:

(Rs. in Lakhs)

Particulars	**31.03.2021**		**31.03.2021**	
	Discount Rate		**Salary Escalation Rate**	
	+1%	-1%	+1%	-1%
Present Value of Obligation	485.60	572.50	571.77	485.64

Categories of Plan Assets:

(Rs. in Lakhs)

Particulars	**31.03.2021**	31.03.2020
Gratuity Fund managed by Life Insurance Corporation of India	**149.80**	71.96

40. Earnings Per Share:

Particulars	2020-21	2019-20
Net Profit after Tax (Rs. in Lakhs) (a)	**3,449.46**	**2,222.91**
Weighted Average no. of Shares - Basic & Diluted (b)	**1,19,46,020**	**1,19,46,020**
Nominal value of equity share (in ` per share)	**10**	**10**
Earnings per Share - Basic & Diluted (Rs.) (a)/(b)	**28.88**	**18.61**

41. Un-hedged Foreign Currency Exposure:

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

(Rs. in Lakhs)

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

42. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013-'General instructions for the preparation of consolidated financial statements':

31st March 2021

(Rs. in Lakhs)

S.No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	**Holding Company**								-
	Vishnu Chemicals Limited	77.21%	15,143.13	65.96%	2,275.32	128.29%	20.30	66.25%	2,295.62
2	**Subsidiaries:**								
	Indian Subsidiaries								
	Vishnu Barium Private Limited	26.75%	5,247.70	34.03%	1,173.96	-28.29%	-4.48	33.75%	1,169.48
	Vishnu Renewable Energy Private Limited	-	-	-0.02%	-0.77			-0.02%	-0.77
	Foreign Subsidiary				-		-		-
	Vishnu South Africa (Pty) Ltd.	0.00%	-0.04	-0.00%	-0.05			-0.00%	-0.05
	Less: Consolidation Adjustments	-3.96%	-776.67	0.00%	1.00			0.03%	1.00
	TOTAL	100.00%	19,614.12	100.00%	3,449.46	100.00%	15.83	100.00%	3,465.29

31[st] March 2020

(Rs. in Lakhs)

S.No.	Name of the Entity	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	**Holding Company**								
	Vishnu Chemicals Limited	79.37%	12,698.13	59.48%	1,322.10	102.73%	56.24	60.52%	1,378.35
2	**Subsidiaries:**								
	Indian Subsidiaries								
	Vishnu Barium Private Limited	25.49%	4,078.23	40.54%	901.08	-2.73%	(1.50)	39.50%	899.58
	Vishnu Renewable Energy Private Limited	0.00%	0.77	-0.01%	(0.23)	0.00%	-	-0.01%	(0.23)
	Foreign Subsidiary								
	Vishnu South Africa (Pty) Ltd.	0.00%	0.01	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
	Less: Consolidation Adjustments	-4.86%	(777.67)	0.00%	-	0.00%	-	0.00%	-
	TOTAL	100.00%	15,999.46	100.00%	2,222.91	100.00%	54.75	100.00%	2,277.66

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

Per our Report of even date
For JAMPANI & ASSOCIATES
Chartered Accountants
FRN: 016581S

For and on behalf of the Board of Directors

J.RAM SESH CHOUDARY
Partner
M.No: 202150

CH. KRISHNA MURTHY
Chairman & Managing Director
DIN: 00030274

C.H. Manjula

CH. MANJULA
Director
DIN: 01546339

Place: Hyderabad
Date: 19[th] May 2021

P. ANJANEYULU
Chief Financial Officer

KISHORE KATHRI
Company Secretary
FCS-9695

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF BOARD OF DIRECTORS:

Siddartha Cherukuri

Joint Managing Director

Date: July 26, 2023

Place: Hyderabad, India

DECLARATION

We, the Board of Directors of the Company certify that:

I. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

II. the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

III. the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Siddartha Cherukuri
Joint Managing Director

Date: July 26, 2023

Place: Hyderabad, India

I am authorized by the Fund Raising Committee of the Board of Directors of the Company, *vide* resolution dated July 26, 2023, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Siddartha Cherukuri
Joint Managing Director

Date: July 26, 2023

Place: Hyderabad, India

ISSUER

VISHNU CHEMICALS LIMITED

Registered and Corporate Office
H.No. 8-2-293/82/F/23-C, Plot No. 23
Road No. 8 Film Nagar, Jubilee Hills
Hyderabad – 500 096, Telangana

Telephone No.: +91 40 – 2339 6817
CIN: L85200TG1993PLC046359
Website: www.vishnuchemicals.com

Contact Person:

Vibha Shinde, Company Secretary and Compliance Officer

Details of Compliance Officer

Vibha Shinde
H.No. 8-2-293/82/F/23-C, Plot No. 23
Road No. 8 Film Nagar, Jubilee Hills
Hyderabad – 500 096, Telangana
Telephone No.: +91 40 – 2339 6817

BOOK RUNNING LEAD MANAGER

Emkay Global Financial Services Limited
7th Floor, The Ruby
Senapati Bapat Marg, Dadar – West
Mumbai 400 028

DOMESTIC LEGAL COUNSEL TO THE COMPANY

M/s. Crawford Bayley & Co.
State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai 400 023
Maharashtra, India

AUDITORS TO OUR COMPANY

M/s. Jampani & Associates
Chartered Accountants
G-5, Srinivasa Towers, Begumpet
Hyderabad – 500 016, Telangana, India

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the Book Running Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

VISHNU CHEMICALS LTD

APPLICATION FORM

Form No.:

Date:

VISHNU CHEMICALS LIMITED

(Vishnu Chemicals Limited was incorporated in the Republic of India under the provisions of Companies Act, 1956 on January 15, 1993)

Registered and Corporate Office: H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad – 500 096, Telangana
Tel: +91 40 – 2339 6817 | **Email**: cs@vishnuchemicals.com | **Website:** www.vishnuchemicals.com
CIN: L85200TG1993PLC046359 | **LEI:** 335800J8TIASVY7V9398

Name of the Bidder:

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] LAKHS UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY VISHNU CHEMICALS LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 353.15 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Non-Debt Rules"), can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated July 26, 2023 ("PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*

To,

The Board of Directors

VISHNU CHEMICALS LIMITED

Registered and Corporate Office:
H.No. 8-2-293/82/F/23-C, Plot No. 23, Road No. 8 Film Nagar, Jubilee Hills, Hyderabad – 500 096, Telangana

Dear Sirs,

IF	Insurance Funds	**AIF**	Alternative Investment Funds
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)
**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*			
*** Sponsor and Manager should be Indian owned and controlled.*			

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Emkay Global Financial Services Limited (the "**BRLM**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Manager or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the Book Running Lead Manager, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We confirm that we are eligible to invest and hold the Equity Shares of the Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Book Running Lead Manager.*

*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the Book Running Lead Manager has relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**		**APPLICATION AMOUNT (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

DEPOSITORY ACCOUNT DETAILS								
Depository Name (Please ✓)		National Security Depository Limited		Central Depository Services (India) Limited				
Depository Participant Name								
DP – ID	I	N						
Beneficiary Account Number								(16-digit beneficiary account. No. to be mentioned above)

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 01:00 PM (IST), July 31, 2023 ("ISSUE CLOSING DATE")

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	**Vishnu Chemicals Limited QIP Escrow Account**	**Account Type**	Current Account - Escrow Account
Name of Bank	**State Bank of India**	**Address of the Branch of the Bank**	SBI Overseas Branch, 241A, 2nd and 3rd Floor, Rajala Towers, Road No 36, Jubilee Hills, Hyderabad - 500033
Account No.	**42117117132**	**IFSC**	SBIN0001921
LEI No.	**335800J8TIASVY7V9398**		

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favour of "*Vishnu Chemicals Limited QIP Escrow account*". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Book Running Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	______________________ Email: ______________________		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)	

ENCLOSURES ATTACHED

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- ☐ Copy of the IRDA registration certificate
- ☐ Copy of notification as a public financial institution
- ☐ Certified true copy of the power of attorney
- ☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*
***It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein. This Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the Book Running Lead Manager.