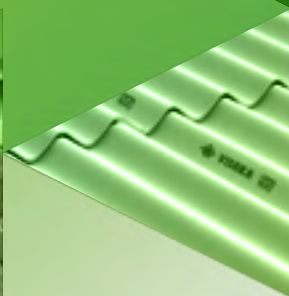


# Green is the way!



**Visaka Industries Limited**  
Annual Report 2021-22

## 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.

Revenue from operations

**1416** crore

PAT attributable to owners

**118** crore

## Contents

<b>02</b> Corporate snapshot	<b>40</b> Visaka's health, safety and environment (ESG) commitment	<b>106</b> Corporate information
<b>08</b> How Visaka has grown over the years	<b>42</b> Business drivers	<b>108</b> Standalone financial statements
<b>12</b> 'Green is the way' and Visaka	<b>47</b> Our engagement	<b>161</b> Consolidated financial statements
<b>16</b> Joint Managing Director's overview	<b>48</b> Our business segments	<b>211</b> Notice & explanatory statements
<b>20</b> Chief Financial Officer's performance overview	<b>60</b> Risk management	
<b>24</b> The big picture	<b>63</b> Board's report	
<b>26</b> Integrated value creation at Visaka	<b>90</b> Corporate Governance Report	

# Green is the way!

There is a larger global movement towards a new age of products.

Products that are durable across the decades.

Products that are easy to recycle.

Products manufactured with environment-friendly resources.

Products associated with renewable energy.

At Visaka Industries, our products tick each of these boxes.

This is enhancing our relevance as a company that continues to draw richly from its environment-friendly past, is respected for its green business model of the present and will become increasingly relevant in people's lives as a green company in the future.

**Green is the way!**

# 'Green'.

This one word underlines the business of Visaka Industries Limited.

We manufacture roofing sheets that endure across the decades.

We manufacture fibre cement boards and panels that are environment friendly.



We manufacture solar roofing products and solutions that are being described as tomorrow's solutions.

We manufacture textile yarns from recycled fibre that empower fabric and apparel makers to make responsible products.

Through this 'green' orientation, we are strengthening our profitability (today) and sustainability (tomorrow).

---

## Our ethos

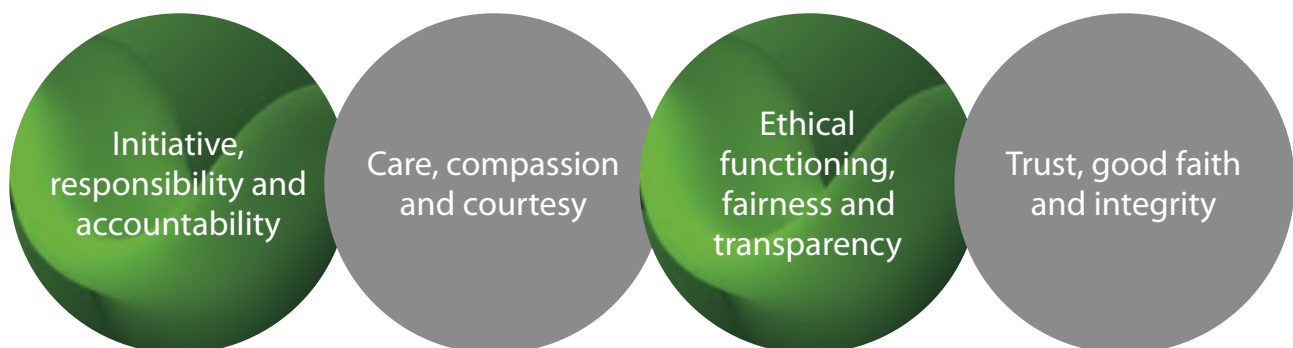
### Vision

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



## Background

The Company was incorporated in 1981 by Dr. G. Vivekanand. It is presently stewarded by Mr. G. Vamsi Krishna, son of Dr. G. Vivekanand and Mrs. Saroja Vivekanand. Over the last four decades, the Company has established itself as one of the leading building construction material providers and a dependable synthetic yarns manufacturer in India.

## Pan-India presence

The Company is headquartered in Hyderabad (India). Visaka has 13 manufacturing locations across India.

- ♦ Building products facility possesses an annual production capacity of 8,02,000 tonnes of cement roofing sheets and 2,39,750 tonnes of fibre cement flat board products.
- ♦ Yarn spinning plant possesses an annual production capacity of 2,752 twin air-jet spinning positions equivalent to 82,560 ring spindles.

- ♦ Manufacturing units are supported by 13 marketing offices across India.

## Product basket

The Company commenced the manufacture of corrugated cement fibre sheets in 1985. The Company diversified into the manufacture of synthetic yarns in 1992. The Company widened its business by manufacturing V Next fibre cement boards from 2008. This was followed by the launch of a one-of-its-kind solar roofing product called ATUM in 2018.

The Company's non-asbestos roofing business accounted for 40% of its revenues in 2021-22.

## Distribution network

The Company's products are marketed directly to retailers as opposed to the conventional distributor-retailer approach. The Company's distribution network comprises more than 7,000

dealers in urban, rural and suburban India.

## Brands

Our cement 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

## Listing

The Company's equity shares are listed and actively traded on the BSE and NSE. Visaka's market capitalisation was ₹1,012 crore as on March 31, 2022. The promoters owned a 48.36% stake in the Company's equity capital.

## Awards

- ♦ Achieved 24th position in BW Businessworld India's Most Sustainable Companies, 2021-22
- ♦ 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

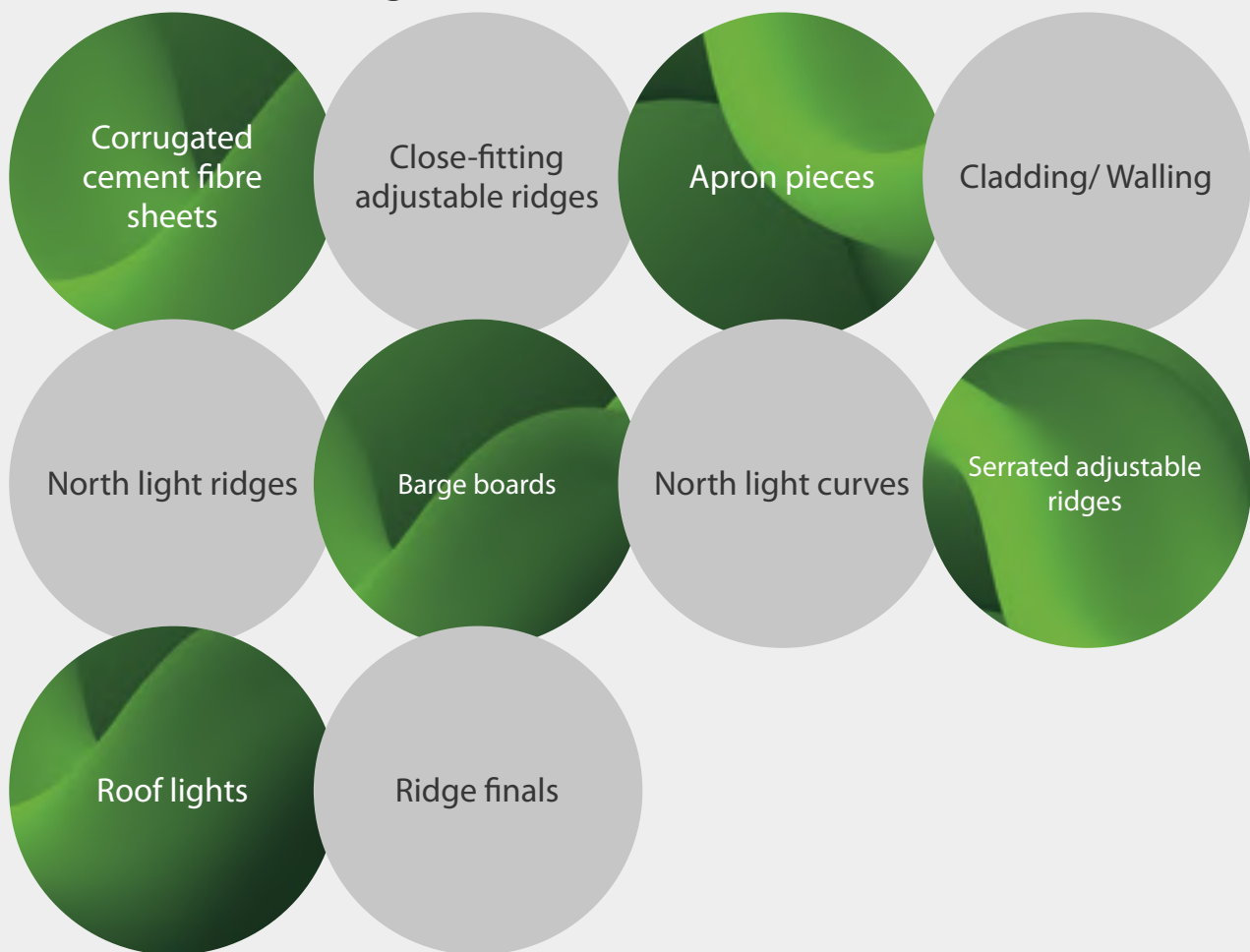
- ♦ The Exhibition Society AP Distinguished Industrialist Award 2003 (Large)
- ♦ All India Manufacturers' Association Best Performance in Large and Medium Scale, 2001
- ♦ Man of the Millennium award 2000
- ♦ Council for Industrial Development & Trade Industrial Promotion Gold Medal Award 1990
- ♦ Productivity award from the Andhra

Pradesh Federation of Chamber of Commerce in 1987.

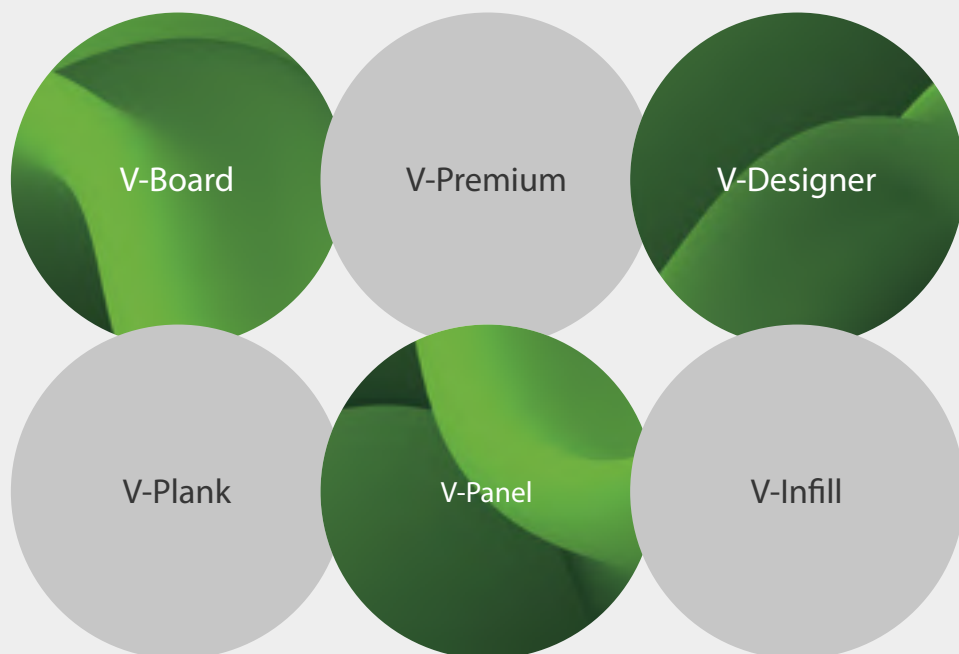
- ♦ FAPCCI The Best Industrial Productivity Effort in the State 1987 (Large)
- ♦ Best Management Award from the Government of Andhra Pradesh in 1987
- ♦ Award from Council for Industrial Development in 1985

# Visaka's product portfolio

## Cement roofing sheets



## V Next



## Yarns



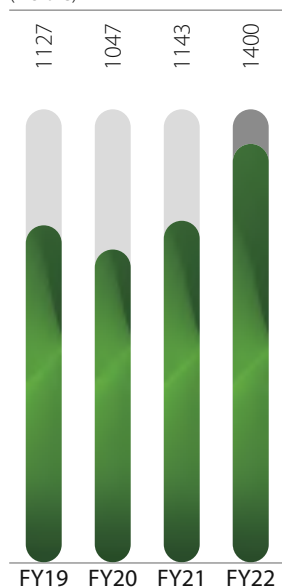
## Solar roofing



# How Visaka has grown over the years

## Revenues

(₹ crore)



### Definition

Growth in sales, net of taxes and 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?

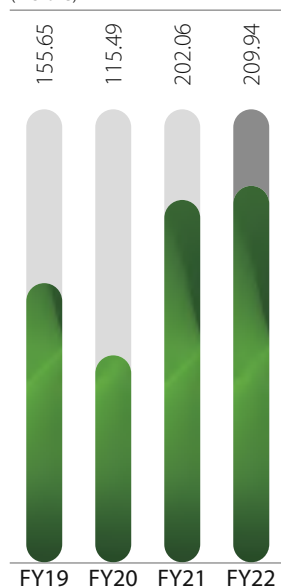
Aggregate sales increased 22.5% to ₹1400 crore in 2021-22

### Value impact

The Company performed better than the sectorial average country's economic growth and reporting 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 enhance business operating surplus despite inflationary pressures, resulting in a number that can be compared with sectoral peers

### What does it mean?

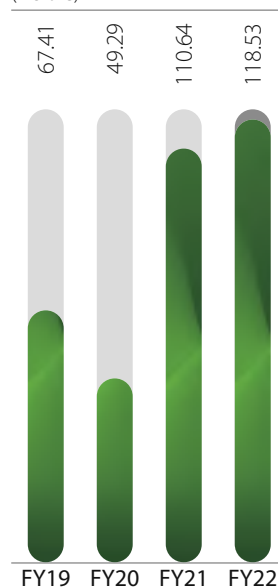
Helps create a robust growth engine and allows the Company to build profits in a sustainable manner

### Value impact

The Company's EBITDA was 3.9% 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 to generate value for its shareholders

### What does it mean?

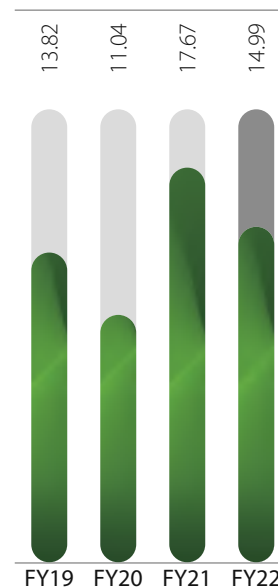
Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to not run out of steam

### Value impact

The Company reported a 7% increase in net profit in FY2021-22, reflecting enhanced viability

## EBITDA margin

(%)



### Definition

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

### Why is this measured?

The EBITDA 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 268 bps decline in EBITDA margin during FY2021-22 on account of higher resource and logistic costs