



Ms. Charmi Dharod
Assistant Manager Listing Compliance
National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra Kurla Complex, Bandra East,
Mumbai- 400051

Dear Sir/Madam,

With reference to your mail dated 10th August, 2016 in the matter of clarification on the outcome of the board meeting dated 6th August 2016, we furnish clarifications point wise as follows :

Point No 1. Name of the entity (ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc

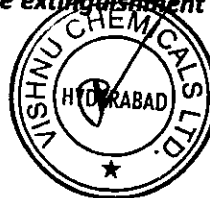
a. Our company Vishnu Chemicals Limited (Transferee Company)CIN: L85200TG1993PLC046359 is a Public Limited Company incorporated under the Companies Act, 1956. The Authorised Share Capital of the Company comprises of 15,000,000 Equity Shares of Rs. 10/- each and 60,000,000 7% Redeemable Preference Shares of Rs. 10/- each whereas the Issued, Subscribed and Paid-up Share Capital of the Company is 11,946,020 Equity Shares of Rs. 10/- each and 47,500,000 7% Redeemable Preference Shares of Rs. 10/- each and the turnover of the Company was Rs. 4,801,012,181 as on 31st March, 2016 and it is proposed to be merged with Vishnu Barium Private Limited (Transferor Company)CIN: U24120TG2001PTC036807 (formerly known as Solvay Vishnu Barium Pvt Ltd)

b. Vishnu Barium Private Limited (Transferor Company), a Company incorporated under the Companies Act, 1956 is a wholly owned subsidiary of the Transferee Company. The Authorised Share Capital of the Company comprises of 90,000,000 Equity Shares of Rs. 10/- each whereas the Issued, Subscribed and Paid-up Share Capital of the Company is 86,394,950 Equity Shares of Rs. 10/- each and the turnover of the Company was Rs. 291,090,100 as on 31st March, 2016.

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"

Yes, as the Transferor Company is a wholly owned subsidiary of the Transferee Company the transaction falls within related party transaction.

As the Scheme does not envisage any issue of shares by the Transferee Company to the shareholders of Transferor Company, no transaction except the extinguishment of the shares and winding up, the issue of 'arms length basis' doesn't arise.



VISHNU CHEMICALS LIMITED

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3. Area of business of the entity (ies)

Both the companies are in the same line of business viz.,

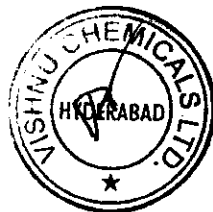
Vishnu Chemicals Limited (Transferee Company/Company) is engaged in the business of manufacturing, producing, processing, refining, distributing, importing, exporting and dealing in all kinds of organic & Inorganic Chemicals

Vishnu Barium Private Limited is engaged in the business of manufacturing, producing, processing, refining, distributing, importing, exporting and dealing in all kinds of organic, inorganic Chemicals

4. Rationale for amalgamation/ merger

The rational and reasons for the proposed Scheme of Arrangement, inter alia, are summarized below:

- ***Would enable focused strategic leadership and top management attention to be bestowed on the Undertaking of the Transferor Company so as to integrate the business synergies and reap the benefits of consolidation.***
- ***Would channelize synergies; enable optimum utilization of the available resources, broadening the customer base besides enabling a focused business approach for achieving optimization.***
- ***Would enable to achieve higher long-term financial returns and inculcation of greater financial strength and flexibility than could be achieved by the companies individually.***
- ***Would enable the Transferee Company to have diversified product portfolio which would enable it to manage risks in a better way.***
- ***Would enable the Transferee Company to make value added products from Transferor Company's active ingredients to make Finished Dosages and Chemical Formulations Intermediates which would give higher returns and also exploit its customer base to increase exports of such products which could result in higher foreign earnings to the country and to the transferee company.***
- ***Would result in greater rationalization and help reduce duplication of systems and processes.***
- ***Would result in more efficient and more cost effective management system in view of consolidation of operations and larger size as the Transferor and Transferee are involved in the same line of business.***
- ***Would be beneficial for pooling of financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the merging companies leading to increased competitive strength.***



In view of the above benefits, the proposed amalgamation would result in an enhanced shareholder value.

5. In case of cash consideration amount or otherwise share entitlement/exchange ratio

The Scheme does not envisage any issue of shares by the Transferee Company to the shareholders of Transferor Company and hence there is no allotment of any additional shares and hence, there is no share entitlement/exchange ratio.

6. Brief details of change in shareholding pattern (if any) of listed entity

There is no change in the shareholding pattern of the listed entity as the company is merging with its wholly owned subsidiary .i.e., Vishnu Barium Private Limited and there is no issue of shares and on merger the shares held by the holding company will get cancelled ..

7. Reason for change viz. appointment, resignation, removal, death or otherwise

Due to organizational and personal reasons, Sri CPC Kamalakar Rao and Sri T. Ramakrishna have resigned from the position of Director.

We shall be grateful to provide any further information in this if required.

Thanking You

Yours Truly

For Vishnu Chemicals Ltd

***P.Anjaneyulu
Vice President(F)***

