

Visaka Industries Limited
Annual Report 2020-21

Ability. Responsibility. Sustainability.

How a transforming Visaka is building 'green'
next-generation products into everyday lives
for a cleaner tomorrow



Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Ability. Responsibility. Sustainability.

Visaka Industries set about transforming its business model across the last decade.

From what customers had liked across the previous few decades to what they would increasingly prefer across the coming years.

This single forward-looking perspective empowered Visaka to set about transforming its business model towards products that would be considered environment-friendly, plugging market gaps and providing a superior price-value proposition.

The commitment to graduate from one level to another strengthened the company's research, product development, distribution and branding initiatives.

More than that, it seeded the creation of tomorrow's Visaka, marked by an entrepreneurial ability, power of disciplined responsibility and business sustainability.

We are pleased to communicate that these attributes – ability, responsibility and sustainability – were the key drivers of our record 2020-21 performance in what otherwise was a challenging year.

Visaka reported profitable growth, ended the year with its segment leadership protected and the company positioned to sustain growth attractively across the foreseeable future.

Visaka Industries Limited comprises three businesses in one company.



The company is engaged in the manufacture of asbestos roofing sheets that provide enduring protection to millions across rural and semi-urban India.



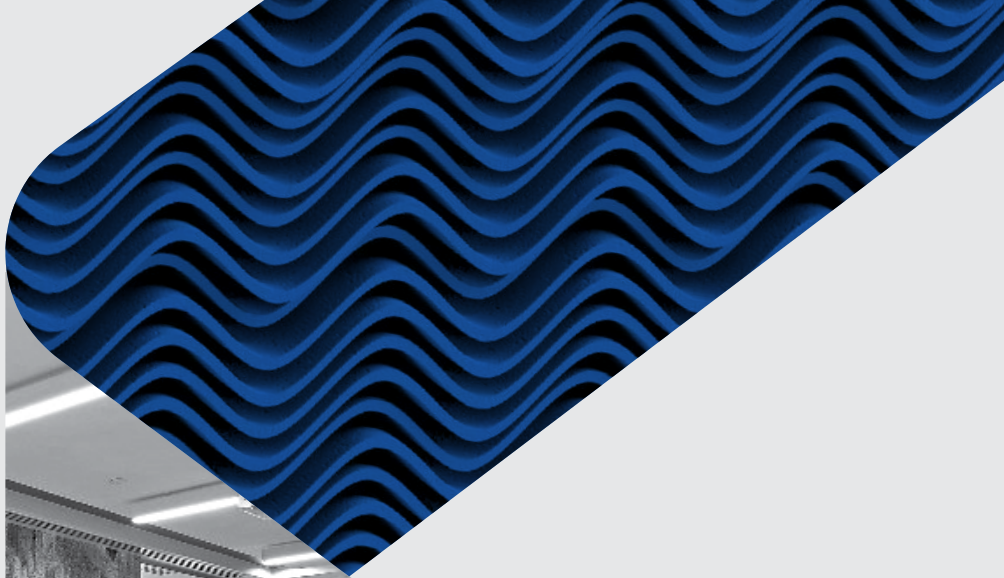
The company is engaged in the manufacture of building products that enhance the quality of interiors.



The company is engaged in the manufacture of value-added textile yarn used in the production of superior and branded fabric varieties.



The complement of these businesses and a growing focus on new age environment-friendly products is helping create a relatively non-cyclical company leading to enhanced value for its stakeholders.

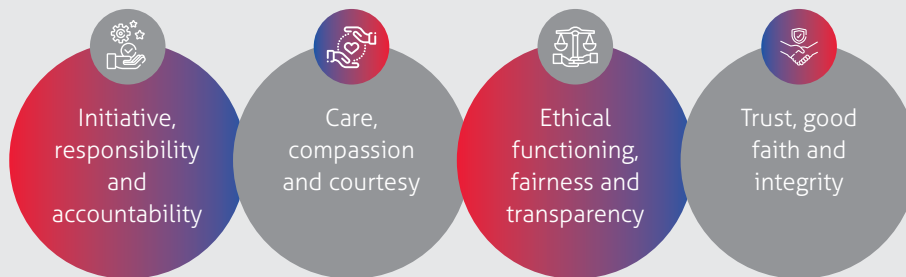




Vision: Committed to be a 'credible', 'passionate' and 'innovative' solutions-providing company

Mission: To be a complete cost-effective and qualitative building solutions provider. To identify potential products, which, add value to the societal needs. To explore and enhance our niche textile markets. To create value and trust among all the stakeholders

Values:



Rich experience

The company was established by Dr. G. Vivekanand in 1981 and is presently stewarded by Mr. G. Vamsi Krishna, son of Dr. G. Vivekanand and Mrs. Saroja Vivekanand. During the last four decades, the company has emerged as a leading building construction materials provider and a dependable synthetic yarns manufacturer.

The Company's non-asbestos business accounted for approximately 31% of its revenues in 2020-21.



Pan-India footprint

Headquartered in Hyderabad (India), Visaka has 12 manufacturing locations across India.

- ◆ The Company's building products facility possesses an annual production capacity of 802,000 tonnes of cement asbestos sheets and 189,750 tonnes of fibre cement flat board products.
- ◆ The Company's yarn spinning plant possesses an annual production capacity of 2,752 twin air-jet spinning positions equivalent to 82,560 ring spindles.
- ◆ The Company's manufacturing units are supported by 13 marketing offices across India.

Products basket

The Company commenced the manufacture of corrugated cement fibre sheets in 1985; by 1992, the company diversified into the manufacture of synthetic yarns used in the textiles industry.

The Company extended into manufacture of V Next fibre cement boards in 2008. In 2018, the Company launched a one-of-its-kind solar roofing product called ATUM.

The Company's non-asbestos business accounted for approximately 31% of its revenues in 2020-21.

Distribution network

The Company markets products directly to retailers as opposed to the conventional distributor-retailer approach. The Company's distribution network comprises >7,000 dealers in urban, rural and suburban markets.

Brands

Our asbestos roofing sheets are marketed under the Visaka/Shakti brands

Our Boards / Panels / Planks are marketed under the V Next brand

Our integrated solar panel roofing is offered under the ATUM brand

Our synthetic blended yarn is marketed under the Wonder Yarn brand

Recognition

G Saroja Vivekanand, Managing Director, was recognised by The Economic Times for being the winner of The Economic Times Most Promising Women Leaders 2021 (powered by Femina).

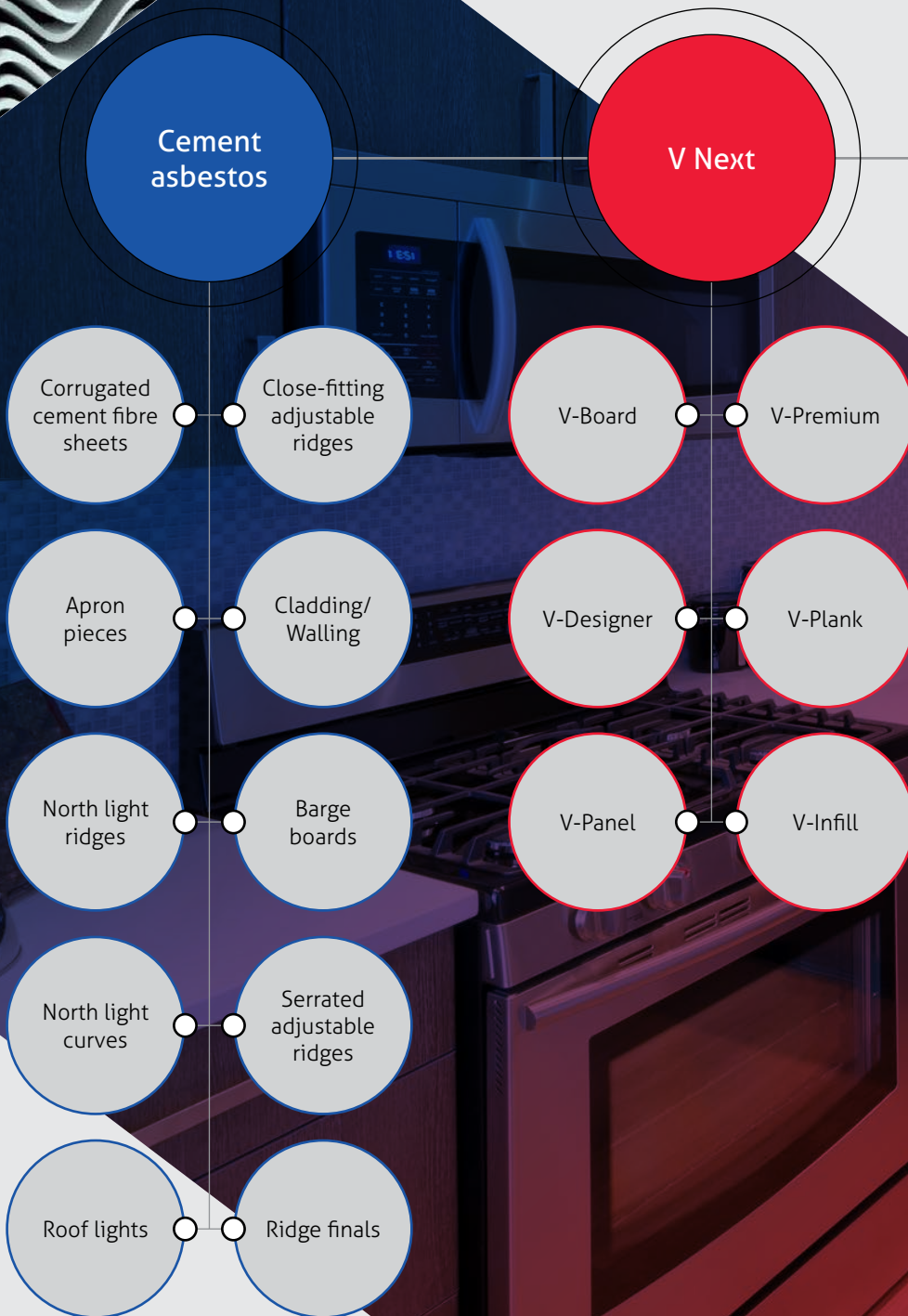
Listing

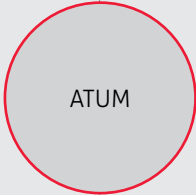
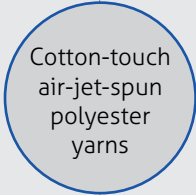
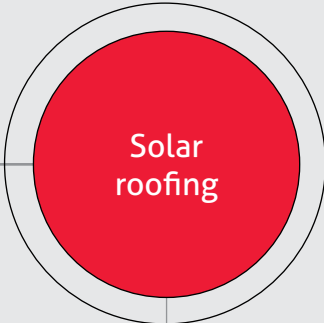
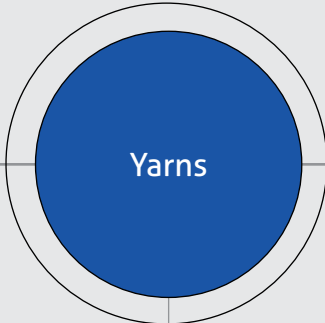
The Company's equity shares are listed and actively traded on the BSE and NSE. Visaka's market capitalisation was ₹782 crore as on March 31, 2021. The promoter's equity shareholding in the company was 44.5% as on that date.

Awards

- ◆ The company was awarded the Most Trusted Brands Award 2021 by CNBC TV18 in 2020-21
- ◆ Silver Winner Spotlight awards by LACP Under Category Annual Report for 2011-12
- ◆ Awareness Centre of Environment World Environment Day 2006
- ◆ AP Distinguished Industrial Award from Exhibition Society in 2003
- ◆ The Exhibition Society AP Distinguished Industrialist Award 2003 (Large)
- ◆ All India Manufacturers' Association Best Performance in Large and Medium Scale, 2001
- ◆ Man of the Millennium award 2000
- ◆ Council for Industrial Development & Trade Industrial Promotion Gold Medal Award 1990
- ◆ Productivity award from the Andhra Pradesh Federation of Chamber of Commerce in 1987.
- ◆ FAPCCI The Best Industrial Productivity Effort in the State 1987 (Large)
- ◆ Best Management Award from the Government of Andhra Pradesh in 1987
- ◆ Award from Council for Industrial Development in 1985

Visaka's products portfolio

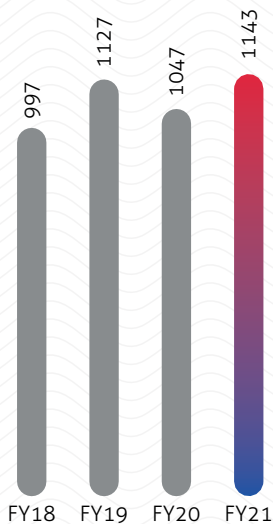




The coming together of ability, responsibility and sustainability

How Visaka has grown over the years

Revenues (₹ crore)



Definition

Growth in sales net of taxes and excise duties

Why is this measured?

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

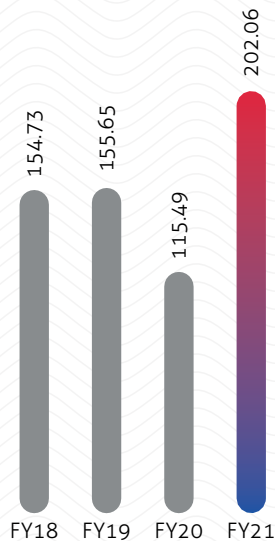
What does it mean?

Aggregate sales increased 9% to ₹1143 crore in FY2020-21.

Value impact

The company performed better than the sectorial average and reported record revenues in its existence.

EBITDA (₹ crore)



Definition

Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

Why is this measured?

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures and can be easily compared with retrospective averages of sectoral peers.

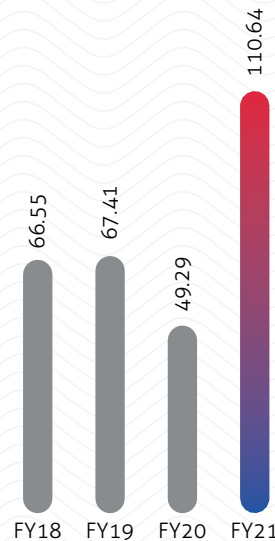
What does it mean?

Helps create a robust growth engine and allows the Company to build profits in a sustainable manner.

Value impact

The company's record EBITDA was nearly 30% higher than its previous peak.

Net profit (₹ crore)



Definition

Profit earned during the year after deducting all expenses and provisions

Why is this measured?

It highlights the strength in the business model in generating value for its shareholders.

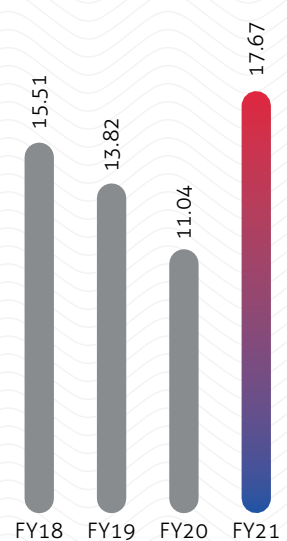
What does it mean?

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to not run out of steam.

Value impact

The Company reported a 124.5% increase in net profit in FY2020-21—reflecting enhanced viability.

EBIDTA margin (%)



Definition

EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency

Why is this measured?

The EBIDTA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

What does it mean?

Demonstrates adequate buffer in the business, which when multiplied by scale, enhances surpluses.

Value impact

The Company reported a 663 bps increase in EBIDTA margin during FY2020-21 despite market challenges, indicating robustness of the business model.