VISAKA INDUSTRIES LIMITED®
CIN: L52520TG1981PLC003072
CORP OFF : "VISAKA TOWER", 1-8-303/69/3, S.P. ROAD, SECUNDERABAD - 500 003.
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Ref: VIL/SEC/ST-EX/AnnualReport-FY20/2020-21/18 Date: 01.07.2020

To,

National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	**BSE Limited,** The Senior General Manager, Listing Compliances, Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001
Scrip Code – VISAKAIND	**Scrip Code – 509055**

Sub: 2019-20 Annual Report containing Notice of AGM, Explanatory Statement, etc.

Dear Sir/s,

With reference to above, please find herewith enclosed Annual Report – FY2019-20 along with the Notice of Annual General Meeting (AGM).

This is for your information and records please.

Thanking you,

Yours faithfully,

For VISAKA INDUSTRIES LIMITED

I SRINIVAS
Vice President (Corporate Affairs) &
Company Secretary

Encl. a/a

Discipline

How disciplined decisions helped
Visaka build a sustainable organisation

Visaka Industries Limited | Annual Report 2019-20

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.

Contents

Discipline and Visaka Industries Limited.

The year 2019-20 was challenging for the Indian economy. The economy experienced a structural and cyclical slowdown,growing at a weak 4.2%.

The real estate sector reported subdued growth. Consumer spending weakened. Industrial production and investment slowed. The Covid-19 pandemic disrupted the business environment.

At Visaka, we responded to these realities with a sustained focus on strengthening our fundamentals and providing quality products. Besides, Visaka's investing and execution discipline helped insulate the Company from market challenges.

The result is that Visaka retained its position as the second largest cement asbestos manufacturer in India with 18% market share. Retained its leadership position in the fibre cement boards segment offering a superior range of VNext products. Reinforced its leadership in the twin air-jet spun yarn segment. And introduced a one-of-a-kind solar roofing product, reinforcing its respect as a market-facing company.

Our presentable performance in a relatively weak operating environment comes down to one attribute.

Discipline.

Corporate **snapshot**

At Visaka, our decisions are as much influenced by 'what will be' as much as by 'what is'.

Making it possible to blend real-time responsiveness with long-term outcomes.

Making it possible to outperform our peers across market cycles.

Strengthening business sustainability.

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 societal needs. To explore and enhance our niche textile markets. To create value and trust among all stakeholders

Values

Initiative, responsibility and accountability

Care, compassion and courtesy

Ethical functioning, fairness and transparency

Trust, good faith and integrity

Rich experience

Established in 1981 by Dr. G. Vivekanand,Visaka Industries Limited is now being stewarded by Mr. G. Vamsi Krishna, son of Dr. G. Vivekanand and Mrs. Saroja Vivekanand. Over four decades, Visaka has progressed to become one of the leading building construction material providers in the country.

Product basket

The Company started business with the manufacture of corrugated cement fibre sheets in 1985 and in 1992, diversified into the manufacture of synthetic yarns. The Company diversified into manufacture of VNext fibre cement boards in 2009 and in 2018, launched one-of-its-kind solar roofing product called ATUM. The company's non-asbestos business is expected to account for approximately 50% of the business over the next three years from around 40% today.

Nation-wide footprint

Headquartered in Hyderabad, Visaka has 12 manufacturing locations. Its building products facility possesses an annual aggregate production capacity of 8,02,000 tonnes of cement asbestos sheets and 1,79,750 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 spindles. The Company's manufacturing units are supported by 13 marketing offices across India.

Extensive network

The Company markets products directly to retailers as opposed to pursuing the conventional distributor-retailer approach, facilitating a superior understanding of marketplace realities. The Company's distribution network comprises >7,000 dealers in India's urban, rural and suburban markets.

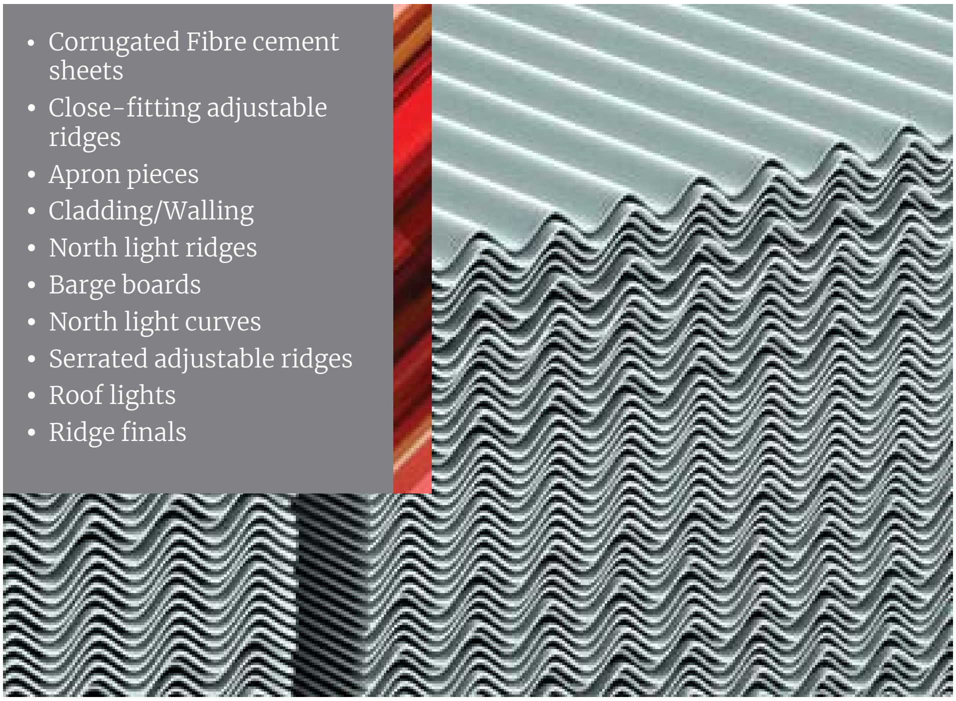
Listing

The Company's equity shares are listed and actively traded on the BSE and NSE. Visaka's market capitalisation as on 31st March 2020 stood at ₹214 crore and the promoter's holding stood at 42.46%.

Business segments and products offered

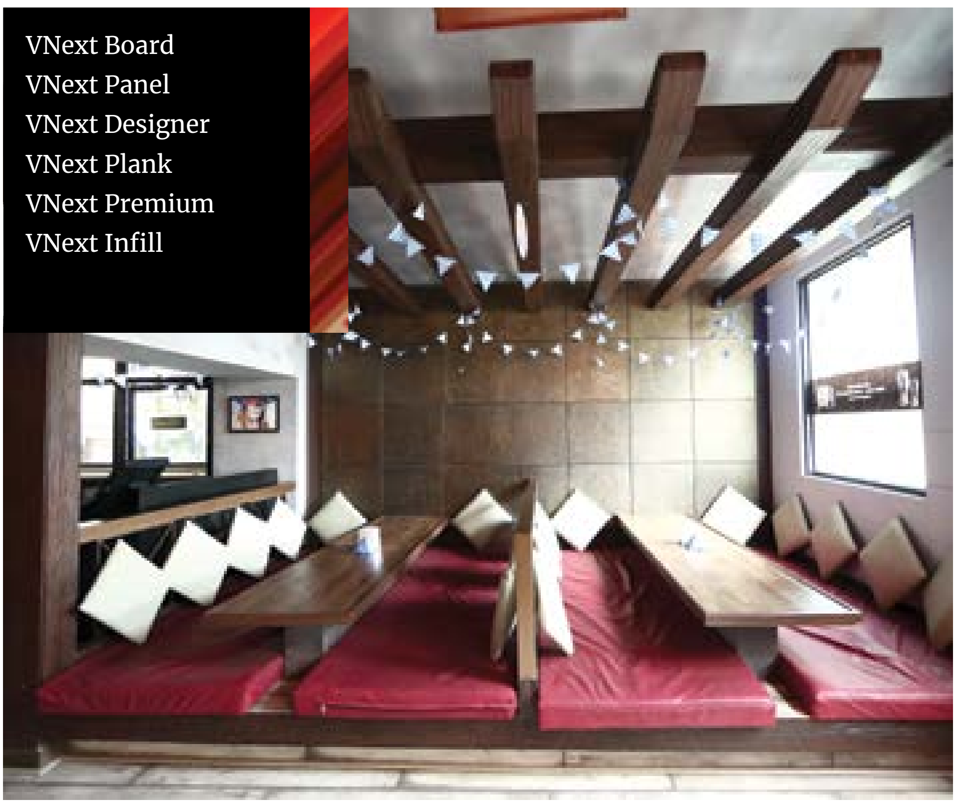
Cement asbestos

- Corrugated Fibre cement sheets
- Close-fitting adjustable ridges
- Apron pieces
- Cladding/Walling
- North light ridges
- Barge boards
- North light curves
- Serrated adjustable ridges
- Roof lights
- Ridge finals



VNext

VNext Board
VNext Panel
VNext Designer
VNext Plank
VNext Premium
VNext Infill



Yarns

Cotton-touch air-jet-spun polyester yarns

Solar roofing

ATUM

How Visaka's discipline translated into growth

Revenues (₹ crore)

FY2019-20	1,047
FY2018-19	1,127
FY2017-18	997
FY2016-17	951

Definition
Growth in sales net of taxes

Why is this measured?
It is a measure that indicates the Company's ability to maximise market import through superior product mix, pricing and value proposition.

What does it mean?
The number measures the sales impact of the various products of the Company.

Value impact
Aggregate sales revenue decreased by 7% to ₹1,047 crore in FY2019-20 following subdued demand for fibre cement sheets and the imposition of a nationwide lockdown during the crucial last week of March 2020.

EBITDA (₹ crore)

FY2019-20	115.49
FY2018-19	155.65
FY2017-18	154.73
FY2016-17	122.90

Definition
Earnings 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 surplus engine that allows the Company to build competitiveness in a sustainable manner.

Value impact
The Company reported a temporary decline in EBITDA due to a slowing economy during the year under review.

Net profit (₹ crore)

FY2019-20	49.30
FY2018-19	67.41
FY2017-18	66.55
FY2016-17	42.78

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 shareholders.

What does it mean?
Ensures that adequate cash is available for reinvestment, allowing the Company's growth engine to sustain.

Value impact
The Company reported a 26.9% decrease in its net profit in FY2019-20.

EBIDTA margin (%)

FY2019-20	11.04
FY2018-19	13.82
FY2017-18	15.51
FY2016-17	12.93

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 provides 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 278 bps decrease in EBIDTA margin during FY2019-20 on account of a decline in revenues and realisations.

ROCE (%)

FY2019-20	9.03
FY2018-19	14.92
FY2017-18	16.31
FY2016-17	13.43

Definition
It is a financial ratio that measures a company's profitability and the efficiency with which capital is employed in the business

Why is this measured?
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

What does it mean?
Enhanced ROCE can potentially drive valuations and perception (on listing)

Value impact
The Company reported a 589 bps decrease in ROCE during FY2019-20 due to sluggish demand for cement asbestos sheets coupled with increasing costs.

Gearing (x)

FY2019-20	0.60
FY2018-19	0.57
FY2017-18	0.63
FY2016-17	0.64

Definition
This is derived through the ratio of debt to net worth (less revaluation reserves)

Why is this measured?
This is one of the defining measures of a company's financial health, indicating the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the company to sustain growth in profits, margins and shareholder value.

What does it mean?
Adds value in the hands of shareholders especially when gearing is on the lower side, resulting in lower interest costs.

Value impact
The gearing remained more or less constant during the year under review.

Debt cost (%)

FY2019-20	5.90
FY2018-19	7.10
FY2017-18	6.90
FY2016-17	6.50

Definition
This is derived through the calculation of the average cost of the consolidated debt on the Company's books

Why is this measured?
This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

What does it mean?
Enhanced cash flows; strengthened credit rating for successive declines in debt cost

Value impact
This ratio should ideally be read in conjunction with net debt/ operating profit (an increase indicating higher liquidity). The debt cost of the company declined 120 bps during the year.

Interest cover (x)

FY2019-20	6.6
FY2018-19	7.8
FY2017-18	8.5
FY2016-17	6.3

Definition
This is derived through the division of EBIDTA by interest outflow

Why is this measured?
Interest cover indicates the Company's comfort in servicing interest – the higher the better.

What does it mean?
A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in guaranteeing sizeable returns to shareholders.

Value impact
The interest cover stood at a healthy 6.6 at the end of the year.

Net worth (₹ crore)

FY2019-20	505.01
FY2018-19	499.50
FY2017-18	445.66
FY2016-17	392.57

Definition
This is derived through the accretion of shareholder-owned funds

Why is this measured?
Net worth indicates the financial soundness of the company – the higher the better.

What does it mean?
This indicates the extent to which the company can sustain business with shareholder funds, generally assumed to be the lowest cost of capital.

Value impact
The Company's net worth strengthened 1.10% during the year.

How Visaka's equity price (CAGR) performed vis-à-vis the BSE Sensitive Index

Year	1 year	3 years	5 years	10 years
Stock price	-67 %	-21%	8%	0.2%
Sensex	-24 %	-0.2 %	1%	5%

Key performance

	FY 18-19	FY 19-20	Increase/ (Decrease)
Working capital cycle (days)	112	124	12
Debtors' turnover cycle (days)	50	49	[1]
Inventory turnover cycle (days)	88	106	18
Return on gross block (%)	23%	14%	[9]

FROM THE

JOINT MANAGING DIRECTOR'S DESK

G. Vamsi Krishna, *Joint Managing Director*

The discipline of investing in our capabilities helped us consolidate our market position and growth during a challenging 2019-20.

The rural economy suffered as credit flows weakened, affecting rural demand in 2019-20. Banks were hesitant in assisting NBFCs, given the liquidity crunch caused by an NBFC major, weakening real estate growth.

Investing in discipline

At a time of market weakness, Visaka deepened its discipline around focus and capabilities.

We focused equally on both businesses - our asbestos-based and non-asbestos businesses,strengthening new revenue engines.

We focused on reaching out to a diverse set of customers, broadbasing our revenues.

We enhanced our operating efficiencies that helped moderate costs. We deployed specialised technology to manufacture niche products for brand-enhancing customers.

We focused on global opportunities that widened our international footprint. Our VNext products were exported to the Middle East, Africa, South-East Asian countries and US. The fact that we could market our products internationally enhanced our confidence.

We focused on product development to address market opportunities. We graduated from the commodity end of the business to the more customised boutique end of the business, insulating the business from weaker realisations. We enjoyed traction for our revolutionary solar roofing solution – ATUM - that was enthusiastically embraced in the marketplace.

We adhered to stringent quality checks to ensure the highest product quality and customer trust. Our products were certified from laboratories in Singapore and Australia. We received the prestigious UL certification for ATUM that empowered us to sell in America and Europe.

The result is we retained our position as the largest producer of fibre cement boards and panels generating a positive brand recall. We retained our position as the largest twin-jet spinner and second-largest cement asbestos sheet manufacturer in the country. In a sluggish economy for the textile industry, we produced at peak capacity, sold our highest volumes and generated attractive margins.

THE RESULT IS WE RETAINED OUR POSITION AS THE **LARGEST PRODUCER OF FIBRE CEMENT BOARDS AND PANELS GENERATING A POSITIVE BRAND RECALL.**

Attractively positioned

The Government of India played a vital role in empowering farmers by introducing the Direct Benefit Transfer Scheme, raising disposable incomes in rural areas. Progressive policies like Housing for All catalysed building products demand in rural and semi-urban areas.

The Central Government reduced the GST rate on affordable housing to 1% from 8%. During the fiscal under review, the government reduced the corporate tax rate.

We are capitalising on these opportunities to cement our reputation as one of the leading players in the sector, accounting for 18% and 32% market share of the cement asbestos sheets and the VNext business. Besides, our effective tax rate reduced from 34.94% to 25.17%, a benefit of 977 bps. This will help us in enhancing the price-value proposition for consumers and widening our market.

Visaka has consistently focused on being present where customers are. With the commissioning of the plant in Jhajjar, Haryana, we were able to cater to demand in North India with relatively lower logistics costs,an area earlier serviced from Pune. Our cumulative capacity for fibre cement boards increased by 42% to 1,70,000 tonnes per annum. Even as there was a slowdown in the rural economy, we scaled our business through a sales revenue growth of 11% by addressing industrial and commercial construction requirements.

Countering challenges

At Visaka, we believe that the Indian renewable energy sector is primed for accelerated growth. According to the Renewable Energy Attractiveness Index 2018, India emerged as the fourth most attractive renewable energy market in the world. As of October 2018, India ranked fifth in installed renewable energy capacity. With a raft of progressive measures undertaken by the Central Government, India is targeting a three-fold increase in solar power generation capacity to 100 gigawatts by 2022.

At Visaka, we intend to capitalise on this opportunity through our revolutionary new product called ATUM. During FY2019-20, we bagged 30 projects for installing ATUM from different corporates across India. Since no similar product is presently available,we are marketing its niche value proposition. Revenues from ATUM stood at ₹6.5 crore during FY2019-20. Although the traction was initially moderate because the product is yet to be popularised, prospects appear bright.

OVER THE YEARS, WE HAVE BEEN CONSISTENTLY STRENGTHENING OUR **FOUNDATION TO BE FUTURE-READY.**

The textiles sector in India, which is primarily dominated by unorganised players, was affected in the aftermath of demonetisation and GST implementation. Visaka, being an organised player, was able to ride through these developments. We not only performed well but outpaced the sectoral average as well.

Over the years, we have been consistently strengthening our foundation to be future-ready. Our cement asbestos division is expected to show traction in FY21 on the back of a probable sectoral turnaround. Favourable exchange rates should allow us to sustain our margins. Following the establishment of the Jhajjar plant, we expect the VNext division to grow revenues by 15%. The rising demand for quality clothing could keep yarn offtake stable. Our initiatives over the last year should deliver good ATUM revenue growth in FY21.

Overview

During the year under review, we scaled our capacity without compromising the robustness of our Balance Sheet. We widened our distribution footprint, enhanced process efficiencies, improved capacity utilisation, penetrated the domestic market deeper and increased our international footprint.

Looking ahead, we intend to deepen our competencies by reaching out to a wider customer base and addressing their existing and emerging needs.

Looking within

CFO's review

Overview

Our overall revenue from operations declined to ₹1,050 crore in FY2019-20 from ₹1,136 crore in FY2018-19, a decline of 8%. Our EBITDA margins at 11.04% compared to 13.82% last year showed a decline of 2.78%. This marginal drop was in the backdrop of a deteriorating economic scenario during the year.

Even in a challenging 2019-20, Visaka did not deviate from its long-term vision.

We invested in strengthening our capabilities, focusing on segments delivering growth and value-addition. Even in a subdued market where production declined, we invested in capacity enhancement.

Strengthening the engine

During the year under review, we focused on laying the foundation for our next growth phase. The Company invested ₹38 crore of accruals in capacity enhancement. The company is commissioning another 50,000 MTPA plant at Coimbatore which shall add 29% capacity. We had already invested ₹15 crore as on 31st March 2020 and will invest ₹65 crore in FY2021 out of accruals. The plant is expected to start production by the end of FY 2022.

During the year under review, the company undertook a number of marketing initiatives with an overall spending of ₹14 crores compared to ₹21 crores in the previous year. The charge of depreciation and other expenses, following commencement of production of ATUM and boards at Jhajjar, impacted the bottom line. The impact of these expenses will decline as the plant scales to a higher utilisation.

Our forward-looking strategy

We seek to enter relatively under-penetrated spaces and build scale with speed. This explains how we grew from being the seventh largest in the cement asbestos sheets business into the second largest; even after entering the space of fibre boards as late as in FY 2009, we emerged as the largest Indian producer in March 2020.

The cement asbestos sheets business has been largely commoditised where competitiveness is derived through an operating discipline of branding better, distributing wider and moderating costs below the sectoral average. The non-asbestos cement sheets business is marked by value-addition, higher than the sectoral average. The result is that revenues from non-asbestos business and value-added products were cumulatively 40% of overall revenues in 2019-20 compared with around 20% in 2016-17.

We prioritised the requirement of the hour and contributed to market liquidity by declaring a significantly higher rate of dividend of ₹15 per share. We believe this will help in enhancing income in the hands of our shareholders, strengthening returns on their investments.

Segmental review, 2019-20

The cement asbestos market de-grew by 10.5% during the year while Visaka de-grew by 12%. This relative performance was majorly due to a weak rural economy and low disposable incomes in the hands of people. Margins were impacted following a rise in raw material costs. The company selected not to pass cost increases to consumers and maximise market share but capacity utilisation instead.

Increased capacity utilisation and enhanced demand resulted in the VNext (fibre cement boards and panels) business registering a healthy growth of 11%. ATUM, the newly-launched product, generated revenues of ₹6.5 crore despite low market awareness. Since the product is certified as a 'green' product, it will help responsible downstream corporate users graduate to Gold and Platinum ratings. During the year, the cost of pulp, which accounts for 35% of the cost, declined, strengthening margins. The company will undertake decisive initiatives to enhance product gain traction across the foreseeable future.

The company's yarn division reported one of its best performances. Despite the lingering impact of GST, a rise in yarn realisations allowed the company to cover an increase in raw material costs. The result was that EBIDTA margins for the business grew 200 bps to 15% during the year.

Strengthening the Balance Sheet

The company strengthened its Balance Sheet during the year under review.

The company repaid ₹10 crore in long-term debt during the year ending 31st March 2020. The company maintained its debt-equity ratio at around 0.60. The working capital cycle of 112 days of turnover equivalent in 2018-19 increased to 124 days in 2019-20; the receivables cycle of 50 days strengthened to 49 days.

ROCE for the year stood at 9.03% compared to 14.92% in FY2018-19 due to a decline in turnover and margins. Net worth grew to ₹505 crore during FY2019-20 from ₹500 crore in FY2018-19 despite a significantly higher dividend outgo. EPS was ₹31.04 compared to ₹42.45 during FY2018-19.

Outlook

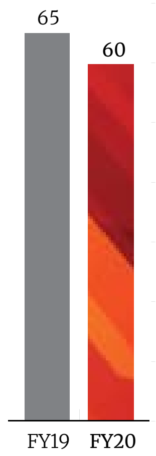
The rural economic scenario is weak considering low income growth, general economic slowdown, business disruption due to the corona virus and NBFC sector illiquidity. Yet there is optimism because these short-term aberrations could taper and demand could normalise.

The cement asbestos sheet business is expected to grow following low inflation, increased Direct Benefit Transfers, rural development and the implementation of schemes addressing the rural poor. The asbestos business margins are expected to improve in FY2021. The company's VNext Board segment is expected to emerge as a major topline contributor, accounting for approximately 30% of revenues by 2022 compared to 19% in FY 2020. The Jhajjar plant broke even in 2019-20 and is expected to add to the bottom line with higher margins.

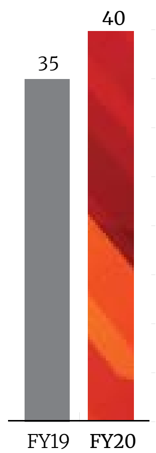
The company's yarn business division is expected to perform consistently during FY 21. The cash generated from it would be utilised to enhance the efficiency of other businesses. The culmination of these efforts will help us staying hedged from adversities while scaling our business across the foreseeable future.

Vepa Vallinath
Chief Financial Officer

Asbestos revenues (%)



Non-asbestos revenues (%)



An integrated report of our value creation

There is a growing importance of the Integrated Value-Creation Report as a communication discipline.

This Integrated Value-Creation Report overcomes the shortcomings of the conventional communication approach through a comprehensive reporting framework that reconciles 'hard' and 'soft' initiatives into an integrated format.

Integrated reporting combines different reporting strands (financial, management commentary, governance, remuneration and sustainability reporting) into a coherent whole that explains an organisation's holistic ability to create, enhance and sustain value.

The primary purpose of integrated reporting is to explain to providers of financial capital how an organisation enhances value over time. The impact of the integrated report extends beyond financial stakeholders; it enhances understanding across all stakeholders - including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organisation's ability to enhance value across time.

Integrated Reporting highlights how 'green' and ethical values drive long-term growth. This shift from the 'hard' to 'soft' (non-financial data) helps screen a company more comprehensively, addressing the needs of the investor fraternity/government agencies.

The relevance of our sector

Urbanisation: About 34% of India's population is urban and is expected to reach 40% by 2030.

Real estate development: The sector is expected to reach a market size of US$ 1 trillion by 2030 from US$ 120 billion in 2017. Increasing share of real estate in the GDP would be supported by increasing industrial activity, improving income level and urbanisation.

Rising population: By 2027, India is projected to overtake China as the world's most populous country. India is adding nearly 15 million people to its population every year.

Addressable market: India needs an estimated 18.78 million more homes over the years, ensuring adequate room to generate multi-year growth

Governmental support: The Indian government is encouraging affordable housing for the masses, widening the market for building products.

Growing awareness: Following the rise of social media, consumers are selecting to buy fashionable clothes (over the functional).

GST: The implementation of GST has strengthened the traction for organised sector products in India over the unorganised sector.

Visaka's resources

Financial capital: The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth and accruals.

Manufactured capital: Our manufacturing assets, technologies and equipment for production constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.

Human capital: Our management, employees and contract workers form a part of our workforce, the experience and competence enhancing value.

Intellectual capital: Our focus on cost optimisation, operational excellence as well as our repository of proprietary knowledge account for our intellectual resources.

Natural capital: We depend on raw materials sourced from nature, indicating a moderate impact on the natural environment.

Social capital: Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

Visaka's competitive positioning

Visaka's strategy

Strategic focus	Innovate and excel	Cost advantage	Supplier of choice	Robust people practices	Responsible corporate citizenship
Key enablers	Nurtured a culture of cost management, qualitative excellence and efficient distribution.	Focused on cost management through investments in superior manufacturing technologies, scale, integration and superior terms of trade.	Emphasised superior product quality, operational transparency, product customisation (in the textiles business) and product endurance.	Facilitated personal and professional development, strengthening people retention and superior use of knowledge.	Engaged in community-strengthening initiatives near the company's various manufacturing facilities.
Materials issued	Invested in cutting-edge technologies; introduced innovative products like ATUM.	Commenced manufacturing operations in Jhajjar to cater to the North Indian market.	Produced quality products that were accredited with relevant certifications.	Allocated 2 % of the profit towards CSR activities.	Addressed capex through accruals, strengthening the Balance Sheet.
Capital impacted	Manufactured, Intellectual and Financial	Financial and Social	Intellectual, Manufactured and Social	Intellectual and Human	Social and Natural

Visaka's performance

Capacity utilisation: The capacity utilisation of the cement asbestos, fibre cement boards and yarns manufacturing units stood at 80%, 76% and 93% respectively in 2019-20.

Operational footprint: Visaka widened its footprint from 25 States in FY2017-18 to 28 States and Union Territories in FY2019-20.

Financial leverage: Visaka's gearing of 0.60 as on 31st March 2020 indicated the availability of adequate borrowing room without compromising financial integrity.

Human resources: Visaka retained its strong talent during the year.

Financial capital

1,047 Turnover ₹ crore	31.04 Earnings ₹ per share
15 Dividend ₹ per share	9.03 ROCE %

Manufacturing capital

832 Building Products sales revenues ₹ crore	215 Yarn sales revenues ₹ crore

Human capital

2,035

Permanent Employees

37

Average age

Intellectual capital

2

Market status (cement asbestos sheets)

6

Training hours per employee

72

Employees of five years or more (%)

Natural capital

33

Investment in eco-friendly technologies (VNext and ATUM in FY20): ₹ crore

Social capital

1.87

Investment in CSR: ₹ crore

Visaka's business model

Visaka Industries is bringing to its respective sectors a dynamic proactive commitment

Low manufacturing costs › Rising capacity utilisation › Economies of scale › Progressive debt repayment

+

Superior realisations › Stronger brand › Segment leadership › Superior terms of trade

+

Timely business extensions › Prudent accrual investments › Adjacent business spaces › Futuristic

+

Robust Balance Sheet › Lower debt cost › Declining debt: EBITDA › Superior cash flows

+

Environment compliance › Responsible inputs › Environmentally relevant › Industry statesmanship

Fibre cement sheets › Second largest fibre cement sheets capacity in India + 8 manufacturing plants + Relatively low capital cost per MT

= Among highest EBITDA per tonne + Among lowest interest costs + Competitive across market cycles

+

Yarn › Focused on value-added yarns › Addressing fashion end › Premium realisations › Competitive across market cycles

+

VNext Boards › Largest manufacturer in India › Three manufacturing locations › Game-changer for aesthetic interiors and exteriors › Eco-friendly product

+

ATUM › Innovative solar rooftop product › First-of-its-kind › Sunrise business › Potential to change solar rooftop landscape

Country
- Proactive capacity creation
- Capacity creation in under-provided regions

Shareholders
- Stable multi-product model
- Focus on profitable growth

Customers
- Brand-driven product offtake
- Quality products

Employees
- Extensive delegation and empowerment
- Personal and professional development

Communities
- Commitment to enhance community welfare
- Environmentally safe operations

Society
- Contribution to exchequer
- Driving employment

Environment
- Extra-statutory approach
- High multi-decade durability

Visaka Industries capitalising on India's lifestyle and aspirations-driven growth

BUSINESS DIVISION - I

Cement asbestos

Business profile

Stakeholder group	Capitals imapcted
Market share (%)	18%
Presence	Pan-India
Plant locations	Telangana, Andhra Pradesh, Tamil Nadu, Karnataka, West Bengal, Odisha, Uttar Pradesh and Maharashtra
Number of plants	8
Brands	Visaka/ Shakti
Sales contribution (%) to Total Revenue	60%

Capacity utilisation

	FY16	FY17	FY18	FY19	FY20
Installed capacity (metric tonnes)	8,02,000	8,02,000	8,02,000	8,02,000	8,02,000
Capacity utilisation (%)	87	86	88	92	80

Sales growth

	FY16	FY17	FY18	FY19	FY20
Sales growth (%)	-5.4	-6.1	+6.2	+7.6	-14

Contribution to total sales

	FY15	FY20
Contribution (%)	71%	60%

The company started manufacturing cement asbestos sheets in 1985 with an annual capacity of 36,000 metric tonnes. Today, it possesses a capacity to manufacture 8,02,000 metric tonnes across eight plants that account for a 60% share of the company's total revenues.

The year 2019-20 was weak in terms of market demand due to slower economic growth in general and weak rural economy in particular. Although factors such as a slump in real estate market, resistance of people to spend on renovation/investing in home and default of major NBFC companies acted as deterrents for growth, a rise in steel prices during the year acted as insulation from competition.

What makes Visaka different

Sectoral expertise: With the company being in the business for over four decades, Visaka has aggregated vast sectoral experience to address existing and emerging customer needs.

Certifications: The Company's products are certified with accreditations like BIS, ensuring a stringent compliance with various sectoral norms. The Company's focus on ensuring qualitative excellence has ensured a consistent increase in its customer base.

Wide footprint: The Company established a large retail footprint, which spans the length and breadth of nation, thanks to about 7,000 dealers.

Extensive scale: The Company is the second-largest manufacturer of cement asbestos sheets in the country and accounts for 18% of the sectoral capacity. This manufacturing capacity provides Visaka the benefit of economies of scale.

Highlights, FY2019-20

- Revenues contracted 14% in FY2019-20.
- Capacity utilisation stood at 80% compared to 92% in 2018-19.
- EBITDA margins contracted 500 bps during the year

Challenges and counter-measures

Since Visaka imports chrysotile fibre, currency movements impacted raw material costs .

The company focused on improving its operational efficiencies for cost control.

Since cement asbestos accounts for 60% of the topline, a slowdown in offtake impacted overall company's growth.

Visaka's decision to invest in secondary business helped enhance sustainability.

Demand drivers

Lower corporate tax rate: The government's decision to lower the corporate tax rate to 25% will help companies like Visaka derive better margins and pass cost differentials to customers and make product pricing competitive.

Housing initiatives: Housing for All and Direct Benefit Transfer undertaken by the Indian government will empower rural spending and enhance the demand for roofing products.

Steel prices: Rising steel prices in FY2019-20 helped widen the market for substitutes like cement fibre sheets.

GST impact: The reduction of composite tax from 28% to 18% enhanced product affordability.

Way forward

The rural economy is expected to stabilise and the demand is expected to normalise. The Company expects to maximise capacity utilisation while maintaining/improving EBITDA margins.

Business segment review

BUSINESS DIVISION - II

VNext products, fibre cement boards and panels

Division profile

Market share (%)	32
Presence	Pan-India
Plant locations	Telangana, Maharashtra, Haryana
Number of plants	3
Brands	VNext
Sales contribution (%)	19%

Capacity utilisation

	FY16	FY17	FY18	FY19	FY20
Capacity utilisation (%)	73	75	81	67	76

Sales growth

	FY16	FY17	FY18	FY19	FY20
Sales growth (%)	20	0	9	17	11

Contribution to total sales

	FY15	FY20
Contribution to total sales (%)	11%	19%

Visaka commenced manufacture of fibre cement boards and panels in 2009.

The user-friendly and proven substitute for conventional walls and other dry wall solutions called VNext Panel is manufactured with technical inputs from Australia and accepted by builders and practicing professionals in India and overseas. It is a light, ready to use wall-like sandwich panel (the product's core is filled with EPS concrete with VNext Boards as facing sheets). These panels are manufactured with precision in an asbestos-free manufacturing unit at Miryalaguda, Telangana. A VNext Panel comes with perks that include energy efficiency from its excellent thermal and acoustic properties. Offered in three variants in thickness – 50mm, 75mm and 100mm – it has a standard width of 600mm and lengths of 2,400mm, 2,700mm, 3,000mm and 3,300mm. The product is widely used as ready-to-install walls for the sturdy construction of structures like site camps, offices, villas, resorts, farmhouses, partitions in malls, hotels and hospitals.

The Company manufactures VNext Board, non-asbestos autoclaved, fibre cement board using the Hatchek process with high-pressure steam curing technology.

Visaka's capacity is 1,70,000 metric tonnes per annum for boards and 9,750 metric tonnes per annum for panels. Trial panels production commenced in March, 2020 at Jhajjar in Haryana. Commercial production likely to be started in June / July 2020. The installed capacity of panels will increase by 10,000 MT per annum in FY2020-21. The Company is the number one player in terms of market share, accounting for 32% of sectoral capacity. It is also the exclusive producer of the premium product -Type A. Visaka is expanding its distribution network and spreading product awareness by engaging with opinion influencers (carpenters, architects and contractors).

With diverse options to explore creative applications, products of VNext have built a satisfied clientele in India, Middle East and Africa and are expanding at a competitive pace.

Market development of VNext

Cost effective: The use of VNext Board helps save electricity and water as the product comprises dry wall construction. Due to a shortage of Red Sand, VNext represents an ideal eco-friendly product for construction.

Influencer's endorsement: A global fraternity of architects, project management consultants and interior designers that work with building material products endorse fibre cement. Made to combat the downsides of boards made of plywood and gypsum plaster, fibre cement boards provide resistance against three major construction threats – termite, water and fire

Certified: VNext Boards are manufactured while adhering to IS 14862:2000 / ASTM C 1186 standards. It is a Type B Category 3 board primarily used in interior and semi-exposed applications with thicknesses that range from 4mm to 25mm. VNext Premium is a Type A category 3 board conforming to IS 14862:2000 / ASTM C 1186 – one that can be exposed to extreme weather conditions. Suitable for exterior applications, the product is made with thicknesses of 4mm to 18mm. VNext Premium Plank is a designer exterior grade material used for applications like façade, external cladding and siding. A textured VNext Premium Board is cut into 150mm or 200mm wide strips.

The VNext portfolio

- VNext Board for interiors
- VNext Premium for exteriors
- VNext Plank for exteriors
- VNext Panel for internal and external walls
- VNext Infill for load bearing walls

Applications

VNext Board, VNext Premium and VNext Premium Plank are widely used for varied applications like

- Wall panelling
- Dry walls
- Partitions
- False ceilings
- Mezzanine flooring
- Roof underlay
- Kitchen cabinets
- Shelves
- External cladding
- Sidings
- Façades
- Gates cladding
- Soffits (flower-bed ceilings)

What makes Visaka different

Quality-conscious: VNext products are manufactured using cellulose fiber and are Green Pro Certified products (VNext Board, VNext Designer, VNext Plank and VNext Premium and VNext Panel) by CII-IGBC. Visaka is the only company to be certified Green Products among fibre cement boards. The Company's products have been certified as fire-proof, water-proof, termite-resistant and UV-resistant by TUV Singapore. The Company's focus on manufacturing best-in-class, eco-friendly products has resulted in sectoral leadership.

Focused: The Company started with more than 30 applications but has now shortlisted some core applications to provide customised solutions.

Innovative: The Company introduced value-added products like designer boards and exterior boards like planks. Recently, it introduced the path-breaking VNext Infill (Load bearing dry wall) technology that facilitates superior and accelerated construction. This lightweight concrete (cement, sand, expanded polystyrene and a proprietary additive) is mixed with water and poured between a structure made with VNext Frames, TMT rods and VNext Boards as facing sheets. The Company launched ATUM, a new-age, eco-friendly roofing product that provides an integrated solar energy generating system.

Strategic: The Company sources fly ash and cement from areas proximate to its facilities. The Company's plants in Pune, Miryalaguda and Jhajjar are located proximately from large cities, a competitive marketing advantage.

Farsighted: The Company's new facility in Jhajjar was commissioned to address growing demand in North India, strengthen logistic efficiencies and reach customers faster. The cumulative capacity of the Company stands at 1,70,000 metric tonnes per annum of VNext Boards, one of the largest in the industry.

Cutting-edge: The Company's automated fibre cement Board plants are ISI-certified, consuming far lower power compared to the sectoral average.

Highlights, FY2019-20 (VNext Products)

- Grew revenues by 11% FY2019-20.
- Volume of sales grew 13% in FY2019-20.
- Capacity utilisation stood at 76%.
- The Company is commissioning another plant in South India with a capacity of 50,000 tonnes with an investment of ₹80 crores out of internal accruals. The plant is expected to commence production by FY2021-22.

Demand drivers

Overall development: The vast array of government projects across the hospitality, education and healthcare segments as well as affordable mass housing, slum rehabilitation and sanitation programmes should ensure a steady demand for Visaka's products.

Policy boost: To address the shortage of housing in India, the Central Government launched Housing for All by 2022. Under this initiative, the Government intends to catalyse the development of two crore houses in urban areas and four crore houses in rural areas, widening the market for the Company's products.

Warehousing growth: The rise in e-tail and industrial growth are driving the growth of India's warehousing sector, strengthening the demand for Visaka's products.

Rural demand: A sustained improvement in farm incomes and rural employment could sustain the demand for fibre cement boards and roofing sheets.

Speedy construction: The need for faster construction in a world with a premium on time could strengthen the offtake of VNext products and dry wall systems.

Ready-to-install products: The shortage of skilled labour and increasing costs have increased the demand for modular ready-to-install products that save construction time without compromising safety and strength on the one hand while generating attractive savings on the other.

Aesthetics: The need for aesthetic products by consumers of today and the nextgen are expected to increase demand multifold.

Way forward

The company is expected to clock 15% revenue growth in 2020-21 with enhanced capacity utilisation. With the commencement of the Coimbatore unit, it expects to increase volumes over the next two years. VNext products are expected to account for 30% of revenues by 2021-22 from 19% in 2019-20.

SUB-BUSINESS SEGMENT

ATUM

The Company launched a one-of-a-kind solar roofing product called ATUM, an integrated solar roofing system that provides all the functions of a traditional roof while generating energy. Visaka manufactured integrated solar panels with a cement base. The product cancels out heat better than traditional roofs while improving the building's aesthetic appeal.

What makes Visaka different

Unique: The Company reinforced its respect as a sectoral pioneer following the launch of this product.

Value-accretive: The product ensures that its cost can be recouped within six to seven years through power generation, transforming an expense into an investment. The product's thermal insulation reduces temperature without any mat requiring to be installed under the roof.

Long-lasting: The product (10 mm roof with a density of 1,250 Kg per cubic metre) enjoys a longer lifespan than conventional products (estimated at more than 25 years).

Superior properties: ATUM is noise-proof, minimising the impact of heat and rain better than galvalume sheets.

Features that set ATUM apart

Resilient: ATUM can withstand wind speeds of >180 kilometres per hour.

Certified: The product is backed by relevant certifications (BIS certified-IS: 14286/IEC 61215, IEC 61730 Part-1 and IEC 61730 Part-2).

Versatile: It is an integrated power-generating roofing solution (~2 metres x1 metre correlates to 21.5 square feet for a 320-watt peak).

Strong: It can deal with a live load of >500 Kg and a point load of 200 Kg.

Productive: ATUM is low on space and high on productivity. Case in point: a 1-kilowatt panel can be installed within an area of 66.5 square feet compared to a conventional solar panel that occupies 100 square feet. The result: ~50% more installed capacity in the same space.

Durable: It can last longer (40-45 years as far as roofing is concerned and >25 years as far as power generation is concerned)

The efficacy of such a revolutionary product like ATUM can be assessed from the fact that Visaka executed 30 projects in FY2019-20, with a capacity of 2.5 MW.

Highlights, FY2019-20

- The company executed 30 projects in 2019-20
- The company has a pipeline of projects worth 25 MW

Challenges and counter-measures

Since the product is new, it was a challenge to create product awareness

The company did extensive marketing with 100 presentations during the year

There was a need to showcase the quality of the product

The Company received BIS and UL Certifications for ATUM

Way forward

The uniqueness of the product and growing environmental awareness are expected to strengthen offtake by commercial and industrial customers.

Region	Number of projects	Capacity (kilowatts)
Northern	1	550
Western	8	453
Southern	21	1,491

Key projects executed in FY2019-20

Project Name	Location	Total installed in KW
Net Magic	Mumbai	88
Phoenix Infra	Hyderabad	140
Srinthi Foods	Chennai	210
SVS Medical College	Hyderabad	200
Rathinam Institutions	Chennai	200
Jhajjhar Factory	Jhajjhar	550

Business segment review

BUSINESS DIVISION - III

Yarns

Capacity

	FY16	FY17	FY18	FY19	FY20
MTS machines	33	41	41	41	41
Spinning positions	2,176	2,752	2,752	2,752	2,752

Sales growth

	FY16	FY17	FY18	FY19	FY20
Sales (₹ crore)	172	174	169	219	215
Sales growth (%)	-4%	+1%	-3%	+30%	-2%

Contribution to total sales

	FY15	FY20
Contribution to total sales (%)	18%	21%

Visaka forayed into the manufacture of synthetic yarn in 1992 by commissioning a factory in Nagpur. The plant was designed to produce ~2,000 tonnes of man-made yarns per annum using the cutting-edge air-jet spinning technology.

Over the years, the company expanded it to manufacture a gamut of specialised products (mélange, high-twist and specialty yarns) in different blends. These value-added yarns are utilised by quality-conscious fabric manufacturers, resulting in realisations that are among the highest in the country's yarn sector. The company's quality emphasis is validated through prominent downstream brands like Donear,Siyaram Silks, Raymonds, GBTL, RSWM, BSL Suitings, Arvind Mills among others.

The Company scaled its spinning capacity in FY2017 to produce 12,000 tonnes per annum.

Visaka's moat

Reputed: The Company invested in periodic capacity addition (now 12,000 metric tonnes of yarns per annum) to service the growing requirements of some of the biggest fabric brands in India.

Technology: The Company manufactures yarns using the sophisticated Twin air-jet spinning technology.

Best-in-class: The yarns manufactured by the Company are marked by low pilling, no singeing and excellent dye pick-up, low picks per inch, low weaving costs, low value loss/ fresher piece lengths, high perspiration absorption, low shrinkage, smooth appearance and cotton-touch feel.

Preferred: The yarns produced by Visaka enhance loom productivity and are preferred by demanding fabric manufacturers.

Highlights, FY2019-20

- Marginal decline in sales revenue by 1.75% from ₹219 crore in FY2018-19 to ₹215 crore in FY2019-20.
- Decline in volumes by 0.80% from 11,221 metric tonnes in FY2018-19 to 11,135 metric tonnes in FY2019-20.
- Decline incapacity utilisation from 94% in FY2018-19 to 93 % in FY2019-20.

Demand drivers

Rising incomes: India's per capita income has been strengthening year-on-year, increasing aspirations and the demand for quality fabrics.

Online brands: The e-tail market in India is currently valued at US$ 16.3 billion and expected to grow at a CAGR of 45% till 2020, catalysing the creation of online textile brands.

Fashion market: The Indian fashion market of ~US$ 70 billion is organised only to the extent of 25% and projected to grow at a CAGR of 15% to US$102 billion by 2022.

Growing middle-class: India's middle-class is forecast to expand 1.4% per annum, outpacing China, Mexico and Brazil. India is set to evolve from an important sourcing hub into one of the most attractive garment consuming markets.

Increasing exports: India is the world's second largest textile exporter. The growing national capacity has significantly moderated per unit production costs, strengthening the country's competitive advantage of the textile sector over global peers.

Westernwear demand: India's westernwear market of ~US$ 700 million is growing at a CAGR of 17%. With >40% of the population working, the demand for westernwear is likely to increase.

Growing fashion consciousness: Social media is driving fashion-consciousness and aspirations for better garments.

Increasing urbanisation: By 2030, urban consumers could account for 40% of the target base, contributing ~55-60% to apparel offtake.

(Source: Ministry of Textiles, IMF, McKinsey Global Institute, Aranca Research, IBEF, PwC)

Way forward

The GST implementation lag is expected to decline, strengthening sectoral prospects. As a result, the Company's volume is expected to grow in FY2020-21.

Risk management

Building products business

Risks	Mitigation
There is a perception that cement asbestos products are harmful.	Cement asbestos products are not harmful as the quantum of fibre used in India is minimal. No fatalities have been reported in India by users of the material. The Company uses white fibre whereas the carcinogenic blue fibre is banned. Besides, the free floating asbestos used by the Company is well below the 0.1 fibres/cc of air standard fixed by Ministry of Environment. The Company's ongoing audit ensures a safe workplace for employees. The Company presents its case responsibly to the external world that the material used is safe.
There is a risk of interrupted fibre supply that could affect production	The Company imports all the fibre it needs (Russia, Kazakhstan and Brazil). Even as the Company has been working with suppliers for long, it enters into annual contracts with them based on its production plan for predictable supply. The Company keeps adequate raw material inventory as a hedge against shipment delays and unavailability of material.
There is a risk of supplying far from the production plant, incur high freight costs and trans-shipment breakage and endangered profitability.	The Company has progressively commissioned plants in regions with attractive offtake but relatively inadequate supply. The Company's strategy is to service consumers across a radius of 500 Km. Each of the Company's plants cover mutually exclusive marketing zones, maximising national coverage.

Risks	Mitigation
There is a risk of realisations declining in the event of product oversupply or demand destruction.	There is a risk of oversupply especially when new capacities come on stream without corresponding market growth, resulting in a decline in realisations. However, as the market grows, realisations correct. The Company has generally marketed its products in regions of under-supply, enhanced recall and strengthened its market share. The result is that its material has generally sold quicker even in times of oversupply and commanded a premium in times of under supply.
The business is exposed to a forex risk, considering that nearly all the Company's requirement of fibre is imported.	The Company has a proactive hedging policy handled by a committee of executives. The Company also enjoys a natural hedge for a part of its imports through yarn and VNext product export.

Textiles business

Risks	Mitigation
The Company may be affected by commodity realisations.	The Company has consciously selected to be present in the value-added end of the business through the manufacture of niche and premium products. Some of the products fetch realisations higher than the prevailing industry average. The Company's average realisation per Kg of end product was ₹180 in 2016-17 and ₹193 in 2019-20.
The Company could be affected by a rise in input prices.	This risk affects the entire industry. However, the Company has always passed on cost increases due to its premium quality positioning.
The Company could be affected by a decline in offtake and product relevance.	The Company has deliberately graduated to the manufacture of yarns used in value-added end products. The Company addresses the needs of weavers who make branded garments and home textiles. There is a growing market for these products in India on account of an increase in incomes, greater proportion of the population becoming earners, decline in the average age and a general inclination to graduate to a better living standard.
The Company's textiles business could be affected by client attrition.	The Company customises yarns not easily replicated by competitors, helping retain customers.
The Company's textiles business may be affected by high debt.	The Company's textiles business is attractively under-leveraged. Besides, the Company has reinvested cash accruals in its textile business, strengthening viability. The divisional cash profit stood at ₹28 crore for the year ended 31st March, 2020.

Board's Report

Dear Members,

Your Directors are pleased to present the 38th Annual Report of the Company with the Audited Financial Statement for the year ended March 31, 2020. The financial highlights are as follows:

(₹ in lakhs)

Particulars	2019-20	2018-19
Total revenues	105701	114845
Profit before depreciation and taxes	9808	13570
Profit before taxes	5712	10035
Provision for taxes (Including deferred tax)	782	3294
Total comprehensive income	4763	6724
Dividend (including corporate dividend tax) *	4212	1340
Balance brought forward from previous year	16454	11071
Profit available for appropriation	17006	16454

*Dividend paid during the respective years

Performance review and the state of Company's affairs:

The year under review was a stressful one. The GDP of the country had been declining through the year under review due to the demand slowdown. The result is that growth during the year 2019-20 was 4.2% compared to 6.1% in the previous year. Correspondingly, growth of real Gross Value Added (GVA) in 2019-20 is estimated to closely track the GDP growth trend as against 6.6% in 2018-19. The manufacturing sector was estimated to have grown at 2% in 2019-20 compared to 6.9% in the previous year. There was hope that a good monsoon during the second quarter would revive rural and agri-based sectors towards the end of the year but the sudden outbreak of COVID-19 in the last month of FY20 resulted in economic uncertainty, especially in the manufacturing segment. The ensuing lockdown resulted in complete operational pause, demand implosion and complete halt of supply chains as businesses began to shift their focus to protecting the well-being of employees and other stakeholders.

Sluggishness in demand, coupled with increase in the prices of key raw materials did have some effect on the operations of your company through the course of the year under review. However, towards the end, the lockdown starting March 2020 impacted the Company's performance.

The Company's key performance indicators are as under:

- Total revenues decreased by 8% to Rs. 1057 crores from Rs.1148 crores in the previous year
- Cash Profit decreased by 28% to Rs.98 crores from Rs.136 crores in previous year
- Profit before tax decreased by 43% to Rs.57 crores from Rs.100 crores in previous year

- The capital expenditure for 2019-20 was Rs 39 crores, major part of which is in respect of the panels project at Jhajjar and purchase of land at Coimbatore.

Your company, with a view to capitalise on the expertise gained in various applications of its products, incorporated V-Next Solutions Private Limited on 20.03.2020 and planning to infuse funds during the financial year 2020-21 enabling it to start operations.

There is no change in business during the year under review.

COVID-19 impact

The outbreak of the deadly COVID-19 virus and the ensuing lockdown imposed across the country affected business operations. The health of the employees and workers became a priority; stoppage of operations for an uncertain period resulted in a large financial burden on the one hand and workforce idling on the other.

COVID-19 is an unprecedented challenge. The lockdown gave India time to make a concerted effort to flatten the outbreak curve. Six States (including Andhra Pradesh, Kerala, Maharashtra and Tamil Nadu accounting for ~30% of the construction activity) relied heavily on migrant construction workers from other States. Bottlenecks in the return of migrants could affect building activities in these States. Your company could retain most of its labour in its factories as on the date of writing this report. The rural country-side seems relatively unaffected by Covid 19 and hence movement of cement sheet in these areas is going on comfortably since the partial lifting of the lockdown. The opening of urban markets across Maharashtra, Karnataka, Gujarat, National Capital Region, Delhi, Tamil Nadu and Telangana could facilitate stock movement in niche segments like VNext Boards, ATUM and textiles in due course of time.

Dividend

Your Directors declared a first interim dividend of Rs.10/- (100%) and second interim dividend of Rs.5/- (50%) per share aggregating to Rs.15/-per share (150%) of Rs.10/- each during the financial year under review. The Company has absorbed corporate dividend tax of Rs.489.65 lakhs on the said dividend.

In connection with 2nd Interim Dividend (Rs.5/- per share (i.e., 50%)) declared on equity share of Rs.10/- each fully paid-up for the financial year 2019–20, an amount aggregating to Rs.7,94,04,760/- was paid to the shareholders through electronic means i.e., NEFT, RTGS, ECS and NECS etc. An amount of Rs.15,88,255/- pertaining to 2069 shareholders either holding shares in physical mode or NEFT/NCS return cases against whom, dividend warrants are taken but could not be posted due to the inability expressed by the postal department to offer registered / speed post services, due to the current lockdown situation prevailing across the country to combat the COVID-19 Pandemic crises. The company is in regular touch with the postal and courier services for dispatching of the same upon resume of services.

Management discussion and analysis

Global economic review

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. The result was that global trade grew a mere 0.9% in 2019, pulling down the overall economic growth average.

United States: The country's Gross Domestic Product grew by 2.3% in 2019 compared to 2.9% in 2018-19 as a result of a decline in business investments and the ongoing trade war with China.

China: The country's Gross Domestic Product grew by 6.1% in 2019 compared to 6.7% in 2018 as a result of the trade war with the United States, overcapacity in some industries, corporate sector indebtedness and a shrinking room for monetary and fiscal policies.

United Kingdom: The country's Gross Domestic Product grew by 1.4% in 2019 compared to 1.3% in 2018.

Japan: The country's Gross Domestic Product grew by 2.0% in 2019 compared to 2.4% in 2018.

The 'Great Lockdown', as a result of the pandemic Covid-19, is projected to shrink the global growth significantly starting from the calendar year 2020.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Global economic growth over six years

Year	2015	2016	2017(E)	2018(E)	2019 (P)	2020 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	2.9	(3)

(Source: World Economic Outlook, April 2020, E: Estimated; P: Projected)

Indian economic review

India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of $2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

There was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY2019-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY19.

Y-o-Y growth of the Indian economy

	FY17	FY18	FY19	FY20
Real GDP growth (%)	8.3	7	6.1	4.2

Growth of the Indian economy, 2019-20

	Q1, FY20	Q2, FY20	Q3 FY20	Q4 FY20
Real GDP growth (%)	5	4.5	4.7	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, EIU)

A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019.

During the last week of the financial year under review, the national lockdown affected freight traffic, consumer offtake and a range of economic activities.

Key government initiatives, 2019-20

National infrastructure pipeline: To achieve a GDP of USD 5 trillion by 2025, the government announced a National Infrastructure Policy entailing an investment of ₹102 trillion in five years.

Corporate tax relief: The government moderated the corporate tax rate to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

Outlook

Various forecasts have estimated a sharp de-growth in the Indian economy for the current financial year, the first such instance of de-growth in decades.

Indian construction and building materials industry

After agriculture, the building materials industry is the second largest employer in India. The sector employs a large number of people and accounts for 8% of India's GDP. The major segments in the construction industry comprise real estate (residential and commercial construction), infrastructure development (roads, railways and power etc.) and industrial uplift (oil and gas refineries, pipelines, textiles etc.)

The year 2019-20 delivered muted growth in the real estate sector. The government thrust on infrastructure development acted as a stimulus for the industry. The increased spend on infrastructure development saw the sector reporting reasonable growth. Initiatives like Housing for All, dedicated freight corridors, metro rail projects, AMRUT, Smart Cities and up-gradation of roadways enhanced demand for building materials. Going ahead, the real estate sector in India is expected to reach US$ 1 trillion by 2030 and will contribute 13 per cent of the country's GDP by 2025. (Source: Zricks.com)

Outlook

The government's thrust on improving the real estate sector by setting up a Rs 25,000-crore alternative investment fund (AIF) and reducing GST on under-construction properties could catalyse the growth of the building materials industry. India could emerge as the third largest construction market by 2022, which could have a favourable effect on its building materials industry. The construction market in India could grow twice as fast as China to 2030, providing a new global growth engine. India's urban population is expected to grow by 165 million by 2030. (Source: Zricks.com, GlobalData)

Growth drivers

Urbanisation: About 31 percent of India's population is urban, and by 2050 another 400 million are expected to become urban dwellers. By 2030, India needs 25 million more affordable housing units to oblige the growing urban population.

Real estate development: Real estate sector in India attracted nearly Rs 43,780 crore (US$ 6.26 billion) of investments in 2019. The sector is expected to reach a market size of US$ 1 trillion by 2030 from US$ 120 billion in 2017. Increasing share of real estate in the GDP would be supported by increasing industrial activity, improving income level and urbanisation.

Rising population: By 2027, India is projected to overtake China as the world's most populous country. India would be adding nearly 15 million people to the population every year.

Policy support: The government has allowed FDI of up to 100 per cent for townships and settlements development projects. Real Estate (Regulation and Development) Act (RERA) 2016 will make the sector more transparent.

Housing for All: Under the scheme, 60 million houses are to be built which include 40 million in rural areas and 20 million in urban area by 2022.

Growing retail space: The country's office leasing volume rose 27 percent year-on-year to an all-time high of 60.6 million square feet in 2019, increasing requirement for building products.

(Source: United Nations, Bloombergquint, Economic Times)

SCOT analysis of the construction and building materials industry

Strengths	Challenges
Enhanced FDI inflow in India	Slow sectoral growth
Increased government focus	High competition
Easy access to raw material and labour	Lower bank funding to NBFCs and HFCs
Increasing population	Slower GDP growth and in-turn slower commercial growth
Opportunities	**Threats**
Increasing population	Safety issues
Low rural housing penetration	Natural calamities
Urbanisation and nuclear families	

Indian fibre cement products sector

Fibre Cement sheets have been in use for more than eight decades because of their weather resistance. The Indian roofing industry has undergone a paradigm shift for two reasons: the growth in industrial applications and consumers dissatisfied with available conventional options and seeking more value from their roofing sheet purchase. These realities created a higher demand for different kinds of sheets (domestic, commercial and industrial). Mostly used in rural buildings, corrugated roofing sheets possess repetitive folds on their surface and because of this unique shape offer enduring utility and strength. Their corrugated design with ridges and grooves make them stronger; the wavy construction increases strength covering small surface areas.

Although 2019-20 saw a decline in consumer spending due to lower disposable incomes, slower economic growth, disrupted market conditions due to the corona virus and slow real estate development, the sector is poised to rebound on account of the government's focus on low-cost housing.

SCOT analysis of the cement asbestos products industry

Strengths	Challenges
Fire and water resistance	Fragmented market
Rust-proof	Low-value commodity
Lower maintenance required	
Opportunities	**Threats**
Increasing population	Close competition
Low rural housing penetration	Lack of entry barriers
Reduction in tax rates	
Low price differential	

Fibre cement boards (FCBs) and panels (V-Next products)

The market size for fibre cement boards reached Rs. 1000 crore in India. The FCB is the fastest emerging panel board, reporting 18-20% growth supported by increasing domestic capacity and imports. Since these boards provide a premium look and are quick to install, their demand is on the rise.

Outlook

Increasing health consciousness and rising cost of wood has made FCBs popular and increasingly relevant. The chemical-free hygienic environment promoted by these products acts as a major driver. With increasing population and government's initiatives like 'Housing for all', the sector is expected to perform well across the long-term.

Union Budget incentives

- Budget 2020 proposed to extend the Rs 1.5 lakh benefit on interest paid on affordable housing loans by a year to March 2021 under section 80EEA
- The government simplified the personal income tax structure by reducing rates for individual taxpayers through the introduction of new slabs. For example, against the prevalent rate of 20 per cent income tax for those earning between Rs 5 lakh to Rs 7.5 lakh per year, the new rate was halved to 10 per cent. The introduction of reduced personal income tax rates could help EMI repayments for the salaried middle-class.
- On the supply side, rationalisation in the GST rate for cement from 28% to 18% could catalyse the infrastructure and housing sector.
- The government's decision to bolster the guarantee scheme for NBFCs and HFCs and offer subordinate debt to MSMEs could also help enhance liquidity (in addition to dividend distribution tax abolition).

(Source: PIB)

Solar rooftops

In 2015, the Indian Government outlined a renewable energy capacity target of 175 gigawatts (GW) by 2022. Of this, 100 GW was earmarked for solar capacity with 40 GW (40%) expected to be achieved through decentralized and rooftop-scale solar projects, but only ~14% of this capacity has been achieved through rooftop solar projects. Approximately 70% of the market growth was driven by commercial and industrial consumers, incentivized by the high tariffs applying to these two sectors. (Source: Economic Times)

Outlook

Rooftop solar PV can meet the electricity needs of consumers, and given the government's push for induction cooking, it can also enable people to switch from imported kerosene or biomass to clean, sustainable domestic cooking solutions. With declining PV module and storage costs, rooftop solar can provide a quality and reliable electricity supply in a cost-effective way. By reducing grid demand growth, distributed rooftop solar also helps address growing transmission connectivity infrastructure requirements. According to IEEFA, rooftop solar installations could grow at a CAGR of 50% starting 2018, suggesting a cumulative 13 GW of installed capacity by FY2021-22.

(Source: IEEFA)

Drivers for solar rooftops

Reducing costs: The cost of solar power has declined steeply to less than Rs 2.40 a unit, well below grid parity (thermal power produced from coal and gas) against Rs 17 a unit a decade ago. According to TERI and US-based think tank Climate Policy Initiative, the cost of generation of solar power could fall to as low as Rs 1.9 a unit over the coming decade.

Changing consumer behavior: The 'reflex generation' expects utilities and other similar service providers to raise standards not just in terms of price competitiveness but also sustainability from an ecology point of view, increasing prospects of solar rooftops.

Enhanced savings: A typical residential rooftop solar can save up to Rs 9000 per kW a year or around Rs 2.25 lakh with a 25-year lifetime of the installation.

(Source: Economic Times)

Visaka's positioning

Visaka's building products business manufactures three products – Fibre cement Sheets , VNext products (V-Boards and V-Panels) and ATUM.

- **Fibre Cement sheets:** The economic slowdown, lower disposable income in the hands of people and slow real estate growth resulted in a 14% de-growth in sales revenues. The segment contributed 60% to the overall sales revenues of the company and reported an EBITDA margin of 12%.
- **Fibre cement boards and panels (V-Next products):** The Company became the largest producer of fibre cement boards in the country in FY2019-20, accounting for 32% of the sectoral capacity. The segment's sales revenues grew 11% during the year.
- Trial production taken in the month of March 2020 at panels project set up at Jhajjar in Haryana. Commercial production likely to be started in June / July 2020. The installed capacity of panels will increase by 10000 M.T per annum in FY 2020-21.
- **ATUM:** The year 2019-20 was the second successive year of ATUM's commercial manufacture. The Company reported revenues of Rs 6.5 crore, a 4x growth over the previous year. Although the product is new, it has the potential to grow substantially.

Global textiles and apparel industry

The global textile market size was valued at USD 961.5 billion in 2019. Increasing disposable income and rapid urbanization led to a rise in the number of supermarkets and retail stores, driving market growth. The Asia-Pacific is expected to remain the largest market through the forecast period in the light of increasing volume of clothing and apparel sales through e-commerce portals in China, Bangladesh, India and Thailand.(Source: Technavio)

Outlook

The global apparel market is estimated to grow at a CAGR of 4.3% from 2020 to 2027 to USD 1,350.2 billion, catalyzed by increased manufacture in China, India, Mexico and Bangladesh.

(Source: Technavio, Grandview)

Indian textiles and apparel industry

India is the world's second largest producer of textiles and garments. The textile industry plays a significant role in the economy, contributing to over 13% of industrial output and over 2% of GDP. The industry employed more than 4.5 crore citizens and contributed ~15 per cent to the export earnings of India in FY20. The domestic textile and apparel market is estimated at US$ 100 billion in 2018-19, growing at a CAGR of 10 per cent since 2005-06. Demand is expected to grow at a 12 per cent CAGR to US$ 220 billion by 2025. Rising per capita income, favourable demographics and a shift in preference to branded products is expected to catalyse demand. India's textile and apparel exports stood at US$ 38.70 billion in FY19 and expected to increase to US$ 82.00 billion by 2021. It is US$ 11.92 billion in FY20 (up to July 2019). Increase in domestic demand is set to boost cloth production. Cloth production in FY19 stood at 70 billion square meters and 29.04 billion square meters by August 2019. (Source: IBEF)

Outlook

The size of India's textile industry is expected to touch US$ 223 billion by 2021. The new textile policy aims to achieve US$ 300 billion worth of textile exports by 2024-25. (Source: IBEF, Department of Industrial Policy and Promotion)

Textile and apparel industry in India (US$ billion)

Year	Industry size
FY16	80
FY18	90
FY19E	100
FY26P	220

(Source: IBEF)

Visaka's standpoint

Visaka manufactures niche, value-added cotton touch Air-Jet spun polyester yarns; its products enjoy among the highest margins in India's synthetic yarns industry. The Company's revenues decreased from Rs 219 crore in FY2018-19 to Rs 215 crore in FY2019-20, a decline of 1.75% over last year.

Outbreak of COVID-19

Corona virus originated in Wuhan, China, and quickly spread across the world. It was declared as a global pandemic on 11th March 2020 by World Health Organization (WHO). In a bid to contain the outbreak of the virus, the Indian government announced a nation-wide lockdown from 25th March 2020, affecting life and livelihoods. A responsive organization like Visaka took proactive initiatives to counter the challenges posed by this unprecedented emergency.

Initiatives taken to minimise COVID-19 impact

- The Company's Joint Managing Director, Mr. G Vamsi Krishna voluntarily took a 50% salary cut starting April 2020; all mid, senior and other top management executives volunteered to take a 33% salary reduction
- The Company embarked on several cost reduction initiatives; it remunerated small and medium-scale vendors; all statutory payments were addressed without seeking moratorium
- The Company conducted instructional training programmes through video conferences to ensure that all the employees could be apprised of precautionary measures; it promoted personal hygiene and social distancing through comprehensive documentation, training and installations; it distributed hand wash, sanitisers and preventive gear to secure its workforce
- The Company conducted daily motivational video conferences to boost employee productivity and morale
- The Company adhered to precautions and SOPs recommended by MHA and sanctioning authority regarding the resumption of operations
- The Company, through green building services using V-Next, provided turnkey solutions to the healthcare sector for accelerating the construction of testing and relief stations to fight COVID-19
- The Company's R&D team worked intensively to produce ventilators
- The Company distributed 5 kgs of rice to more than 1000 families (daily wagers and underprivileged people)
- The Company's Board declared a 150% interim dividend, addressing the interest of shareholders
- The company is confident of tiding over this crisis owing to its business model and strong balance sheet. However, the extent to which the business/ operations will be impacted shall depend on the future developments of the pandemic

Financial overview

Analysis of the profit and loss statement

Revenues: Revenue from operations reported 8 % decline from Rs. 1136 crore in 2018-19 to Rs. 1050 crore in 2019-20. Other income of the Company reported a 45 % decline and accounted for 0.63 % share of the Company's revenues reflecting the Company's dependence on its core business operations.

Expenses: Total expenses of the Company decreased by 5 % from Rs. 1048 crore in 2018-19 to Rs. 1000 crore due to lower volume of production. Employee expenses accounting for 11% share of the Company's revenues increased by 7 % from Rs. 108 crore in 2018-19 to Rs. 116 crore in 2019-20.

Analysis of the Balance Sheet

Sources of funds

- The capital employed by the Company increased by 2 % from Rs. 806 crore as on 31st March 2019 to Rs. 825 crore as on 31st March 2020 owing to setting up the panels project.
- The net worth of the Company increased by 1% from Rs. 500 crore as on 31st March 2019 to Rs. 505 crore as on 31st March 2020 owing to increase in reserves and surpluses. The Company's equity share capital comprising 1.58 crore equity shares of Rs. 10 each, remained unchanged during the year under review.
- Long-term debt of the Company increased 10 % to Rs. 86 crore as on 31st March 2020. Long-term debt-equity ratio of the Company stood at 0.17 in 2019-20 compared to 0.16 in 2018-19.
- Finance costs of the Company decreased by 13 % from Rs. 19.95 crore in 2018-19 to Rs. 17.40 crore in 2019-20 following the repayment of liabilities

and negotiation of better terms with bankers. The Company's interest cover stood at a comfortable 6.6 x in 2019-20 (7.8 x in 2018-19).

Applications of funds

- Fixed assets (gross) of the Company increased by 5 % from Rs. 521 crore as on 31st March 2019 to Rs. 549 crore as on 31st March 2020 owing to an investment in land and machinery.

Other Non current assets

- Other Non-current assets of the Company increased from Rs. 13.65 crore as on 31st March 2019 to Rs. 14.71 crore as on 31st March 2020.

Working capital management

- Current assets of the Company increased by 4 % from Rs. 492 crore as on 31st March 2019 to Rs. 514 crore as on 31st March 2020 owing to the growing scale of business of the Company. The current and quick ratios of the Company stood at 1.52 and 0.48, respectively in 2019-20 compared to 1.5 and 0.55, respectively in 2018-19.

- Inventories including raw materials, work-in-progress and finished goods among others increased by 12 % from Rs. 272 crore as on 31st March 2019 to Rs. 304 crore as on 31st March 2020 . The inventory cycle days increased from 88 days of turnover equivalent in 2018-19 to 106 days of turnover equivalent in 2019-20 due to the lockdown of the market in the 2nd fortnight of March 2020.

- Trade receivables decreased by 9 % from Rs. 159 crore as on 31st March 2019 to Rs. 145 crore as on 31st March 2020. More than 96 % of the receivables are considered good. The Company contained its debtor turnover cycle within 49 days of turnover equivalent in 2019-20 compared to 50 days in 2018-19.

- Cash and bank balances of the Company decreased by 5 % from Rs. 20 crore as on 31st March, 2019 to Rs. 19 crore as on 31st March, 2020

- Loans and advances made by the Company increased by 48 % from Rs. 18 crore as on 31st March 2019 to Rs. 27 crore on account of increased prepaid expenses and advances payable to suppliers.

Margins

- Reduced cost absorption due to drop in revenues in cement asbestos business of the Company impacted the margins during the year. The EBIDTA margin of the Company declined by 278 basis points from 13.82 % in 2018-19 to 11.04%, while the net profit margin of the Company declined by 127 basis points.

Key ratios

Particulars	2019-20	2018-19
EBIDTA/Turnover (%)	11.04	13.82
Total Debt-equity ratio	0.60	0.57
Return on equity (%)	9.76	13.49
Book value per share (Rs.)	318	314
Earnings per share (Rs.)	31.04	42.45
Debtors Turnover (days)	49	50
Inventory Turnover (days)	106	88
Interest Coverage Ratio (x)	6.6	7.8
Current Ratio (x)	1.52	1.50
Net Profit Margin (%)	4.71	5.98

During the year under the review return on net worth stood at 9.76% compared to 13.49% during the previous year. The reduction was on account of a pressure on margins and investment incurred for the expansion of the Jhajjar unit.

Internal Financial Control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions wherever necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Based on its evaluation (as provided under Section 177 of the Companies Act, 2013 and Clause 18 of SEBI Listing Regulations), the Audit Committee has concluded that as of March 31, 2020, the Internal Financial Controls were adequate and operating effectively.

M/s. Price Waterhouse & Co. Chartered Accountants LLP, the Statutory Auditors of the Company audited the financial statements included in this Annual Report and issued a report on the internal controls over financial reporting (as defined in Section 143 of the Companies Act, 2013).

Human resources and industrial relations

The Company believes that the quality of employees is the key to its success. In view of this, it is committed to equip them with skills, enabling them to evolve with technological advancements. During the year, the Company organised training programmes in technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. Considering the health and safety of employees and advisories, orders and directions issued by State and Central Governments to restrict the novel corona virus, the Company implemented a work from home policy to ensure employee safety. The HR department of the Company was continuously in touch with employees to guide and solve problems. It created awareness regarding COVID-19 and educated employees about precautions. The Company conducted all interviews through telephone and video calls in deference to the need for social distancing. The Company prepared a systematic operating plan to address COVID-19 after the lockdown is lifted. The Company's employee strength stood at 2035 as on 31st March 2020.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectations and estimations, which may be 'forward-looking statements', within the meaning of applicable laws and regulations.

Fixed Deposits

During the year under review, your Company has accepted Rs.1.34 crores as public deposits and repaid Rs.2.67 crores upon maturity making the outstanding as on March 31, 2020 to Rs.13.39 crores. In this regard, it is further stated that:

a) There were no deposits lying unpaid or unclaimed at the end of the year i.e. 31.03.2020;

b) There has been no default in repayment of deposits or payment of interest thereon during the year;

c) There are no deposits lying with the Company which are not in compliance with the requirements of Chapter V of the Companies Act 2013 (Act) and

d) As provided under the Act, the outstanding deposits accepted under the provisions of previous Act have been repaid and squared off, fully.

Unclaimed Dividend and Shares

Your company, in compliance with provisions of Section 125 of the Companies Act 2013, read with relevant applicable rules and circulars issued thereunder from time to time by the Ministry of Corporate Affairs, New Delhi, transferred the following shares to the IEPF Authority in respect of which no claim of dividend has been made for seven consecutive years:

a) 1,04,861 shares – dividend declared up to the financial year 2009-10;

b) 4,107 shares – dividend declared up to the financial year 2010-11 and

c) 13,817 shares – dividends (first and second interim) declared up to the financial year 2012–13.

Further, in terms of the aforesaid provisions, upon expiry of 7 consecutive years' period, unclaimed amount pertaining to final dividend for the Year 2012-13 together with shares, if any, will be transferred to the said fund on or before August 2, 2020.

Banks and financial institutions

Your Company is prompt in making the payment of interest and repayment of loans to the financial institutions / banks apart from payment of interest on working capital to the banks. During the COVID-19 Pandemic period, it has not availed any moratorium on any of its payments to the institutions. Banks and Financial Institutions continue their unstinted support in all aspects and the Board records its appreciation for the same.

Corporate social responsibility

Your Company, as a responsible Corporate Citizen, established Visaka Charitable Trust in the year 2000, a non-profit entity, to support initiatives that benefit the society at large. The Trust had been already undertaking various activities like provision of drinking water by digging borewells, construction of irrigation tanks in remote villages, building of Classrooms in Schools and Colleges, reimbursement of salaries of teachers and supply of classroom furniture and conducting health camps.

Keeping in view the above, your Board, thought it would be appropriate to spend CSR expenditure as mandated under Section 135 of the Companies Act, 2013 either in part or full through the same trust i.e., Visaka Charitable Trust, objectives of which entail it to undertake the CSR activities as contemplated under Schedule VII of the Companies Act, 2013. Accordingly, your company has been undertaking various CSR initiatives in meeting the said statutory obligations through the trust.

A report on CSR activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed as Annexure – 1.

Your Board further undertakes to spend the amount towards the aforesaid identified CSR activities through the trust as per the CSR policy of the Company.

CSR policy of the Company may be accessed on the Company's website at the link: www.visaka.co.

Directors and key managerial personnel

At the 37th annual general meeting of the Company held on 27.06.2019, Smt. G. Saroja Vivekanand was reappointed as Managing Director of the company for a period of five years effective from October 24, 2019.

During the year under review, Shri G. Appnender Babu was appointed as Additional Director of the Company effective from 12.08.2019 and holds office as such until the date of ensuing annual general meeting of the Company. Shri. P. Srikar Reddy has been appointed as an independent director effective from 25.07.2015 for a term of 5 years and is holding office as such up to 24.07.2020.

Your company was arrayed in top 1000 listed entities as on 31.03.2020 and therefore, to meet the requirement to have an independent woman director under listing regulations, Smt. Vanitha Datla has been appointed as an Independent Director of the company effective from 26.05.2020 subject to your approval at the ensuing meeting.

Shri P. Srikar Reddy, Shri G.Appnender Babu and Smt. Vanitha Datla have submitted the respective declarations stating that they meet the criteria of independence as laid down under the provisions of Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations with reference to your Company. In view of the same, they are eligible for appointment as Independent Directors for a period of 5 years from the date of their respective appointment / re-appointment, so long as their appointment is in compliance with provisions of subsections (6) to (8) of Section 149 read with Schedule IV. The company has received notices in writing from members under section 160 of the Act, proposing their candidature for the office of the Directors of the Company.

In pursuance of Article 130(e) of Articles of Association of the Company, Shri V. Vallinath is liable to retire by rotation at the ensuing annual general meeting and being eligible, offers himself for reappointment.

The aforesaid appointments/reappointments of directors are subject to your approval and appropriate resolutions to the said effect are included in the notice calling the ensuing annual general meeting of the Company seeking your approval.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company state that:

a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures and the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013;

b) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the said period;

c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) They have prepared the annual accounts on a going concern basis;

e) They have laid down internal financial controls in the Company that are adequate and are operating effectively and

f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Corporate Governance

A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report.

Auditors and auditors' report

Statutory audit:
In terms of provisions of the Companies Act, 2013, at the 35th Annual General Meeting (20.06.2017) of the Company, M/s. Price Waterhouse & Co., Chartered Accountants LLP (FRN 304026E/ E300009), Hyderabad, were appointed as statutory auditors of the Company to hold the office from the conclusion of the 35th annual general meeting till the conclusion of 40th annual general meeting to be held in the year 2023. They have confirmed that they are not disqualified from continuing as auditors of the company.

Cost audit:
In terms of the Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records pertaining to building products division and textile products division and stipulated cost records pertaining to the said divisions are maintained.

M/s. Sagar & Associates, Cost Accountants, Hyderabad, were appointed as Cost Accountants of the Company for conducting the cost audit for the financial year 2019-20 at a remuneration of Rs.1,50,000/- (exclusive of out of pocket expenses and applicable taxes) and the same was ratified by you at the 37th annual general meeting of the Company. The Board after considering the recommendations of its Audit Committee, appointed the aforesaid firm as cost auditors for the financial year 2020-21 and appropriate resolutions in this connection has been included in the notice calling the ensuing annual general meeting of the Company for ratification purpose. Cost audit report for the financial year ended March 31, 2019 was filed with the Central Government on September 07, 2019.

Secretarial audit:
Your Board has appointed M/s. Tumuluru & Co., Practicing Company Secretaries, Hyderabad, as Secretarial Auditors of the Company for the financial year 2019-20 and secretarial audit report for the financial year ended March 31, 2020 is enclosed as Annexure-2.

As regards the comments made in the report, in terms of listing regulations, your company, since arrayed in top 1000 listed entities as on 31.03.2020, it shall have an independent woman director on the Board effective from 01.04.2020. In view of unexpected lockdown situation triggered due to COVID-19 Pandemic, Smt. Vanitha Datla is appointed as an Independent Director of the company effective from 26.05.2020 and as such as on the date of this report, your company has complied with the said requirement.

Criteria for identification, appointment, remuneration and evaluation of performance of Directors

Your Company constituted Nomination and Remuneration Committee (hereinafter referred to as "the Committee"), to oversee, inter-alia, matters relating to:

a) Identify persons who are qualified to become directors and persons who can be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

b) Formulate the criteria for determining qualifications, positive attributes and independence of a director;

c) Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;

d) Carry out evaluation of every director's performance including that of Independent Directors and

e) Devise a policy to be followed for identification, appointment, remuneration and evaluation of performance of directors including Company's Board diversity etc., as approved by the Board.

The criteria for appointment, qualifications and positive attributes along with remuneration policy as applicable to Directors, KMPs and other Senior management personnel and the criteria to be followed for performance evaluation of each director including Independent Directors of the Company is enclosed as Annexure – 3.

Formal annual evaluation made of the performance of the Board, its committees and of individual directors

Your Company believes that it is the collective effectiveness of the Board that impacts the Company's performance and thus, the primary evaluation platform is that of collective performance of the Board.

The parameters for evaluation of Board performance, as laid under evaluation criteria adopted by the Company, have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as fulfil expectations of other stakeholders through strategic supervision of the Company.

The said criteria also contemplate evaluation of Directors based on their performance as directors apart from their specific role as independent, non-executive and executive directors as mentioned below:

a. Every director will be evaluated on discharging their duties and responsibilities as enshrined under various statutes and regulatory facet, participation in discussions and deliberations in achieving an optimum balance between the interest of company's business and its stakeholders.

b. Executive Directors will also be evaluated based on targets/criteria given to Executive Directors by the Board from time to time in addition to their terms of appointment.

c. Independent Directors will also be evaluated on discharging their obligations in connection with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties, specifically applicable to Independent Directors as contained in Schedule IV to the Companies Act, 2013.

The criteria also specifies that the Board would evaluate each committee's performance based on the mandate on which the committee has been constituted and the contributions made by each member of the said committee in effective discharge of the responsibilities.

The Board of Directors of your Company has made annual evaluation of its performance, its committees and directors for the financial year 2019-20 based on aforesaid criteria.

Particulars of loans, guarantees or investments

Details of investments made by the Company, are given in the notes to the financial statements (Please refer Note Nos. 5). During the year under review, your Company did not give any other loans or guarantees, provide any security or make any investments as covered under Section 186 of the Companies Act, 2013, other than as disclosed above.

Related party transactions

Related party transactions entered during the financial year under review are disclosed in Notes to the financial statements of the Company for the financial year ended March 31, 2020.

These transactions entered were at an arm's length basis and in the ordinary course of business.

There were no materially significant related party transactions with the Company's promoters, directors, management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the note on the aforesaid related party transactions is enclosed as Annexure-4.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website under investor relations/listing compliances tab at www.visaka.co.

Risk management framework

As a diversified enterprise, your Company believes that, periodic review of various risks which have a bearing on the business and operations is vital to proactively manage uncertainty and changes in the internal and external environment so that it can limit the negative impact and capitalize on opportunities.

Risk management framework enables a systematic approach to risk identification, leverage on any opportunities and provides strategies to manage, transfer, avoid or minimize the impact of the risks and helps to ensure sustainable business growth with stability of affairs and operations of the Company.

Keeping the above in view, your Company's risk management is embedded in the business processes. As a part of review of business and operations, your Board with the help of the management periodically reviews various risks associated with the business and products of the Company and considers appropriate risk mitigation processes. However, there are certain risks which cannot be avoided but the impact can only be minimized. The recent disruption and uncertainty in business due to the COVID-19 pandemic is one such risk due to which the Company's operations have been badly impacted. It might have a long-standing impact on the company's revenues and margins due to incapacitation of sections of the workforce, reduced productivity, impact on emotional wellbeing during lockdown/quarantine, inability to provide work to some of the employees, disruption of supply chains, suppliers' inability to service and non-opening of markets due to extended period of lockdown.

Demand for the Company's products may just not be adversely affected in industry segments directly impacted by the pandemic like travel and hospitality, but across other segments as well due to a sharp slowdown of the world's major economies. This is likely to affect the company's earnings in the short and medium-term. However, your Company's significant scale and broad geographical exposure, focus on value added applications, coupled with cost control measures are expected to facilitate the transition.

The risks and concerns associated with each segment of your Company's business are discussed while reviewing segment-wise Management Discussion and Analysis. The other risks that the management review includes:

a) Industry and services risk: This includes economic risks like demand and supply chain, profitability, gestation period etc.; services risks like infrastructural facilities; market risks like consumer preferences and distribution channel etc.; business dynamics like inflation/deflation etc.; competition risks like cost effectiveness.

b) Management and operational risks: This includes risks to property; clear and well-defined work process; changes in technology/upgradation; R&D risks; agency network risks; personnel and labour turnover risks; environmental and pollution control regulations; locational benefits near metros.

c) Market risks: This includes raw material rates; quantities, quality, suppliers, lead time, interest rate and forex risk.

d) Political risks: This includes elections; war risks; country / area risks; insurance risks like fire, strikes, riots and civil commotion, marine risks, cargo risks etc.; fiscal/monetary policy risks including taxation risk.

e) Credit risks: This includes creditworthiness; risks in settlement of dues by clients and provisions for doubtful and bad debts.

f) Liquidity risks: This includes risks like financial solvency and liquidity; borrowing limits, delays; cash/reserve management risks and tax risks.

g) Disaster risks: This includes natural calamities like fires, floods, earthquakes, etc.; man made risk factors arising under the Factories Act, Mines Act, etc.; risk of failure of effective disaster management plans formulated by the Company.

h) System risks: This includes system capacities and system reliability risks; obsolescence risk; data integrity risk and coordination and interface risk.

i) Legal risks: This includes contract risks; contractual liabilities; frauds; judicial risks and insurance risk.

j) Government policies: This includes exemptions, import licenses, income tax and sales tax holidays, subsidies, tax benefits etc.

Further, your Board has constituted a Risk Management Committee, inter-alia, to monitor and review the risk management framework.

Other disclosures

Board Meetings:
Seven meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance on page no. 75 of this Annual Report.

Audit Committee:
The Audit Committee comprises Independent Directors namely Shri Bhagirat B Merchant (Chairman), Shri V.Pattabhi and Shri Gusti J. Noria apart from Smt. G. Saroja Vivekanand, Managing Director. All the recommendations made by the Audit Committee were accepted by the Board.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:
Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as Annexure-5.

Vigil Mechanism:
In accordance with the provisions of the Act and listing regulations, Vigil Mechanism for directors and employees to report genuine concerns has been established.

The Vigil Mechanism Policy has been uploaded on the website of the Company under investor relations/ listing compliances tab at www.visaka.co

Remuneration of Directors, Key Managerial Personnel, Employees and General:
Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure-6. In terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the top ten employees in terms of the remuneration drawn as set out in said rules forms part of the annual report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, this annual report, excluding the aforesaid information, is being sent to the shareholders of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing annual general meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

Extract of Annual Return
The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-7.

General:
Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

i. Issue of equity shares with differential rights as to dividend, voting or otherwise;

ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;

iii. No significant or material orders were passed by any regulator or Court or Tribunal which impacts the going concern status and Company's operations in future.

Your Directors further state that:

a) The company has complied with the provisions of constitution of internal complaints committee under the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013 and

b) During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgements:
Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

The Directors deeply regret the loss of life caused due to the outbreak of COVID-19 and are grateful to every person who risked their life and safety to fight this pandemic.

On behalf of the Board of Directors

Date: 26.05.2020
Place: Secunderabad

Bhagirat B. Merchant
Chairman

ANNEXURE – 1

Report on CSR activities

for the financial year ended March 31, 2020

1. A brief outline of the Company's CSR policy, including overview of Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

   Your company as a responsible corporate entity framed CSR policy as stipulated by the Companies Act, 2013 to undertake all or any of the objectives contained in Schedule VII.

   Your company intends to actively contribute to the social and economic development of the communities in which it operates by participating actively in building a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

   The CSR Policy may be accessed on the Company's website at the link: http://www.visaka.co.

2. The Composition of CSR Committee:

   The CSR Committee comprises Directors namely Shri Gusti J. Noria (Chairman), Shri V.Pattabhi, Dr.G.Vivekanand, Smt. G. Saroja Vivekanand and Shri J.P.Rao as other members.

3. Average net profits of the Company for last three financial years: Rs.9294 lakhs.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs.185.89 lakhs

5. Details of CSR spent during the financial year:
   a) Total amount to be spent for the financial year 2019-20: Rs.185.89 Lakhs
   b) Amount unspent, if any: Not Applicable.
   c) Manner, in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S. No.	**CSR Project or Activity identified**	**Sector in which the Project is covered**	**Projects or programs 1. Local Area or other 2. Specify the State and District where projects or Programs were undertaken**	**Amount outlay (budget) Project Or Programs-wise**	**Amount spent on the Project Or Programs-wise Sub-heads 1. Direct Expenditure on Project or Prog. 2. Overheads**	**Cumulative Expenditure up to the reporting period (₹ in lakhs)**	**Amount spent: Direct or through implementing agency**
1	Provision of Drinking water, Conducting health camps, Eradication of Poverty	Clause I of Schedule VII	Amount contributed / spent on CSR activities in backward districts of Telangana state and in the vicinities of factories and offices of the Company			240.14	Directly by the Company itself
2	Building of classrooms and toilets in schools and colleges	Clause II of Schedule VII				453.96	Visaka Charitable Trust
3	Supply of classroom furniture and payment of teacher salaries						
4	Sports	Clause VII of Schedule VII					
5	Construction of irrigation tanks	Clause X of Schedule VII					

Note: Actual amount spent by the Company during FY2019-20 was Rs.186.75 Lakhs as against prescribed amount of Rs.185.89 Lakhs.

6. In case the Company has failed to spend the 2% of the average net profits for the last three years / any part thereof, reasons therefor: Not Applicable
7. A responsibility Statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company:

"The directors report that your company has complied with its CSR policy along with the provisions of the Companies Act and rules made there under".

G. Saroja Vivekanand
Managing Director

Gusti J. Noria
Chairman, CSR Committee

ANNEXURE – 2

Form No. MR-3

Secretarial Audit Report

for the financial year ended March 31, 2020

(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Visaka Industries Limited
Visaka Towers, 1-8-303/69/3,
S. P. Road, SECUNDERABAD – 500 003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Visaka Industries Limited** (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of :

   a) Foreign Direct Investment (Not Applicable during the Audit Period)

   b) Overseas Direct Investment; (Not Applicable during the Audit Period)

   c) External Commercial Borrowings (Not Applicable during the Audit Period);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable during the Audit Period);

   d. The Securities and Exchange Board of India (Share Based Benefits) Regulations, 2014; (not applicable during the Audit Period);

   e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; (not applicable during the Audit Period);

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the Audit Period) and;

   h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (not applicable during the Audit Period);

vi. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) Hank Yarn Packaging Obligation – Hank Yarn Packing Notification issued by the Textile Commissioner, Mumbai dated 17th April, 2003

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards as mentioned above.

We further report that -

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act:

The Company being a top 1000 Listed Entity as on 31st March, 2020 was to appoint a Women Independent Director as on 1st April, 2020. However the Board was taking steps to induct a Women Independent Director in the Board Meeting to be held on 26th May, 2020.

(ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

i. Corporate Social Responsibility:
2% of the average net profits for three preceding financial years worked out to Rs. 185.89 Lakhs and incurred an amount of Rs. 186.75 Lakhs, out of which Rs. 15.75 Lakhs was spent by the Company on the activities covered in Schedule VII of Section 135 of the Act, and the balance Rs. 171.00 Lakhs is transferred to Visaka Charitable Trust carrying the activities envisaged under schedule VII of Section 135 of the Act.

ii. Investor Education Protection Fund
The statement of amounts credited to Investor Education Protection Fund to be filed vide Form No. IEPF 1 and the statement of shares transferred to the authority to be filed vide Form No. IEPF 4 could not be uploaded due to change in procedure and technical problem. The Company is taking steps to file the forms.

For **Tumuluru & Company**
Company Secretaries

Signature :
Name : **B V Saravana Kumar**
Partner
ACS. NO. : 26944
C. P. No. : 11727
UDIN : A026944B000272200

Place : Hyderabad
Date : 26.05.2020

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

‘Annexure A’

To
The Members
Visaka Industries Limited
Visaka Towers, 1-8-303/69/3,
S.P. Road, SECUNDERABAD – 500 003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Tumuluru & Company**
Company Secretaries

Signature :
Name : **B V Saravana Kumar**
Partner
ACS. NO. : 26944
C. P. No. : 11727
UDIN : A026944B000272200

Place : Hyderabad
Date : 26.05.2020

ANNEXURE – 3

Document setting out criteria followed by Nomination and Remuneration Committee of the Board of Visaka Industries Limited for identification, appointment, remuneration and evaluation of performance of directors

Visaka Industries Limited, as required under the provisions of Section 178 of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) constituted a Board level committee titled "Nomination and Remuneration Committee" (herein after referred as the Committee) to oversee, inter-alia, matters relating to:

a) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

b) formulate the criteria for determining qualifications, positive attributes and independence of a director;

c) recommend to the Board a policy relating to the remuneration in whatever form payable to the directors, key managerial personnel, senior management and other employees;

d) specify, from time to time, the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board or Committee or an Independent external agency and review its implementation and compliance and

e) devise a policy on Board Diversity

Now this document sets out the framework and guidelines that the said Committee is expected to observe in discharging its functions effectively as contemplated under aforesaid provisions i.e. to oversee process of identifying persons qualified to become directors of the Company, determining their qualifications, positive attributes and independence as well as identifying persons who may be appointed in senior management in accordance with the Company's internal requirements from time to time; in making its recommendations to the Board as to their appointment or removal as the case may be and to carry out evaluation of every director's performance including Independent Directors.

This document also contains the remuneration policy relating to the remuneration of the Directors, Key Managerial and Senior Managerial Personnel as well as policy on Board Diversity as recommended by the Committee and approved by the Board.

It is to be noted that framework and guidelines set out hereunder is subject to such periodical reviews and the Committee in consultation with Board of Directors and top management of the Company, may make such alterations as may be required from time to time to meet the exigencies arising out of statutory modifications or otherwise.

Definitions: Words used hereunder will have the same meaning as defined and ascribed in the Companies Act, 2013 (herein after referred to as the Act) and SEBI Listing Regulations.

Matters pertaining to Nomination of Directors, KMPs, Senior Management and other employees

Nomination Criteria for Directors:

In identifying and recommending the candidature for appointment as Director, the Committee will consider the following criteria:

i) Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, ability to bring exercise of independent judgment and judicious thinking, qualification, expertise as strategist, eminence in his field of expertise.

ii) Possessing appropriate skills, experience and knowledge in one or more fields of Business including International Business, Strategy and Expansion, Engineering, Medicine, finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to preferably the company's business.

iii) Non-disqualified under the applicable provisions of Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force, as the case may be;

iv) Ensure that the Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years without the approval of shareholders by passing a special resolution with proper justification.

v) Ensure that the proposed Director consents to act as Director and can devote his time and energies towards the overall development and betterment of the Company's business.

vi) Ensure that the proposed Director discloses his interest and Company's shareholding, if any and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.

vii) Ensure that the candidature of the Director will be in line with and promote the objectives enshrined in Company's policy on Board Diversity.

Nomination Criteria for KMPs / Senior Management personnel:

The committee will consider:

i) Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, qualification, expertise and experience.

ii) Possessing adequate qualification, expertise and experience as prescribed by the Company for the position he / she is considered for appointment. The Committee for this purpose, if required, will avail the assistance of other top executives of the Company but however, has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

iii) Ensure that the person discloses his interest and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.

Additional Criteria for Appointment of Independent Directors:

The Committee will consider whether the Director meets the criteria of Independence as well as other attributes as mentioned under the provisions of Section 149 of the Companies Act, 2013 read with applicable rules and Schedule IV thereunder and SEBI Listing Regulations, including any amendments made thereof from time to time.

Additional Responsibility of the Board:

It is further to be noticed that it is the responsibility of the Board to obtain other relevant and applicable approvals and procedures as laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force and applicable as the case may be.

Term / Tenure, Continuity and Renewal:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time. The terms of KMPs and other Senior Management employees shall be governed under their respective terms of appointment.

As regards the continuity or renewal of appointment of Directors; their resignation and removal, the Committee will make its recommendations to the Board, based on the periodical evaluation process to be done under this document from time to time as well as subject to observation of provisions as contemplated under the Companies Act, 2013 and other applicable laws including listing agreement relating to disqualifications, resignation, removal and retirement.

Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company respectively. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Matters pertaining to Remuneration:

This document also sets out the following remuneration policy applicable to the remuneration payable to Directors, key managerial and other Senior Managerial personnel and other employees of the Company.

General:

1) The Company's remuneration policy, in general, is driven by the success and performance of the individual employee as well as his expertise in critical areas of operations of the Company.

2) The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval and while recommending such remuneration, the Committee will consider, inter-alia, whether:

   a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person of the quality required to run the company successfully;

   b) The remuneration is comparable and in proportion to the accepted industry standards;

   c) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   d) To the extent possible, such remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

3) The remuneration / compensation / commission etc. so recommended shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.

4) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Directors.

5) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

6) Loans, advances and other similar kind of benefits to KMPs, Senior Management Personnel are governed under Company's relevant policies as applicable to all the employees of the Company read with relevant provisions of all applicable laws in that connection.

Remuneration to Executive Directors, KMP and Senior Management Personnel:

a) Fixed pay:

The Executive Director/ KMPs shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc., shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Besides, Managing Director is eligible for commission such that the total remuneration payable shall not exceed 5% of the net profits for each financial year as determined under the provisions of the Companies Act, 2013.

Remuneration payable to Senior Management Personnel is governed by their respective terms of appointment.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the

Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non-Executive / Independent Director:

a) **Sitting Fee:**
The Non-Executive / Independent Director may receive remuneration by way of fee for attending meetings of Board or Committee thereof. Provided that the amount of such fee shall not exceed such amount per meeting as may be prescribed by the Central Government from time to time and approved by the Board.

b) **Commission:**
Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act subject to a maximum of Rs.10.00 lacs.

Matters pertaining to Evaluation:

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, Listing Regulations, internal code of conduct and policies formulated by the Company for its internal execution. The Board of the company is comprising of eminent people from different fields facilitating Board's diversity apart from having sufficient number of independent directors.

In the context of the company's business, Engineering, Project Execution, Marketing, business strategy and evaluation of performance with industry benchmarks in the fields of Building materials, roofing and textile (yarn) are the key core skill / expertise / competence, apart from governance, finance and taxation functions.

The Board while discharging its duties / responsibilities is assisted by various committees of the board like Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, CSR Committee, etc.

These committees are statutorily obligated to review various matters as stipulated under Companies Act, 2013 and Listing Regulations.

The company believes that it is the collective effectiveness of the Board and its committees coupled with individual performance of each director in his field of eminence, that enhances Company's performance and thus, the primary evaluation platform is that of performance of the Board as a whole, its committees and each of the directors individually.

The parameters of evaluation for Board or its committees or each of the individual directors' performance, are derived from each of its or his core role of trusteeship to protect and enhance shareholder value as well as to fulfil expectations of other stakeholders through strategic supervision of the Company.

With regard to the evaluation process; the Companies Act, 2013 read with Listing Regulations contemplates that:

a) Nomination and Remuneration Committee, from time to time, shall lay down / specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board or Committee or an Independent external agency as well as review its implementation and compliance;

b) The Independent Directors in a separate meeting shall review, performance of the non-independent directors and the Board as a whole and performance of the Chairperson of the Company (after taking into account views of Executive and Non-Executive directors);

c) Performance evaluation of an Independent Director shall be done by the entire board of directors, excluding the director being evaluated;

In view of the above, until further decided otherwise, the company adopts the following manner for effective evaluation of Board, its committees and individual directors:

i. the Board shall evaluate performance of its own, its committees, Independent Directors;

ii. the Nomination and Remuneration Committee shall evaluate every director's performance;

iii. Independent Directors in a separate meeting shall evaluate the performance of the Board as a whole, Non- Independent Directors and chairperson

Criteria for evaluation:

Evaluation of Directors will be done based on their performance as directors apart from their specific role as independent, nonexecutive and executive directors as mentioned below:

a. Every director will be evaluated on meeting their duties and responsibilities as enshrined under various statutes and other regulatory facet, participation in discussions and deliberations in achieving an optimum balance between the interest of company's business and its stakeholders.

b. Executive Directors, being evaluated as Directors as mentioned above, will also be evaluated based on targets / criteria given to executive Directors by the board from time to time in addition to their terms of appointment.

c. Independent Directors, being evaluated as a Director as mentioned above, will also be evaluated on meeting their obligations connected with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties specifically applicable to Independent Directors as contained in Schedule IV to the Companies Act, 2013.

The Board will evaluate each of its committee's performance based on the mandate on which the committee has been constituted and the contributions made by each member of the said committee in effective discharge of the responsibilities of the said committee.

In all these cases, be it by Board or by Independent Directors or by any of its committees, the evaluation of each Director would be done based on parameters like

a. well informed and understand the Company, its business and the external environment in which it operates;

b. prepare well and participate actively in the Board and its committee meetings;

c. Effectively probe to test the assumptions; rendering independent and unbiased opinion;

d. Resolute in holding to their views and resisting pressure from others;

e. Follow-up on matters about which they have expressed concern;

f. strive to attend all meetings of the Board of Directors, Committees and General meetings;

g. Contributions in development of a Strategy, Business plan or risk management;

h. Maintenance of good interpersonal and cordial relationship with other Board members, KMPs and Senior Management personnel;

i. Diplomatic and convincing way of presenting their views and listening to views of others;

j. up-to-date with the latest developments in areas such as the corporate governance framework, financial reporting and in the industry and market conditions etc.,

k. adhering to ethical standards, code of conduct of the Company and insider trading guidelines etc.;

l. making timely disclosures of their interest and disclosure of non-independence, when it exists and

m. His/her contribution to enhance overall brand image of the Company.

The Nomination & Remuneration Committee will follow the same in evaluating performance of each Director of the Company.

As stated above, it is to be noted here that the Directors collectively as a Board or individually as Independent Directors, Non-Independent Director etc., will be evaluated by the Board, Independent Directors etc., based on the criteria adopted for that purpose and in the eventuality of existence of discrepancies, if any between the evaluation made by the Committee and the Board or Independent Directors, the Board of Directors will have the discretion to decide and act on the same.

ANNEXURE – 4

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:	
(a) Name(s) of the related party and nature of relationship	Not Applicable
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements / transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 Not Applicable	
2. Details of material contracts or arrangement or transactions at arm's length basis:	
(a) Name(s) of the related party and nature of relationship	* Please refer the note given below
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements / transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	

Transactions like payment of remuneration and Dividend are made as per relevant statutory provisions and were subject to the approval of shareholders wherever required.

Acceptance of the public deposits was done in pursuance of issue of advertisement inviting public deposits under the provisions of Schedule V of the Companies Act, 2013; terms of which are having equal and universal application to all the deposit holders. Unsecured loan availed was to meet short-term requirements, the interest rate of which is on par with working capital. Transaction relating to contribution to CSR activities was made in compliance with the requirements of the Section 135 of the Companies Act, 2013 after due approvals. Please refer CSR section in Board's report for more details in this regard. Advances reflects the advances given in the ordinary course of business and the salary advances availed as a part of the conditions of service extended by the company to all its employees. Transactions pertaining to advertisement expenses, purchases and sales are also entered in the ordinary course of business at an arm's length basis as per business requirements of the Company.

*NOTE: The details of names, nature of relationship; nature of such contracts / arrangements / transactions is disclosed in Note No. 39 of the Financial Statements.

ANNEXURE – 5

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. Conservation of energy:

i. Steps taken for conservation of energy

- Better layouts at the time of project implementation to simplify the operations;
- Right sizing of Drives;
- Installation of the energy efficient drives like Variable Frequency Drives (VFD) for optimum utilisation;
- Automatic Power Factor Controllers (APFC) to maintain Power Factor Closer to unity in order to bring down the energy bills;
- High efficiency equipment for handling Vacuum, Process Water, Compressed air and hydraulic equipment;
- Installation of new compressors and
- Energy Audits
- Following Steps taken By Spinning Division for conservation of Energy
    - VFD Installed in All drive of Humidification Plants
    - Humidification Plants spray Bank Modification Done.
    - Auto controlling of Humidification Plant Done.
    - VFD installed in Continuous Waste Evacuation System.
    - Autoclave Vacuum Pump equipped with VFD.
    - Convention light replaced with LED Lights.
    - TFO machines Run on Optimum Speed
    - Power Factor maintained Unity throughout Year by Using Online System.
    - Maximum Demand Revised Twice, as 5650 KVA to 5550 KVA (April 2019) and from 5550 KVA to 5450 KVA (Jan 2020) during year 2019 - 2020.
    - Continuous running of Filters optimised to intermittent Running.

ii. Steps taken by the company for utilising alternate sources of energy and investment made thereon:

Company has been utilising the Solar Power generated from its 2.5 MW Captive Solar Plant setup at Miryalguda, Telangana with a capacity of 42 Lac units per annum. In addition, installed 1 MW roof top solutions at different manufacturing locations, which add 12 lac units per annuum utilising renewable energy sources.

B. Technology absorption:

i. Efforts made towards technology absorption and the benefits derived therefrom:

a) The Company is continuously endeavouring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product.

b) The Company could successfully reduce the cost of production, by using the inhouse developed alternative raw materials, power consumption and improving technical efficiencies and productivity.

ii. Particulars of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

a) Imported Compressors and the Air dryers improved the quality of the compressed air for the spinning process and reduced the power consumption per CFM and

b) The USTER testing equipment imported from Switzerland is helping in ensuring continuous supply of quality yarn.

iii. Expenditure incurred on research & development

a) **Expenditure on R&D:**
No specific expenditure exclusively on R&D has been incurred. The indigenous technology available is continuously being upgraded to improve the overall performance of the Company.

b) **Specific areas in which R&D carried out by the Company:**
Fibre Cement roofing: The Company has been experimenting various substitutes both for cement and fibre and has also been varying the ratio of raw materials for improving quality and reducing cost.

VNext Boards: The company has been experimenting on the different alternative raw materials and other alternatives products, keeping in the view of varying applications to meet the customer requirements and to reduce the cost.

Spinning Division: The company has been trying various new counts, fibres and combination of blends, etc., resulting in new blends and new products. The company is also successful in increasing speeds of the machine while maintaining the quality. New product under development are Slub yarn and Nep yarn.

Benefits derived as a result of the above R&D:

Fibre cement roofing: The Company has achieved reduction in cost and increase in productivity.

Vnext boards: The Company could develop new value-added designer variants and water repellent board and alternative raw materials

Spinning Division: Developing new customer base and new products help us sustain the volume and profitability.

c) **Future course of action:**
Fibre cement roofing: In respect of the Asbestos Division, use of substitute fibers is being continuously experimented.

Spinning Division: The company is continuously experimenting with new blends and shades and higher speeds. Exploring to expand splicing capability to increase battery separator fabric customer base in India. Exploring rewinding of yarn through Autoconer with Usterized clearing for some exclusive customer (100 % Spliced and Uster cleared). Also exploring the facility for TFO yarn with splicer for making knot free yarn.

C. FOREIGN EXCHANGE EARNINGS / OUTGO:

The details of foreign exchange earnings / outgo during the year 2019 - 20 are as follows:

(₹ in lakhs)

	2019-20	2018-19
Earnings in Foreign Currency		
Export of Goods (FOB Value)	6618.33	5563.41
CIF value of Imports		
Raw Materials	21176.11	24222.85
Capital Goods	90.71	451.45
Components and Spare Parts	420.20	548.15

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans: The Company is exporting its yarn and premium V-Boards. Efforts are on to develop new varieties of these products to meet the requirements of export market as well as increase the volume. New markets in various countries are being continuously explored to make the market broad based.

ANNEXURE – 6

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014.

(i) The percentage increase in remuneration of each Director, other key managerial personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2019-20 are as under:

	Names of Director's / KMPs	% increase in Remuneration in the Financial Year 2019 – 20	Ratio to median remuneration
1	Shri. Bhagirat. B.Merchant Non Executive Chairman	–	3.43
2	Shri. P. Srikar Reddy Non Executive Director	–	3.43
3	Shri. Gusti J Noria Non Executive Director	–	3.43
4	Shri. V. Pattabhi Non Executive Director	–	3.43
5	G. Appnendar Babu Non Executive Director	–	3.43
6	Dr. G. Vivekanand Vice Chairman	–	3.43
7	Smt. G. Saroja Vivekanand Managing Director	(51.18)	91.68
8	Shri. G Vamsi Krishna Joint Managing Director	(45.33)	63.74
9	Shri. V Vallinath Whole-time Director & C.F.O.	15	32.88
10	Shri. J.P.Rao Whole-time Director	15	32.87
11	Shri. I.Srinivas Company Secretary	13	–

(ii)	Percentage increase in the median remuneration of employees in the financial year 2019-20 compared to 2018-19	13.22

(iii) Number of permanent employees on the rolls of the company:

As on 31.03.2020	As on 31.03.2019
2035	2022

(iv)	Average percentile increase in salaries of Employees other than managerial Personnel	15.58
	percentile increase in the managerial remuneration	(39.13)
	Comparison of above: Managerial remuneration includes commission paid to Managing Director and Joint Managing Director, which is variable and dependent upon the net profits of the Company.	

ANNEXURE – 7

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

of **Visaka Industries Limited**

[Pursuant to Section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L52520TG1981PLC003072
ii)	Registration Date [DDMMYY]	18.06.1981
iii)	Name of the Company	Visaka Industries Limited
iv)	Category / Sub Category of the Company	Limited by shares
v)	Address of the Registered Office and contact Details	Survey No. 315, Yelumala Village, R.C. Puram Mandal, sangareddy District, Telangana, 502300 08455 287740,41,81 & 82
vi)	Whether listed Company	Yes
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA):- Full address to be given.	M/s. KFin Technologies Private Limited Kfin Technologies Private Limited (KFTPL) Selenium Tower B, Plot No.31-32, Gachibowli Financial District, Nanakramguda Hyderabad - 500 032 Ph : +91 040 6716 1606 Mail id : einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cement Asbestos Products & Fibre Cement Flat Board Products	23959	79
2	Textiles	13114	21

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled]

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
Not Applicable			

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER	6620873	–	6620873	41.69	6743627	–	*6743627	42.46	0.77
TOTAL (A)	**6620873**	**–**	**6620873**	**41.69**	**6743627**	**–**	**6743627**	**42.46**	**0.77**
B. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
MUTUAL FUNDS	43161	1072	44233	0.28	97925	1072	98997	0.62	0.34
BANKS/FI	13089	3350	16439	0.10	21667	3350	25017	0.16	0.05
FIIS	489139	–	489139	3.08	206391	–	206391	1.30	(1.78)
TOTAL B(1)	**545389**	**4422**	**549811**	**3.46**	**325983**	**4422**	**330405**	**2.08**	**(1.38)**
2 NON INSTITUTIONS									
BODIES CORPORATES	**2133588**	**2350**	**2135938**	**13.45**	**2307496**	**2250**	**2309746**	**14.54**	**1.09**
IND UPTO 2 LAKHS	3998918	293985	4292903	27.03	4562656	262617	4825273	30.38	3.35
IND IN EXCESS 2 LAKHS	1686503	–	1686503	10.62	1212908	–	1212908	7.64	(2.98)
OTHERS NBFC	123100	–	123100	0.78	24100	–	24100	0.15	(0.62)
NRIS	343331	1170	344501	2.17	244956	1170	246126	1.55	(0.62)
CLEARING MEMBERS	18350	–	18350	0.12	66877	–	66877	0.42	0.31
TRUSTS	5	–	5	–	5	–	5	–	–
IEPF	108968	–	108968	0.69	121885	–	121885	0.77	0.08
TOTAL B(2)	**8412763**	**297505**	**8710268**	**54.85**	**8540883**	**266037**	**8806920**	**55.46**	**0.61**
TOTAL B(1) + B(2)	**8958152**	**301927**	**9260079**	**58.31**	**8866866**	**270459**	**9137325**	**57.54**	**(0.77)**
GRAND TOTAL A + B	**15579025**	**301927**	**15880952**	**100**	**15610493**	**270459**	**15880952**	**100**	**–**

ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Share holding at the end of the year 31.03.2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Dr. G Vivekanand	5786071	36.43	13.22	*5899425	37.15	4.48	0.71
2	Smt. G Saroja Vivekanand	194139	1.22	-	194139	1.22	-	-
3	Shri. G. Vamsi Krishna	12330	0.08	-	21730	0.14	-	0.06
4	Arudra Roofing Pvt. Ltd.	568133	3.58	-	568133	3.58	-	-
5	G.Vritika	4000	0.025	-	4000	0.025	-	-
6	G.Vaishnavi	4000	0.025	-	4000	0.025	-	-
7	G.Vivekanand Family Trust	36700	0.23	-	36700	0.23	-	-
8	S V Family Trust	15500	0.10	-	15500	0.10	-	-
		6620873	**41.69**	**-**	**6743627**	**42.46**	**-**	**0.77**

*73905 shares were purchased vide contract note nos. 205842 and 206034 dated 30.03.2020 and 31.03.2020, pending settlement the same did not reflect in the Benpos / SHP as on 31.03.2020. Intimations as required under SEBI (PIT) Regulations were made to stock exchanges on the basis of these contract notes and shares were credited during first / second week of April 2020.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year			**6620873**	**41.69**		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Date	Purchased				
		29.05.2019	1000			6621873	41.70
		26.11.2019	2000			6623873	41.71
		02.12.2019	19456			6643329	41.83
		03.12.2019	21000			6664329	41.96
		04.12.2019	10000			6674329	42.03
		04.12.2019	2000			6676329	42.04
		05.12.2019	2933			6679262	42.06
		06.12.2019	5000			6684262	42.09
		06.12.2019	400			6684662	42.09
		09.12.2019	3000			6687662	42.11
		10.12.2019	3000			6690662	42.13
		10.12.2019	100			6690762	42.13
		11.12.2019	3000			6693762	42.15
		12.12.2019	1800			6695562	42.16
		02.03.2020	2200			6697762	42.17
		09.03.2020	1500			6699262	42.18
		11.03.2020	1200			6700462	42.19
		18.03.2020	10000			6710462	42.20
		19.03.2020	25000			6735462	42.56
		20.03.2020	5000			6740462	42.44
		26.03.2020	2165			6742627	42.46
		27.03.2020	1000			6743627	42.46
	At the end of the year					**6743627**	**42.46**

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
1	Vigilance Security Services Pvt. Ltd.	1435832	9.04	23.08.2019	3686	Purchase	1439518	9.06
				06.03.2020	77500	Purchase	1517018	9.55
				13.03.2020	7500	Purchase	1524518	9.60
				20.03.2020	2500	Purchase	1527018	9.62
				31.03.2020			1527018	9.62

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
2	Ajay Upadhyaya	360861	2.27	09.08.2019	3265	Purchase	364126	2.29
				21.02.2020	874	Purchase	365000	2.30
				31.03.2020	-	-	365000	2.30

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
3	Vanaja Sundar Iyer	250000	1.57	29.11.2019	(11705)	Transfer	238295	1.50
				06.12.2019	(23758)	Transfer	214537	1.35
				20.12.2019	(14537)	Transfer	200000	1.26
				31.03.2020			200000	1.26

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
4	Sundar Iyer**	243874	1.54	26.04.2019	(1234)	Transfer	242640	1.53
				21.06.2019	(2497)	Transfer	240143	1.51
				19.07.2019	(1076)	Transfer	239067	1.51
				08.11.2019	(5731)	Transfer	233336	1.47
				29.11.2019	(21730)	Transfer	211606	1.33
				06.12.2019	(11234)	Transfer	200372	1.26
				17.01.2020	(18843)	Transfer	181529	1.14
				31.01.2020	(108)	Transfer	181421	1.14
				07.02.2020	(12043)	Transfer	169378	1.07
				14.02.2020	(12518)	Transfer	156860	0.99
				21.02.2020	(7069)	Transfer	149791	0.94
				28.02.2020	(42784)	Transfer	107007	0.67
				06.03.2020	(1133)	Transfer	105874	0.67
				20.03.2020	(22826)	Transfer	83048	0.52
				27.03.2020	(83048)	Transfer		-

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
5	Acadian Emerging Markets Small Cap Equity Fund LLC**	126885	0.89	06.09.2019	(2871)	Transfer	124014	0.78
				13.09.2019	(51565)	Transfer	72449	0.46
				20.09.2019	(21768)	Transfer	50681	0.32
				25.10.2019	(5303)	Transfer	45378	0.29
				29.11.2019	(24183)	Transfer	21195	0.13
				06.12.2019	(21195)	Transfer	-	-

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
6	Aequitas Equity Scheme I*	43161	0.27	05.04.2019	29230	Purchased	72391	0.46
				12.04.2019	17	Purchased	72408	0.46
				19.04.2019	4961	Purchased	77369	0.49
				26.04.2019	4936	Purchased	82305	0.52
				28.06.2019	477	Purchased	82782	0.52
				26.07.2019	10474	Purchased	93256	0.59
				23.08.2019	269	Purchased	93525	0.59
				06.09.2019	1000	Purchased	94525	0.60
				27.09.2019	3400	Purchased	97925	0.62
				01.11.2019	(97925)	Transfer	-	-
				01.11.2019	97925	Purchased	97925	0.62
				31.03.2020	97925	–	97925	0.62

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
7	Anil Kumar Goel**	127000	0.80	20.03.2020	(4000)	Transfer	123000	0.77
				27.03.2020	(84042)	Transfer	38958	0.25
				31.03.2020	-	-	38958	0.25

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
8	Premier Investment Fund Limited	108341	0.68	31.03.2020	–	–	108341	0.68

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
9	Optimum Securities Private Limited	95110	0.60	31.03.2020	–	–	95110	0.60

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
10	Ashoke Kumar Majethia	77900	0.49	28.06.2019	100	Purchase	78000	0.49
				31.03.2020	–	–	78000	0.49

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
11	Indira Nagam	114750	0.72	31.03.2020	-	-	114750	0.72

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
12	Tanvi Financial Services Private Limited**	87500	0.55	05.04.2019	(30000)	Transfer	57500	0.36
				10.05.2019	30000	Purchase	87500	0.55
				31.05.2019	8500	Purchase	79000	0.50
				30.09.2019	(79000)	Transfer	-	-

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
13	Raju Chandran	68951	0.43	31.03.2020	–	–	68951	0.43

SN	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2019	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
14	Thermo Pads Private Limited *	–	–	13-03-2020	–	–	53496	0.34
				13-03-2020	5000	Purchase	53496	0.37
				20-03-2020	4000	Purchase	62496	0.39
				27-03-2020	3000	Purchase	66496	0.42
				31-03-2020	2000	Purchase	68496	0.43

* Not in the top ten shareholders as on 01.04.2019

** In top ten shareholders as on 01.04.2019, however ceased to be in top ten as on 31.03.2020

v) Shareholding of Directors and Key Managerial Personnel:

a) Director & Chairman: **B B Merchant**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	–	–	–	–
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	–	–	–	–
	At the end of the year	–	–	–	–

b) Director : **V Pattabhi**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	500	0.003	–	–
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	–	–	–	–
	At the end of the year	–	–	500	0.003

c) Director: **Gusti J Noria**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

d) Director: **P Srikar Reddy**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

e) Director: **G Appnender Babu**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

f) Director: **Dr. G. Vivekanand**

SN	Shareholding of each Directors and each Key Managerial Personnel			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year			**5786071**	**36.43**		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.,):	Date	Purchased				
		29.05.2019	1000			5787071	36.44
		02.12.2019	19456			5806527	36.56
		03.12.2019	21000			5827527	36.70
		04.12.2019	10000			5837527	36.76
		05.12.2019	2933			5840460	36.78
		06.12.2019	5000			5845460	36.81
		09.12.2019	3000			5848460	36.83
		10.12.2019	3000			5851460	36.85
		11.12.2019	3000			5854460	36.86
		12.12.2019	1800			5856260	36.88
		18.03.2020	10000			5866260	36.94
		19.03.2020	25000			5891260	37.10
		20.03.2020	5000			5896260	37.13
		26.03.2020	2165			5898425	37.14
		27.03.2020	1000			5899425	37.15
	At the end of the year					**5899425**	**37.15**

Key Managerial Personnel

g) Managing Director - **G Saroja Vivekanand**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	194139	1.22	–	–
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–
	At the end of the year	–	–	**194139**	**1.22**

h) Joint Managing Director: **G Vamsi Krishna**

SN				Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year			**12330**	**0.08**		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Date	Purchased				
		26.11.2019	2000			14330	0.09
		04.12.2019	2000			16330	0.10
		06.12.2019	400			16730	0.11
		10.12.2019	100			16830	0.11
		02.03.2020	2200			19030	0.12
		09.03.2020	1500			20530	0.13
		11.03.2020	1200			21730	0.14
	At the end of the year					**21730**	**0.14**

i) Whole-time Director & CFO: **V Vallinath**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

j) Whole-time Director: **J. P. Rao**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

k) Company Secretary: **I. Srinivas**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

Director	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,62,08,01,492	69,58,98,211	53,26,67,714	2,84,93,67,417
ii) Interest accrued but not due	46,74,714	-	1,12,87,773	1,59,62,487
Total (i+ii)	**1,62,54,76,206**	**69,58,98,211**	**54,39,55,487**	**2,86,53,29,904**
Change in Indebtedness during the financial year				
* Addition	55,68,99,329	9,23,48,047	2,15,93,226	67,08,40,602
* Reduction	(10,05,83,332)	(37,24,07,420)	(2,77,97,304)	(50,07,88,056)
Net Change	45,63,15,997	(28,00,59,373)	(62,04,078)	17,00,52,546
Indebtedness at the end of the financial year				
i) Principal Amount	2,07,88,83,002	41,58,38,838	52,75,74,940	3,02,22,96,780
ii) Interest accrued but not due	29,09,201	-	1,01,76,469	1,30,85,670
Total (i+ii)	2,08,17,92,203	41,58,38,838	53,77,51,409	3,03,53,82,450

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A.1. Remuneration to Directors other than Key Managerial Personnel:

(Amount in ₹)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
		B B Merchant	Dr. G. Vivekanand	V Pattabhi	Gusti J. Noria	Srikar Reddy P	G.Appnender Babu *	
		Chairman	Vice Chairman	Director	Director	Director	Director	
1	Gross salary	-	-	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...	1000000	1000000	1000000	1000000	1000000	666667	5666667
5	Others, please specify – Sitting Fees paid for attending Board and Committee Meetings	190000	185000	260000	260000	95000	100000	1090000
	Total (A)	1190000	1185000	1260000	1260000	1095000	766667	6756667
	Ceiling as per the Act	In terms of provisions of Section 198 of the Act, Rs.64.65 Lakhs, being 1% of the Net Profits of the Company is the ceiling payable as commission to Non-Executive Directors. However, in terms of resolution passed by the members in the Postal Ballot meeting on 23.04.2019, the same is restricted to Rs.10.00 Lakhs per Director aggregating to Rs.56.67 Lakhs. Further in terms of provisions of sub-section 2 of Section 198 read with sub-section 5 of the said section, sitting fees is excluded from the afore stated ceiling of 1% remuneration. * Paid proportionately						

A.2. Remuneration to Key Managerial Personnel :

(Amount in ₹)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		G Saroja Vivekanand MD	G Vamsi Krishna JMD	V Vallinath WTD & CFO	J.P.Rao WTD	I Srinivas VP & CS	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12094307	5895000	7726150	7452752	3127758	36295967
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3576147	1617993	1874806	2145324	379871	9594141
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...	11100000	11100000	-	-	-	22200000
5	Others, please specify	-	-	-	-	-	-
	Total (A)	26770454	18612993	9600956	9598076	3507629	68090108
	Ceiling as per the Act	**Rs. 646.53 Lakhs (being the 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)**					

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made,if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Corporate Governance

Report for the year 2019-20

1. A brief statement on company's philosophy on code of governance:

Visaka Industries Limited (hereinafter "Company") believes that good corporate governance is one of the vital tools, in directing and controlling the affairs of the Company in an efficient manner and helps in achieving the goal of maximizing value of Company's stakeholders in a sustained manner. Company's Governance framework recognizes transparency, integrity, honesty and accountability as core values, and the management believes that practice of each of these creates the right corporate culture fulfilling the purpose of Corporate Governance.

The Company's Governance code is available on the Company's website www.visaka.co for general information. However, it is to be recognized that Corporate Governance is not just a destination but a consistent journey to consolidate and enhance sustainable value creation to the company by adhering to the core values.

2. Board of Directors:

i) The Board of Visaka Industries Limited consists of eminent persons with optimum balance of Executive Directors, Non-Executive Directors and Independent Directors, having professional expertise from different fields such as technical, business strategy and management, marketing, medicine, finance, governance and thus meets the requirements of the Board diversity. The Chairman is the Non-Executive Independent Director and the Board consists of sufficient number of Independent Directors as stipulated under Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (Listing Regulations). The Board further confirms that in its opinion, the Independent Directors fulfil the conditions specified in SEBI Listing Regulations and are independent from management.

ii) While appointing new Directors on the Board, the Nomination and Remuneration Committee of the Board considers the qualifications, positive attributes and independence as per the criteria laid down in that behalf and makes its recommendation to the Board for its consideration.

iii) The Board, inter-alia, provides leadership, strategic guidance, objective and independent view / judgment to the Company's management. The Board meets at regular intervals for planning, assessing and evaluating all important business.

iv) The Board members are updated from time to time, on the Company's procedures and policies as per the familiarization program devised in that behalf by the Company, copy of the same is available on company's website at www.visaka.co.

v) None of the Board of Directors of the Company is a member on more than 10 committees or Chairman of more than 5 committees as specified under SEBI Listing Regulations, across all the listed / public limited Companies in which he is a Director. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Visaka Industries Limited
Visaka Towers, 1-8-303/69/3, S.P.Road, SECUNDERABAD – 500 003

I B V Saravana Kumar, Company Secretary in Practice, Partner of Tumuluru & Company have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Visaka Industries Limited having CIN L52520TG1981PLC003072 and having registered office at Survey No. 315, Yelumala Village, R C Puram Mandal, Sangareddy District- 502300, Telangana India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs,or any such other Statutory Authority.

Sl. No.	DIN	Name of the Director	Designation
1.	00375025	Bhagirat B Merchant	Non-Executive Chairman
2.	00011684	Dr G Vivekanand	Vice Chairman
3.	00012994	G Saroja Vivekanand	Managing Director
4.	00001401	P. Srikar Reddy	Independent Director
5.	00015561	Gusti J. Noria	Independent Director
6.	00200157	V. Pattabhi	Independent Director
7.	03544943	G. Vamsi Krishna	Joint Managing Director
8.	06947291	V. Vallinath	Whole-time Director & CFO
9.	03575950	J. P. Rao	Whole-time Director
10.	00034681	G. Appnender Babu	Additional Director

For **Tumuluru& Company**
Company Secretaries

Place: Hyderabad
Date: 26.05.2020

Signature:
Name: **B V Saravana Kumar**
Partner
ACS No.: 26944
C P No.: 11727
UDIN.: A026944B000272191

vi) The details of the Board of Directors of the Company as on March 31, 2020 are as under

Name of the Director Designation / Category	No. of Board Meetings attended during 2019-20	Whether attended AGM held on 27.06.2019	Number of Directorships held in other companies	Number of Board Committee memberships held in other companies	Number of Chairmanships of Board Committees held in other companies
Shri. Bhagirat B. Merchant – Chairman Non–Executive Independent Director	5	Yes	Nil	Nil	Nil
Shri V. Pattabhi* Non–Executive Independent Director	7	Yes	1	2	2
Shri. Gusti J Noria Non– Executive Independent Director	7	Yes	Nil	Nil	Nil
Shri P.Srikar Reddy$ Non-Executive Independent Director	4	No	2	2$	Nil
Shri G. Appnender Babu@ Non-Executive Independent Director	5	NA	Nil	Nil	Nil
Dr. G. Vivekanand# –Vice-Chairman Non-Executive Promoter Director	7	Yes	2	Nil	Nil
Smt. G. Saroja Vivekanand Managing Director	7	Yes	1	1	Nil
Shri G.Vamsi Krishna Joint Managing Director	7	Yes	Nil	Nil	Nil
Shri V.Vallinath Whole-time Director & CFO	7	Yes	Nil	Nil	Nil
Shri J.P.Rao Whole-time Director	7	Yes	Nil	Nil	Nil

*is an Independent Director and chairman of the Audit Committee and Stakeholders Relationship Committee of Veljan Denison limited.

$is the Managing Director of Sonata Software Limited, and a member of Audit Committee and Stakeholders Relationship Committee of the said company.

#was an Independent Director of Suryalakshmi Cotton Mills Limited till 06.11.2019.

@Appointed as Director effective from 12.08.2020

vii) As per the information available with the Company, except Dr. G. Vivekanand, Smt.G.Saroja Vivekanand and Shri G. Vamsi Krishna, none of the Directors are related interse.

viii) None of the Independent Directors have any material pecuniary relationship or transaction with the Company.

ix) 7 Board Meetings were held during the year ended March 31, 2020 i.e., on 03.05.2019, 27.06.2019, 12.08.2019, 01.11.2019, 07.02.2020, 25.02.2020 and 28.02.2020. The gap between any two meetings did not exceed one hundred and twenty days. Board meetings are usually held at the corporate office of the Company.

x) Necessary information as mentioned in Schedule II of the Listing Regulations has been placed before the Board for their consideration.

xi) A meeting of Independent Directors was held on 07.02.2020 inter-alia, discussed on matters pertaining to Company's affairs and reviewed performance of the Chairman, Executive Directors etc.

xii) The Board comprises highly qualified members possessing required skills, expertise and competence in making effective contributions towards the growth of the company. Business strategy & operations, industrial knowledge / experience, consumer insights, marketing & supply chain management, research & development, innovation, branding & leadership are the key core skills / expertise / competence, in the context of the company's business apart from governance, financial, regulatory / legal & risk management and in the opinion of the Board, these skills are available with the board. The following chart / matrix depicts the aforesaid skills/expertise/competence possessed by the board.

Sl no	Director Name	Skills / expertise / competence
1	Shri. Bhagirat B. Merchant	Business strategy & operations, industry knowledge, risk management, governance and regulatory requirements, financial management & accounting, taxation and capital markets.
2	Shri V. Pattabhi	Business strategy & operations, industry knowledge / experience, consumer insights & innovation, engineering, project, branding and financial management.
3	Shri. Gusti J Noria	Business operations, strategic planning, industrial knowledge, consumer insights, financial & supply chain management and branding.
4	Shri P.Srikar Reddy	Business strategy, operations, marketing, engineering & technical skills, risk management, branding, financial regulatory / legal & risk management governance and leadership.
5	Shri G. Appnender Babu	Business strategy & operations, engineering, project management, risk management, financial & supply chain management and consumer insight.
6	Dr. G. Vivekanand	Business strategy & operations Leadership, industry knowledge, risk management, consumer insights & supply chain management, governance regulatory / legal & risk management.
7	Smt. G. Saroja Vivekanand	Business strategy & operations, industry knowledge, risk management, governance & regulatory affairs.
8	Shri G. Vamsi Krishna	Business strategy, consumer insights, new products, innovation, research & development, operations, marketing, branding, project management and risk management.
9	Shri V. Vallinath	Financial management & accounting, business strategy, management information system, taxation, costing, investor relations, governance and regulatory affairs.
10	Shri J.P.Rao	Marketing, sales & consumer insights, operations, supply chain management and distribution.

3. Audit Committee:

i) The terms of reference of the Audit Committee cover the matters specified for Audit Committees under Listing Regulations and Section 177 of the Companies Act, 2013.

ii) The composition of the Audit Committee as on March 31, 2020 and particulars of meetings attended by the members are as follows:

Name	No. of Meetings during the year 2019-20	
	Held	Attended
Shri Bhagirat B. Merchant – Chairman	4	3
Shri V. Pattabhi	4	4
Shri Gusti J Noria	4	4
Smt. G. Saroja Vivekanand	4	4

iii) The Chairman is a fellow member of the Institute of Chartered Accountants of India. All the members of the committee are financially literate. Accordingly, the Composition of the Audit Committee is in conformity with Section 177 of the Companies Act, 2013 and Listing Regulations.

iv) 4 Audit Committee Meetings were held during the year ended March 31, 2020, i.e., on 03.05.2019, 12.08.2019, 01.11.2019, 07.02.2020. The gap between any two meetings did not exceed one hundred and twenty days and necessary quorum was present at all meetings.

v) The Audit Committee meetings are usually held at the corporate office of the Company and are attended by Shri V.Vallinath, Whole-time Director & Chief Financial Officer of the Company. Auditors are invitees to the meetings and the Company Secretary acts as the Secretary of the Audit Committee.

vi) The Chairman of the Audit Committee attended last Annual General Meeting of the Company held on June 27, 2019.

4. Nomination and Remuneration Committee:

i) The terms of reference of the Committee cover the matters specified for the Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 and Listing Regulations.

ii) The Composition of the said Committee and details of meetings attended by the Directors are given below:

Name	No. of Meetings during the year 2019-20	
	Held	Attended
Shri Gusti J Noria - Chairman	3	3
Shri V. Pattabhi	3	3
Shri Bhagirat B. Merchant	3	2
*Dr. G Vivekanand	3	3

iii) The constitution and composition of the Committee thus satisfy the requirements of Section 178 of the Act, read with Listing Regulations.

iv) The Committee during the financial year 2019–20, met on 03.05.2019, 27.06.2019, 12.08.2019.

v) The Chairman of the Nomination and Remuneration Committee has attended last Annual General Meeting of the Company held on June 27, 2019.

vi) Performance evaluation criteria for independent directors (Annexure - 3).

vii) Details of shareholdings of the Directors who are holding shares in the Company as on March 31, 2020:

Name	No. of Shares of Rs.10/- each
Dr G Vivekanand	5899425*
Smt. G. Saroja Vivekanand	194139
Shri. Bhagirat B. Merchant	1005
V Pattabhi	500
Shri G. Vamsi Krishna	21730

* 73905 shares were purchased vide contract note nos. 205842 and 206034 dated 30.03.2020 and 31.03.2020, pending settlement the same did not reflect in the Benpos / SHP as on 31.03.2020. Intimations as required under SEBI (PIT) Regulations were made to stock exchanges on the basis of these contract notes and shares were credited during first / second week of April 2020.

viii) The details of Remuneration paid to Directors during the year 2019-20 are given below:

(Amount in ₹)

Director	Designation	Salary	Perquisites	Commission	Sitting Fees	Total
Shri. Bhagirat B. Merchant	Chairman	Nil	Nil	1000000	190000	1190000
Dr. G. Vivekanand	Vice – Chairman	Nil	Nil	1000000	185000	1185000
Smt. G. Saroja Vivekanand	Managing Director	12094307	3576147	11100000	Nil	26770454
Shri G.Vamsi Krishna	Jt. Managing Director	5895000	1617993	11100000	Nil	18612993
Shri. Gusti Noria	Director	Nil	Nil	1000000	260000	1260000
Shri V. Pattabhi	Director	Nil	Nil	1000000	260000	1260000
Shri P.Srikar Reddy	Director	Nil	Nil	1000000	95000	1095000
Shri G. Appnender Babu	Director	Nil	Nil	666667	100000	766667
Shri V.Vallinath	Whole-time Director	7726150	1874806	Nil	Nil	9600956
Shri J.P.Rao	Whole-time Director	7452752	2145324	Nil	Nil	9598076

viii. Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employees as well as his expertise in critical areas of operations of the Company.

The Company's Remuneration Policy as applicable to Directors, KMPs and other Senior management personnel of the Company forms part of Document setting out criteria of identification, appointment, remuneration, evaluation of performance of directors which is annexed as Annexure – 3 to the Boards' Report.

5. Stakeholders' Relationship Committee:

i) The Committee, inter-alia, approves issuance of duplicate share certificates as well as oversees and reviews all matters connected with the securities transfer, transmission, nomination, dematerialization and rematerialisation including redressing grievances related thereto. The Committee also considers redressing of shareholder's complaints relating to non-receipt of notices/annual reports and dividends etc.

ii) The Committee consists of three directors and Shri V. Pattabhi is the Chairman of the Committee and thus the constitution of the Committee is in compliance with section 178 of the Act read with Listing Regulations.

iii) During the financial year ended March 31, 2020 the Committee met 21 times and the necessary quorum was present at all meetings. The Company Secretary of the Company is the Compliance Officer.

iv) The Chairman of the Committee has attended last Annual General Meeting of the Company held on June 27, 2019.

v) Details of complaints received and redressed:

Opening Balance as on 01.04.2019	Received during the period	Resolved During the period	Closing Balance as on 31.03.2020
Nil	14	14	Nil

6. General Body Meetings

i) The particulars of day, date, time, venue special resolutions passed, if any, in last three annual general meetings of the Company are given below:

Year	Particulars of the AGM	Day, Date & Time	Venue	Special Resolutions Passed, if any
2018–19	37th AGM	Thursday 27.06.2019 11.30 A.M.	**Regd. Office:** Survey No. 315, Yelumala village, R.C. Puram Mandal, Sangareddy* District – 502 300, Telangana	Yes
2017-18	36th AGM	Tuesday 12.06.2018 11.30 A.M	**Regd. Office:** Survey No. 315, Yelumala village, R.C. Puram Mandal, Sangareddy* District – 502 300, Telangana	Yes
2016-17	35th AGM	Tuesday 20.06.2017 11.30 A.M	**Regd. Office:** Survey No. 315, Yelumala village, R.C. Puram Mandal, Sangareddy* District – 502 300, Telangana	Yes

The Company during the financial year ended March 31, 2020 has passed following special resolutions through Postal Ballot to alter the objects of the Memorandum of Association.

While conducting the aforesaid Postal Ballot the company has complied with the provisions of Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014 and as required the members were provided with e-voting facility simultaneously in addition to sending of postal ballot forms, for their voting either by postal ballot or by electronic means on or before April 16, 2020 (later extended to May 9, 2020 for physical postal ballots due to covid-19 pandemic lockdown) and accordingly members exercised their votes.

The Scrutinizer, Mr. B.V.Saravana Kumar, Practising Company Secretary submitted results of the postal ballot and as per the scrutinizer's report the said resolution is passed with 99.9994% voting in favor of the resolution and 0.0006% voted against.

7. Disclosures:

i) During the financial year ended March 31, 2020 there are no materially significant related party transactions, which have potential conflict with the interest of Company at large. Related party transactions entered during the financial year under review are disclosed in the notes to the audited financial statements of the company for the financial year ended March 31, 2020.

These transactions entered were at an arm's length basis and were in the ordinary course of business

ii) There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years ending March 31, 2020.

iii) Vigil Mechanism (Whistle Blower Policy): The Company has a Vigil mechanism (Whistle blower policy) in place enabling the employees or other connected persons having interest in any transactions with the company to report of any unethical or improper practices noticed in the organization. The Policy also provides the procedure of making such representation and dealing with the said representation and also provides protection from victimization. During the year under review, no employee was denied access to the Audit committee in this behalf.

iv) The Company is in compliance with all the applicable mandatory requirements and has fulfilled the following non-mandatory / discretionary requirements as prescribed in Listing Regulations.

a) Audit qualifications: There were no qualifications by the statutory auditors on the financial statements for the year ended March 31, 2020.

b) Separate post of Chairman and CEO: The Company has separate Chairman and Managing Director.

c) Reporting of Internal Auditor: The Internal auditor reports to the Audit Committee.

v) Code of conduct: The code of conduct as adopted by the Board of Directors is applicable to all directors, senior management and employees above officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance with the laid down ethical standards. The code is available on the Company's website at www.visaka.co.

Declaration as to adherence to the Code of Conduct

All the directors and senior management of the Company have affirmed compliance with the Company's code of conduct for the financial year ended March 31, 2020.

Date:26.05.2020 — **Smt. G. Saroja Vivekanand**
Secunderabad — *Managing Director*

vi) CEO & CFO certificate: The Managing Director and Whole-time Director cum Chief Financial Officer of the Company have given a Certificate as contemplated in Listing Regulations.

vii) The company's website contains all information, disclosures, policies etc., as applicable to the entity.

viii) Share Capital Audit: Practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

ix) Total fee for all services paid by the Company to the statutory auditors: please refer Note 31(a) in page no. 132 of this annual report.

x) Credit Ratings: Credit rating agency "CARE Ratings" reviewed various credit facilities of the company during the financial year ended 31.03.2020 as per the following details:

Sl.No.	Facilities	Rating	Remarks
1	Long term Bank Facilities	**CARE AA-; Stable** [Double A Minus; Outlook: Stable]	Reaffirmed
2	Short term Bank Facilities	**CARE A1+** (A One Plus)	Reaffirmed
3	Medium Term Fixed Deposit	**CARE AA- (FD); Stable** [Double A Minus (Fixed Deposit); Outlook: Stable]	Reaffirmed

Symbols	Rating Definition
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

A +ve' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A -ve' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

8. Means of Communication:

Audited financial results of the Company are published in Business Standard / Economic Times / Financial Express (English edition) and Namaste Telangana / Velugu (Regional edition) newspapers respectively on quarterly basis, in addition to being displayed on the Company's website – "www.visaka.co". Presentations made to institutional investors and details of Conference Calls etc., are intimated to stock exchanges apart from being uploaded on the website of the company.

9. General Shareholder's information:

1	Annual General Meeting	
	Date	July 23, 2020
	Time	11.30 A.M.
	Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of the AGM.
2	Financial Calendar	
	Year ending	March 31, 2020
	AGM	July 23, 2020
3	Date of Book Closure	July 18, 2020 to July 23, 2020 (both days inclusive)
4	Listing on Stock Exchanges	National Stock Exchange of India Ltd and BSE Limited
5	Stock Code / Symbol on NSE / BSE respectively	VISAKAIND / 509055
6	Address of exchanges	BSE Corporate Office: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 NSE Corporate Office: National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
7	International Securities Identification Number (ISIN) allotted to the Company's Shares	INE392A01013

10. Market Price Data:

Details of monthly high and low market price as per stock exchanges data for the Financial Year ended March 31, 2020 are as follows:

S. No.	Month	Price at BSE		Price at NSE	
		High	Low	High	Low
1	April – 2019	433.15	394.05	433.4	395.00
2	May – 2019	449.70	335.1	448.00	335.30
3	June – 2019	422.25	360.05	424.90	358.10
4	July – 2019	384.70	264.00	387.20	265.00
5	August – 2019	322.70	261.30	322.00	261.30
6	September – 2019	359.90	272.00	360.00	272.00
7	October – 2019	312.00	245.10	311.75	243.95
8	November – 2019	309.8	217.50	311.00	216.05
9	December – 2019	254.00	209.00	253.90	209.05
10	January – 2020	308.45	241.10	309.00	239.30
11	February – 2020	271.55	211.10	271.00	211.00
12	March – 2020	224.65	95.00	226.00	94.00

11. Performance of share price of the Company in comparison to BSE Sensex:

Sl. No.	Facilities	Visaka's Closing Price (Rs.)	BSE Sensex Closing
1	April – 2019	398.65	39031.55
2	May – 2019	409.1	39714.2
3	June – 2019	375.35	39394.64
4	July – 2019	265.05	37481.12
5	August – 2019	295.3	37332.79
6	September – 2019	306.05	38667.33
7	October – 2019	303.15	40129.05
8	November – 2019	219.90	40793.81
9	December – 2019	241.00	41253.74
10	January – 2020	267.05	40723.49
11	February – 2020	215.40	38297.29
12	March – 2020	135.10	29468.49

(Source: The information is compiled from the data available from the BSE website)

12. Registrar and Transfer Agents

Name & Address: KFin Technologies Private Limited
Unit: Visaka Industries Limited
Kfin Technologies Private Limited (KFTPL) Selenium Tower B, Plot No. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032
Phone: 040-67161770, E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Toll Free No: 1800-3454-001

13. Share Transfer System

The Company's shares are traded in the stock exchanges compulsorily in Demat form. The Company's Registrar and Transfer agent is the common agency to look after physical and demat registry work. Shares lodged for transfer with the registrar are processed and returned to shareholders within the stipulated time. M/s. Tumuluru & Co., Practicing Company Secretaries, Hyderabad has given half yearly certificates as to the compliances made by the Company with regard to transfer and transmissions of shares lodged with the company during the financial year ended March 31, 2020.

14. Shareholding (as on March 31, 2020)

a) Distribution of shareholding as on March 31, 2020

Sno	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	22907	92.52	22633950	14.25
2	5001- 10000	1015	4.10	7985880	5.03
3	10001- 20000	437	1.76	6564370	4.13
4	20001- 30000	147	0.59	3798620	2.39
5	30001- 40000	58	0.23	2066910	1.30
6	40001- 50000	46	0.19	2130120	1.34
7	50001- 100000	78	0.32	5608410	3.53
8	100001 & Above	72	0.29	108021260	68.02
	Total:	**24760**	**100.00**	**158809520**	**100.00**

b) Categories of Shareholders as on March 31, 2020

S. no	Category	No. of shareholders	No. of shares	Percentage
1	Indian Promoters and Promoter Group	8	6743627	42.46
2	Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-Government Institutions)	8	25017	0.16
3	Private Corporate Bodies	322	2432848	15.32
4	Indian Public	23,857	6037681	38.02
5	NRIs / OCBs	444	452517	2.85
6	Clearing Members	119	66877	0.42
7	IEPF	1	121885	0.77
8	Directors (other than Promoter Director)	1	500	0.00
	Total	**24,760**	**15880952**	**100.00**

15. Dematerialization of shares and liquidity:

As on March 31, 2020, 98.30% of the paid-up share capital of the Company has been dematerialized.

16. Outstanding GDRs / ADRs / Warrants or any convertible instruments:

As on March 31, 2020, the company did not have any outstanding GDRs / ADRs / Warrants or any convertible instruments

17. Manufacturing facilities:

Plant Locations are given at page no 91 of this Annual Report.

18. Address for Correspondence/registering investor grievances:

Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, receipt of dividend warrants, loss of share certificates etc., and related grievances may be addressed to Kfin Technologies Private Limited (KFTPL), Unit: Visaka Industries Limited.

The Company Secretary
Visaka Industries Limited
Visaka Towers, 1-8-303/69/3
S.P. Road, Secunderabad
Pin: 500 003.
Email: investor.relations@visaka.in
Tel Nos: 091 - 040 - 27813833, 27813835 / 27892190 To 92
Fax Nos: 091 - 040 - 27813837

To know more about the Company, you may visit us at: www.visaka.co

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To
the Members of
Visaka Industries Limited

We have examined the compliance of conditions of Corporate Governance by Visaka Industries Limited, for the year ended March 31, 2020 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

UDIN: 20090196AAAAAO4311
Place: Secunderabad
Date: May 26, 2020

N.K. Varadarajan
Partner
Membership Number: 090196

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L52520TG1981PLC003072
2. Name of the Company: Viska Industries Limited
3. Registered address: Survey No. 315, Yelumala Village, R C Puram Mandal, Sangareddy District – 502300 Telangana
4. Website: www.visaka.co
5. E-mail id: vil@visaka.in
6. Financial Year reported: April 2019 to March, 2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Manufacture of Cement Fibre Roofing products, Fibre Cement Flat Board & Panels (23959) and Man Made polyester yarn (13114)
8. List three key products/services that the Company manufactures/provides (as in balance sheet): Fibre Cement Roofings Products, VNext-Boards, Manmade yarn.
9. Total number of locations where business activity is undertaken by the Company
   (a) Number of international locations : Nil
   (b) Number of national locations : The Company is udertaking business activities across India and locations are given at page no 91
10. Markets served by the Company: National & International markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : Rs.15,88,09,520
2. Total Turnover : Rs. 105700.50 lakhs
3. Total profit after taxes : Rs. 4929.50 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2%
5. List of activities in which expenditure in 4 above has been incurred :
   Provision of drinking water, Construction of irrigation tanks, Building classrooms and toilets in schools and colleges, Supply of classroom furniture and payment of teachers' salaries, etc.

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/ companies: Your company, with a view to capitalise on the expertise gained in various applications of its products, incorporated V-Next Solutions Private Limited on 20.03.2020 and planning to infuse funds during the financial year 2020-21 enabling it to start operations and hence reporting on point no. 2 & 3 of this paragraph will be done in the next FY2020-21.

SECTION D: BR INFORMATION

1. Details of Directors responsible for BR
   a. Details of the Director responsible for implementation of the BR policy/policies:
      DIN : 00012994, Smt. G. Saroja Vivekanand, Managing Director
   b. Details of BR head:
      DIN : 03544943, Shri G. Vamsi Krishna, Joint Managing Director
      040-27813833
      vamsi@visaka.in
2. The operating principles adopted by the Company supplement the requirements under the National Voluntary Guidelines

   Principle 1 : Ethics, Transparency and Accountability [P1]
   Principle 2 : Products Lifecycle Sustainability [P2]
   Principle 3 : Employees' well-being [P3]
   Principle 4 : Stakeholder Engagement [P4]
   Principle 5 : Human Rights [P5]
   Principle 6 : Environment [P6]
   Principle 7 : Policy Advocacy [P7]
   Principle 8 : Inclusive Growth [P8]
   Principle 9 : Customer Value [P9]

Details of compliance (Reply in Yes/No)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
a	Do you have a policy/policies for :	Yes								
b	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
c	Does the policy conform to any national/ international standards?	The policies are aligned to the legal requirements and in compliance with standards stipulated by respective agencies.								
d	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/ CEO/appropriate Board Director?	The policies were either approved or noted from time to time. Implementation of policy is carried out by the management.								
e	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The Corporate Social Responsibility Policy is administered by the CSR Committee in line with requirements of the Companies Act, 2013. The implementation and adherence to the Code of Conduct and policies like the Employee Health and Safety (EHS) and quality practices are overseen by the management.								
f	Indicate the link for the policy to be viewed online?	Policies which are internal to the Company are available on the intranet portal of the Company. Other policies are available on the website of the Company, www.visaka.co.								
g	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
h	Does the company have in-house structure to implement the policy/ policies	Yes								
i	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
j	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No. The Company has not carried out independent audit of the policies. The management team periodically looks at the implementation of the relevant policies. CSR activities undertaken in pursuance of CSR policy will be reviewed by the CSR committee of the board.								

3. Governance related to Business Respponsibility

   Business Responsibility Report is part of the Annual Report. It is also available on the Company's website www.visaka.co.

   It is proposed to be assessed annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to adhere to the highest standards of ethical and legal conduct of its business operations. In order to maintain these standards, it has adopted the 'Code of Conduct', which lays down the principles and standards that govern the actions of the Senior employees and Board of Directors in the course of conduct of business of the Company. Any actual or potential violation of the Code, would receive appropriate intervention by the Company.

The Company has adopted a 'Whistle blower policy' to highlight any concerns and for a proper redressal of the same.

There were no complaints from shareholders pending at the beginning of the year. The Company received 14 complaints from shareholders during the year and all complaints have been resolved satisfactorily.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company believes in developing products which are efficient and environment friendly and several steps have been taken in this direction. The VNext Boards & Panels are certified Green Products by the Green Building Council of CII. The Solar Roofing Panels are Green Products and help to reduce carbon footprint.

The Environment Management practices of the Company focus on conservation of natural resources and waste management.

Further, at the factory locations, the Company endeavors to create jobs for the local communities.

Principle 3: Businesses should promote the well being of all employees

1. Total number of employees: 2035
2. Total number of employees hired on temporary/contractual/casual basis: 3048
3. Number of permanent women employees: 67
4. Number of permanent employees with disabilities: Nil
5. Whether the Company has an employee association that is recognized by management: At the factories there are recognized Worker Unions. The staff and Managers have not formed Union.
6. Percentage of permanent employees who are members of the above association: 30% of employees mentioned above at Point No.1.
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year : Nil

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	-	-
2	Sexual harassment	-	-
3	Discriminatory employment	-	-

8. Details of safty & skill upgradation during financial year 2019-20:

No.	Category	Safety	Skill Upgradation training
a)	Permanent Employees	67%	66%
b)	Permanent Women Employees	100%	94%
c)	Casual/Temporary/Contractual Employees	78%	37%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

As a responsible corporate citizen, Visaka has been continuously engaged in various social activities uplifting the human index of the country.

The Company's vision is to actively contribute to the social and economic development of the communities in which we operate and build a better, sustainable way of life for the weaker sections of society. CSR policy of the company is available at www.visaka.co.

Various initiatives undertaken by the company in pursuance of its CSR policy are disclosed as a part of Annexure to the Boards' Report at page no. 46

Principle 5: Businesses should respect and promote human rights

The company recognizes the responsibility to respect human rights as enshrined under international bill of human rights, constitution of India, national laws and policies. Principles of fairness, respect and dignity and equal opportunities are the guiding principles in implementation of the same and no discrimination whatsoever manner in the name of race, color, religion, sex or national origin is entertained.

The Code of Conduct is applicable to all the directors and senior management. There have been no complaints received in the past financial year.

The Company promotes the Code of Conduct which apart from other things ensures that there are no instances of sexual harassment, child labour or discriminatory practices.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

All the Company's manufacturing units have policies on environment, health and safety measures in line with the Environment, Health and Safety Practices adopted by the Company. All the roofing plants produce as per ISI standard and comply with the guidelines of the Environmental ministry and State PCB's. The VNext Boards are Ecofriendly products which contribute to Environmental improvement. The Solar Roofing Product helps to reduce carbon footprint by producing clean energy. The company implemented various quality management systems like 5S and TPM successfully and got sustenance and excellence awards from various quality certification institutions. Also got sustenance certificates from CII-JIPM (Japan institute of productive maintenance) and QCFI (Quality Circle Forum of India. The Company also monitors hazardous wastes and emissions in its manufacturing units and the wastes and emissions are within permissible limits as laid down by the regulators.

The company also observes world environment week, world energy conservation week, world safety week and brings awareness among the employees and other stakeholders.

There are no pending EHS show cause notices as at the end of the financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of the following trade/ chamber/association:

a) Federation of the Telangana Chambers of Commerce and Industry

b) Confederation of Indian Industry

The company participates in seminars, conferences organized by these associations, from time to time.

Principle 8: Businesses should support inclusive growth and equitable development

The company has set up its manufacturing units across the country spread over 9 states employing local people to the extent possible.

The company is committed to corporate responsibility and sustainability. The company has also undertaken plantation in the vicinities of various plant locations. In terms of its CSR policy, the company is undertaking various activities. During the year under review, in addition to undertaking activities like provision of drinking water, building classroom and toilets in schools and colleges it has donated solar carts with ATUM to various poor and needy people, which in addition to enabling them to earn their livelihood, also promotes environmental sustainability.

It has also been helping the local people of nearby manufacturing units on need basis and facilitating local customs and festivals too.

These initiatives are implemented by the Company directly as well as through Visaka Charitable Trust established in the year 2000, a non-profit entity, to support initiatives that benefit the society at large. The details are provided in the annexure to the Boards' report.

Principle 9: Businesses should engage with and provide value to their customers in a responsible manner

One consumer case is pending during the financial year which is being dealt appropriately before the consumer forum. The Company does not find it tenable. For receiving and resolving customer complaints there are adequate systems in place. Customers may register their grievances through appropriate medium. The Company adheres to all applicable laws and regulations on product labelling. The company did not carry out any formal consumer satisfaction survey as it did not feel the necessity for the same.

CORPORATE INFORMATION

CIN:L52520TG1981PLC003072

Board of Directors

Shri Bhagirat B. Merchant, Chairman
Dr. G. Vivekanand, Vice Chairman
Shri V. Pattabhi, Director
Shri Gusti J Noria, Director
Shri. P. Srikar Reddy, Director
Shri G Appnender Babu, Director
Smt. G. Saroja Vivekanand, Managing Director
Shri G. Vamsi Krishna, Joint Managing Director
Shri V. Vallinath, Whole-time Director & CFO
Shri. J. P. Rao, Whole-time Director

Vice President (Corporate Affairs) and Company Secretary:

Shri. I. Srinivas

Committees of the Board

Audit Committee

Shri Bhagirat B Merchant, Chairman
Shri V Pattabhi, Member
Shri Gusti J Noria, Member
Smt. G. Saroja Vivekanand, Member

Nomination and Remuneration Committee

Shri Gusti J Noria, Chairman
Shri Bhagirat B Merchant, Member
Shri V. Pattabhi, Member
Dr. G. Vivekanand, Member

Stakeholders Relationship Committee

Shri V. Pattabhi, Chairman
Dr. G. Vivekanand, Member
Smt. G. Saroja Vivekanand, Member

CSR Committee

Shri Gusti J Noria, Chairman
Shri V. Pattabhi, Member
Dr. G. Vivekanand, Member
Smt. G. Saroja Vivekanand, Member
Shri J. P. Rao, Member

Corporate Office:

Visaka Industries Limited
Visaka Towers, 1-8-303/69/3
S.P. Road, Secunderabad – 500 003.

Registered Office:

Survey No. 315, Yelumala Village,
R.C. Puram Mandal, Sangareddy District – 502 300,
Telangana.

Statutory Auditors:

Price Waterhouse & Co Chartered Accountants LLP
Plot No. 77/A, 8-2-624/A/1,
3rd & 4th floor, Road No. 10, Banjara Hills
Hyderabad – 500 034.

Cost Auditors:

M/s. Sagar & Associates
205, Raghava Ratna Towers,
Chirag Ali Lane, Abids, Hyderabad – 500 001.

Secretarial Auditors:

M/s. Tumuluru & Company
Company Secretaries
F.No.102, Surya Kiran Complex,
S.D.Road, Secunderabad – 500 003.

Bankers:

State Bank of India - Industrial Finance Branch, Hyderabad.
HDFC Bank - Begumpet Branch, Hyderabad.
IDBI Bank - Specialised Corporate Branch, Chennai

Plants Addresses

1. **Fibre Cement Roofing Division – Plant 1**
   Survey No.315, Yelumala Village, R. C. Puram Mandal, Sangareddy District - 502 300, Telangana
2. **Fibre Cement Roofing Division – Plant 2**
   Behind Supa Gas, Manickanatham Village, Paramathi, Velur Taluq, Namakkal District, Tamil Nadu - 637 207
3. **Fibre Cement Roofing Division – Plant 3**
   Changsole Mouza, Bankibund, G.P.No.4, Salboni Block, Midnapore West, West Bengal – 721 147
4. **Fibre Cement Roofing Division – Plant 4**
   Survey No. 27/1, G. Nagenahalli Village, Kora Hobli, Tumkur Taluk & District, Karnataka
5. **Fibre Cement Roofing Division – Plant 5**
   Village Kannawan, P.S. Bacharawan, Tehsil: Maharaj Ganj, Raibareli District, Uttar Pradesh – 229 301
6. **Fibre Cement Roofing Division – Plant 6**
   Survey No. 385 and 386, Near Kanchikacharla, Jujjuru (Village), Veerula Padu Mandal, Krishna District, Andhra Pradesh – 521 181
7. **Fibre Cement Roofing Division – Plant 7**
   Plot No. 2006, 1994, Khata No. 450, At-Paramanapur, Manejwan, Navamunda Village, Sambalpur District, Odisha – 768 200
8. **Fibre Cement Roofing Division – Plant 8**
   Gat.No.70/3A, 70/3, Sahajpur Industrial Area, Nandur (Village), Daund (Taluk), Pune (District) - 412 202, Maharashtra
9. **Textile Division**
   Survey No.179 & 180, Chiruva Village, Maudha Taluq, Nagpur District, Maharashtra
10. **VNext Boards and Panels Division – 1**
    Survey No. 95 & 96, Gajalapuram Village, Near Miryalguda P.O. Pedadevullapally Mandal, Tripuraram Adjacent to Kukkadam Railway Station Nalgonda District, Telangana – 508 207
11. **VNext Boards Division– 2**
    Gatt No. 262, Delwadi Village, Daund Taluq, District Pune, Maharashtra
12. **VNext Boards Division– 3**
    Mustil No.105, 106 & 115, Jhanswa Tehsil, Matanhail, Jhajjar, Haryana
13. **ATUM Division**
    Survey No. 89, 93, 94, 95 & 96, Gajalapuram Village, Tripuraram Mandal, Nalgonda District, Telangana

FINANCIAL STATEMENTS

Independent auditor's report

To the Members of
Visaka Industries Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Visaka Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw your attention to Note 43 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition as per Ind AS 115	Our audit procedures included the following:
Refer to Note-2 (d) (Significant Accounting Policies) and Note-24 (Revenue from operations) of the financial statements.	• We evaluated the design and tested operating effectiveness of the relevant controls with respect to revenue recognition including those relating to cut off at year end;

Key audit matter	How our audit addressed the key audit matter
The Company's revenue is principally derived from sale of building products and synthetic blended yarn. In accordance with Ind AS 115, revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms of contract with the customer. Revenue is measured at fair value of the consideration received or receivable after deduction of any trade/volume discounts and taxes or duties collected. We identified revenue recognition as a key audit matter since revenue is significant to the financial statements and is required to be recognised as per the requirements of applicable accounting framework.	• We assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers"; • We performed substantive testing of revenue transactions, recorded during the year by testing the underlying documents which included goods dispatch notes, shipping documents and customer acknowledgments, as applicable; • We tested manual journal entries posted to revenue to identify unusual items; • We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date including examination of credit notes issued after the year end to determine whether the revenue has been recognised in the appropriate financial period. Based on the above stated procedures, no significant exceptions were noted in revenue recognition.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the 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.

8. In preparing the financial statements, management is responsible for assessing the

Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

10. 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 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 Company's ability 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 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 Company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance 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.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report 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.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid 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 as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

UDIN: 20090196AAAAAM4400
Place: Secunderabad
Date: May 26, 2020

N.K. Varadarajan
Partner
Membership Number: 090196

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Visaka Industries Limited on the financial statements for the year ended March 31, 2020.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Visaka Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 (ICAI). 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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting

and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company 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. Also refer paragraph 4 of the main audit report.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

N.K. Varadarajan
Partner
Membership Number: 090196

UDIN: 20090196AAAAAM4400
Place: Secunderabad
Date: May 26, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Visaka Industries Limited on the financial statements as of and for the year ended March 31, 2020.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 4.1 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and professional tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, duty of customs, duty of excise, value added tax, entry tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	14.86	August 2013 to January 2016	Assistant commissioner Central excise, Pune
Central Excise Act, 1944	Excise duty	57.49	March 2006 to November 2015	Customs Excise & Service tax Appellate Tribunal, Bangalore
Customs, Central Excise & Service tax Drawback Rules, 1995	Duty draw back	152.1	July 2009 to March 2011	Joint Secretary, Revisionary Authority, Mumbai.
Central Sales tax Act, 1956	Central Sales tax	7.92	Financial year 2008-09	Commercial Taxes Tribunal, Lucknow
Bihar VAT Act, 2005	VAT/Interest	3.77	Financial year 2005-06	Joint Commissioner (Appeals), Patna
Orissa VAT Act, 2004	VAT/Penalty	10.97	October 2009 to March 2011	Orissa Sales Tax Tribunal, Bhubaneswar
Kerala VAT Act, 2003	VAT/Interest	4.28	Financial year 2015-16	Deputy Commissioner Appeals, Commercial Taxes, Ernakulum
Jharkhand VAT Act, 2005	VAT/Penalty	20.38	Financial year 2010-11	Commissioner of commercial taxes, Ranchi
West Bengal VAT Act, 2005	Interest	123.16	Financial year 2010-11	Additional Commissioner of Sales tax, Kolkata
Orissa Entry tax Act 1999	Entry tax/ Penalty	10.38	October 2009 to March 2011	Orissa Sales Tax Tribunal, Bhubaneswar
Uttar Pradesh VAT Act, 2008	VAT	60.48	April 2017 to June 2017	Additional Commissioner (Appeals), Commercial Tax, Lucknow
Central Sales Tax Act, 1956	Central Sales tax	0.65	April 2017 to June 2017	Additional Commissioner (Appeals), Commercial Tax, Lucknow

*Net of amount paid under protest – ₹57.99 lakhs.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

UDIN: 20090196AAAAAM4400
Place: Secunderabad
Date: May 26, 2020

N.K. Varadarajan
Partner
Membership Number: 090196

Balance Sheet as at 31 March 2020

All amounts in ₹ lakhs

Particulars	Note	31 March 2020	31 March 2019
I. ASSETS			
Non-current Assets			
(a) Property, plant and equipment	4.1	40,600.60	41,826.91
(b) Capital work-in-progress		878.09	115.59
(c) Intangible assets	4.2	-	38.46
(d) Financial assets			
Investments	5.1	0.00	0.00
Other financial assets	5.2	34.90	45.46
(e) Other non-current assets	6	1,470.64	1,364.84
Current Assets			
(a) Inventories	7	30,392.65	27,243.94
(b) Financial assets			
(i) Trade receivables	8	14,000.81	15,528.60
(ii) Cash and cash equivalents	9	1,628.00	1,662.95
(iii) Other bank balances	10	298.48	357.27
(iv) Other financial assets	11	282.23	359.94
(c) Current tax assets (net)	12	647.25	326.26
(d) Other current assets	13	4,118.05	3,741.11
TOTAL ASSETS		**94,351.70**	**92,611.33**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	1,592.07	1,592.07
(b) Other equity	15	48,909.42	48,357.94
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	8,573.42	7,788.14
(ii) Other financial liabilities	17	21.70	39.52
(b) Deferred tax liabilities (net)	18	1,417.76	2,001.70
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	15,620.77	14,799.85
(ii) Trade payables	20		
(a) total outstanding dues of micro and small enterprises		19.31	-
(b) total outstanding dues other than (ii) (a) above		8,624.14	7,924.60
(iii) Other financial liabilities	21	6,265.51	6,187.15
(b) Other current liabilities	22	2,906.54	3,718.22
(c) Provisions	23	401.06	202.14
TOTAL EQUITY AND LIABILITIES		**94,351.70**	**92,611.33**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration Number:
304026E/E-300009

N.K.Varadarajan
Partner
Membership Number: 090196

Place: Secunderabad
Date: May 26, 2020

Bhagirat B. Merchant
Chairman
DIN : 00375025

V. Vallinath
Whole-time Director &
Chief Financial Officer
DIN : 06947291

On behalf of Board of Directors
Smt. G. Saroja Vivekanand
Managing Director
DIN : 00012994

I. Srinivas
Company Secretary &
VP (Corporate Affairs)

Statement of Profit and Loss for the year ended 31 March 2020

All amounts in ₹ lakhs, except Earning Per Share

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
I. Revenue from operations	24	1,05,038.46	1,13,640.70
II. Other income	25	662.04	1,204.04
III. Total revenue (I + II)		**1,05,700.50**	**1,14,844.74**
IV. Expenses			
Cost of materials consumed	26	48,783.22	58,229.12
Purchases of stock-in-trade		156.70	125.17
Changes in inventories of finished goods and work in progress	27	2,381.91	(3,121.85)
Employee benefits expense	28	11,602.21	10,815.87
Finance costs	29	1,740.84	1,995.29
Depreciation and amortization expense	30	4,096.51	3,535.48
Other expenses	31	31,227.45	33,231.16
Total expenses		**99,988.84**	**1,04,810.24**
V. Profit before tax (III - IV)		**5,711.66**	**10,034.50**
VI. Tax expense:			
(1) Current tax		1,472.92	3,163.64
(2) Deferred tax		(583.94)	260.07
(3) Tax relating to prior years		(106.82)	(129.92)
VII. Profit for the period (V-VI)		**4,929.50**	**6,740.71**
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
a) Remeasurement of defined employee benefit plans		(221.89)	(25.52)
b) Income tax relating to item (a) above		55.85	8.92
Other comprehensive income (net of tax)		**(166.04)**	**(16.60)**
IX. Total comprehensive income for the year		**4,763.46**	**6,724.11**
X. Earning per equity share attributable to owners of Visaka Industries Limited:			
(1) Basic	40	31.04	42.45
(2) Diluted		31.04	42.45
Summary of significant accounting policies.	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration Number:
304026E/E-300009

N.K.Varadarajan
Partner
Membership Number: 090196

Place: Secunderabad
Date: May 26, 2020

On behalf of Board of Directors

Bhagirat B. Merchant
Chairman
DIN : 00375025

Smt. G. Saroja Vivekanand
Managing Director
DIN : 00012994

V. Vallinath
Whole-time Director &
Chief Financial Officer
DIN : 06947291

I. Srinivas
Company Secretary &
VP (Corporate Affairs)

Statement of Cash flows for the year ended 31 March 2020

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	5,711.66	10,034.50
Adjustments for:		
Depreciation and amortisation expense	4,096.51	3,535.48
Loss on disposal of property, plant and equipment	-	25.50
Property, plant and equipment written off	9.35	-
Interest income on financial assets carried at amortized cost	(143.60)	(99.27)
Gain on disposal of property, plant and equipment	(17.40)	-
Provision for doubtful debts	100.24	30.83
Bad Debts written off	38.42	7.04
Amortisation of government grants	(294.54)	(269.40)
Finance costs	1,740.84	1,995.29
Remeasurement of defined employee benefit plans	(221.89)	(25.52)
Change in operating assets and liabilities		
Increase / (Decrease) in Trade Receivables	1,389.13	(465.03)
Increase / (Decrease) in financial assets other than trade receivables	(30.72)	118.99
Increase / (Decrease) in other assets	(386.99)	441.14
Increase / (Decrease) in Inventories	(3,148.71)	(3,064.38)
Increase / (Decrease) in Trade payables	718.85	(1,896.00)
Increase / (Decrease) in other financial liabilities	86.08	217.88
Increase / (Decrease) in provisions	198.92	(76.49)
Increase / (Decrease) in other liabilities	(811.68)	364.21
Cash Generated from Operations	**9,034.47**	**10,874.77**
Income taxes paid	(1,631.24)	(3,784.18)
Net cash inflow from operating activities	**7,403.23**	**7,090.59**
Cash flows from investing activities		
Payments for property plant and equipment	(3,883.82)	(4,952.26)
Interest received	262.59	105.41
Proceeds from sale of property, plant and equipment	133.24	50.27
Movement in other bank balances	58.79	(57.42)
Net cash outflow from investing activities	**(3,429.20)**	**(4,854.00)**

Statement of Cash flows for the year ended 31 March 2020 (contd.)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Cash flow from financing activities		
Proceeds from non current borrowings	2,125.12	-
Repayment of non current borrowings	(1,278.64)	(2,309.64)
Proceeds/ (repayment) from current borrowings	570.92	3,669.44
Repayment of loan to related party	(484.30)	(1,570.06)
Receipt of loan from related party	734.30	767.56
Dividend paid to company's shareholders (Including corporate dividend tax)	(4,181.29)	(1,324.64)
Finance cost	(1,495.09)	(1,798.85)
Net cash outflow from financing activities	**(4,008.98)**	**(2,566.19)**
Net increase/(Decrease) in cash and cash equivalents	**(34.95)**	**(329.60)**
Cash and Cash equivalents at the beginning of the financial year	**1,662.95**	**1,992.55**
Cash and Cash equivalents at the end of the year	**1,628.00**	**1662.95**

Statement of Cash flows has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration Number:
304026E/E-300009

N.K.Varadarajan
Partner
Membership Number: 090196

Place: Secunderabad
Date: May 26, 2020

On behalf of Board of Directors

Bhagirat B. Merchant
Chairman
DIN : 00375025

Smt. G. Saroja Vivekanand
Managing Director
DIN : 00012994

V. Vallinath
Whole-time Director &
Chief Financial Officer
DIN : 06947291

I. Srinivas
Company Secretary &
VP (Corporate Affairs)

Statement of Changes in Equity for the year ended 31 March 2020

a. Equity share capital

All amounts in ₹ lakhs

Particulars	Note	Equity share capital
As at 01 April 2018	14	**1,592.07**
Changes in equity share capital		-
As at 31 March 2019		**1,592.07**
Changes in equity share capital		-
As at 31 Mar 2020		**1,592.07**

b. Other equity

All amounts in ₹ lakhs

Particulars	Note	Reserves and Surplus			Total
		Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1 April 2018	15	**4,903.45**	**27,000.00**	**11,070.55**	**42,974.00**
Profit for the year		-	-	6,740.71	6,740.71
Other comprehensive income		-	-	(16.60)	(16.60)
Dividends (including corporate dividend tax)		-	-	(1,340.17)	(1,340.17)
Balance as at 31 March 2019		**4,903.45**	**27,000.00**	**16,454.49**	**48,357.94**
Profit for the year		-	-	4,929.50	4,929.50
Other comprehensive income		-	-	(166.04)	(166.04)
Dividends (including corporate dividend tax)		-	-	(4,211.98)	(4,211.98)
Balance as at 31 March 2020		**4,903.45**	**27,000.00**	**17,005.97**	**48,909.42**

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration Number:
304026E/E-300009

N.K.Varadarajan
Partner
Membership Number: 090196

Place: Secunderabad
Date: May 26, 2020

On behalf of Board of Directors

Bhagirat B. Merchant
Chairman
DIN : 00375025

Smt. G. Saroja Vivekanand
Managing Director
DIN : 00012994

V. Vallinath
Whole-time Director &
Chief Financial Officer
DIN : 06947291

I. Srinivas
Company Secretary &
VP (Corporate Affairs)

Notes to the financial statements

1. Background

Visaka Industries Limited was incorporated in 1981 having its registered office in Survey No.315, Yelumala Village, R.C. Puram Mandal, Sangareddy District - 502 300, Telangana State. The Company is into the business of manufacture of cement fibre sheets, fibre cement boards & panels, solar panels and synthetic yarn. The Company has twelve manufacturing locations spread across India.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

(iii) New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, Employee Benefits

The amendments listed above did not have any material impact on the amounts recognised in prior periods and to the current period.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified the Managing Director and Joint Managing Director as chief operating decision makers. Refer note 36 for segment information presented.

c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, GST and amounts collected on behalf of third parties.

Sale of products

Timing of recognition- Revenue from sale of products is recognised when control of the products is transferred to customers based on the terms of sale.

Measurement of revenue- Revenue from sales is based on the price specified in the sales contracts, net of all expected discounts and returns in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the sales are made with credit terms consistent with market practices. A receivable is recognised when the goods are dispatched, delivered or upon formal customer acceptance depending on terms of contract with the customer.

e) Government grants

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

The benefit of a government loan at below current market rate of interest is treated as a government grant.

f) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. 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

Notes to the financial statements (contd.)

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 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.

g) Leases

Till 31 March 2019:

As a lessee:

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effective from 1 April 2019:

As a lessee:

The Company assess whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

(1) The Contract involves the use of an identified asset;

(2) The Company has substantially all the economic benefits from use of the asset through the period of the lease and

(3) The Company has the right to direct the use of the asset.

The Company recognizes 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized 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 balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized 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 the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

h) Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

k) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and traded goods comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the

Notes to the financial statements (contd.)

estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:
The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets
A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

m) Income recognition

Interest income
Interest income from debt instruments is recognised using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest

Notes to the financial statements (contd.)

rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses.

n) Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted at fair value through profit or loss and are included in profit and loss account.

o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

p) Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013 which are as follows:

Asset Description	Life of the asset (in years)
Buildings	
Borewells	5
Roads	10
Factory buildings	30
Non factory buildings	60
Plant and equipment	
Process Machinery	15
Others	10
Furniture and fixtures	10
Vehicles	8
Office Equipment	5
Data processing equipment	
Servers and networks	6
Others	3

Notes to the financial statements (contd.)

The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortised over the period of lease or useful life whichever is less.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount.

q) Intangible assets

(i) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

(ii) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortised over a period of three years.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts which are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

s) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

t) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

Notes to the financial statements (contd.)

u) Provisions

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

v) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund and superannuation fund.

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of gratuity plans 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 actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Notes to the financial statements (contd.)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations and superannuation fund to LIC. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

w) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

y) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to the financial statements (contd.)

z) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal places of lakhs as per the requirement of Schedule III, unless otherwise stated.

aa) Standards issued but not yet effective

There is no such notification which would have been applicable from April 1, 2020.

3. Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of defined benefit obligation - Refer Note 23
2. Useful lives of fixed assets - Refer Note 2(p) and Note 30

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the financial statements (contd.)

4.1 (a) Property, Plant and Equipment

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2019	Additions	Deletions/ Adjust-ments	As at 31 March 2020	As at 1 April 2019	For the Year	Deletions/ Adjust-ments	As at 31 March 2020	As at 31 March 2020
Owned Assets									
Land	7,221.81	1,759.98	110.62	8,871.17	-	-	-	-	8,871.17
Buildings	23,609.39	407.94	-	24,017.33	2,782.64	1,215.89	-	3,998.53	20,018.80
Plant and Equipment	19,555.69	507.92	23.12	20,040.49	6,810.29	2,519.73	13.80	9,316.22	10,724.27
Furniture and Fixtures	107.61	6.06	-	113.67	33.49	13.18	-	46.67	67.00
Vehicles	708.17	212.82	22.40	898.59	211.78	109.28	17.20	303.86	594.73
Office Equipment	191.25	27.36	-	218.61	80.15	36.41	-	116.56	102.05
Data Processing Equipment	603.03	34.85	0.51	637.37	256.60	158.63	0.44	414.79	222.58
Assets taken on Finance Lease									
Data Processing Equipment	80.32	-	-	80.32	75.41	4.93	0.02	80.32	-
TOTAL	**52,077.27**	**2,956.93**	**156.65**	**54,877.55**	**10,250.36**	**4,058.05**	**31.46**	**14,276.95**	**40,600.60**

4.1 (b) Property, plant and equipment

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2018	Additions	Deletions/ Adjust-ments	As at 31 March 2019	As at 1 April 2018	For the Year	Deletions/ Adjust-ments	As at 31 March 2019	As at 31 March 2019
Owned Assets									
Land	6,915.62	306.19	-	7,221.81	-	-	-	-	7,221.81
Buildings	16,062.77	7,540.88	(5.74)	23,609.39	1,818.29	964.55	0.20	2,782.64	20,826.75
Plant and Equipment	14,391.10	4,937.12	(227.47)	19,555.69	4,309.59	2,264.02	(236.68)	6,810.29	12,745.40
Furniture and Fixtures	75.90	30.65	(1.06)	107.61	22.07	10.42	(1.00)	33.49	74.12
Vehicles	603.65	152.88	48.36	708.17	89.02	98.65	(24.11)	211.78	496.39
Office Equipment	112.32	74.70	(4.23)	191.25	49.45	26.34	(4.36)	80.15	111.10
Data Processing Equipment	322.21	276.82	(4.00)	603.03	136.67	115.97	(3.96)	256.60	346.43
Assets taken on Finance Lease									
Data Processing Equipment	80.32	-	-	80.32	58.47	16.94	-	75.41	4.91
TOTAL	**38,563.89**	**13,319.24**	**(194.14)**	**52,077.27**	**6,483.56**	**3,496.89**	**(269.91)**	**10,250.36**	**41,826.91**

Notes to the financial statements (contd.)

4.2(a) Intangible assets

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2019	Additions	Deletions/ Adjust-ments	As at 31 March 2020	As at 1 April 2019	For the Year	Deletions/ Adjust-ments	As at 31 Mar 2020	As at 31 March 2020
Computer Software	124.94	-	-	124.94	86.48	38.46	-	124.94	-
TOTAL	**124.94**	**-**	**-**	**124.94**	**86.48**	**38.46**	**-**	**124.94**	**-**

4.2(b) Intangible assets

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2018	Additions	Deletions/ Adjust-ments	As at 31 March 2019	As at 1 April 2018	For the Year	Deletions/ Adjust-ments	As at 31 March 2019	As at 31 March 2019
Computer Software	124.94	-	-	124.94	47.89	38.59	-	86.48	38.46
TOTAL	**124.94**	**-**	**-**	**124.94**	**47.89**	**38.59**	**-**	**86.48**	**38.46**

5.1. Investments

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Investments in Equity Instruments (unquoted - fully paid up)		
Other entities - Fair value through Profit and Loss (FVTPL)		
a) Visaka Thermal Power Limited	0.00	0.00
2,078,600 (2019-2,078,600) shares of ₹ 10 each		
b) Somerset Entertainment Ventures (Singapore) Pte Ltd	0.00	0.00
131,903 (2019 - 131,903) shares of Singapore $ 10 each		
c) OPGS Power Gujarat Pvt Ltd		
702,000(2019 - 702,000) shares of ₹ 0.10 each	0.00	0.00
d) V- Solar Roofings Pvt Ltd		
1,900 (2019- 1,900) of ₹ 10 each	0.00	0.00
TOTAL	**0.00**	**0.00**
Aggregate amount of unquoted investments	0.00	0.00

The Company holds investments as at date, however the fair value of the same is determined as nil.

5.2. Other financial assets (non - current)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Unsecured, Considered good		
Employee advances	34.90	45.46
TOTAL	**34.90**	**45.46**

Notes to the financial statements (contd.)

6. Other non-current assets

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Unsecured, considered good		
i) Capital advances	768.60	672.85
ii) Deposits with government and others	702.04	691.99
Unsecured, considered doubtful		
Capital advances	-	40.00
Less: Provision for doubtful advances	-	(40.00)
TOTAL	**1,470.64**	**1,364.84**

7. Inventories

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
a) Raw material	16,123.92	10,652.07
{including material in transit of ₹ 2,288.69lakhs (2019- ₹896.41 lakhs)}		
b) Work-in-progress	928.88	2,704.81
c) Finished goods	12,341.80	12,947.78
{including material in transit of ₹ 275.07lakhs (2019-₹190.81 lakhs)}		
d) Stores and spares	998.05	939.28
TOTAL	**30,392.65**	**27,243.94**

8. Trade receivables

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Secured, considered good	2,671.08	2,711.43
Unsecured, considered good	11,329.73	12,817.17
Unsecured, considered doubtful	505.55	405.31
	14,506.36	**15,933.91**
Less: Allowance for doubtful debts	(505.55)	(405.31)
TOTAL	**14,000.81**	**15,528.60**

9. Cash and cash equivalents

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
a) Balances with banks		
in current accounts	1,624.23	1,351.01
b) Cash on hand	3.77	4.08
c) Cheques in hand	-	307.86
TOTAL	**1,628.00**	**1,662.95**

Notes to the financial statements (contd.)

10. Other bank balances

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Earmarked balances with banks		
Unpaid dividend account	119.66	88.97
Reserve towards Public deposit	170.00	260.00
Margin money deposit	8.82	8.30
TOTAL	**298.48**	**357.27**

11. Other financial assets (current)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Interest receivable	63.88	182.87
Employee advances	199.15	166.30
Advances to related parties (Refer note 39)	19.20	10.77
TOTAL	**282.23**	**359.94**

12. Current tax assets/ (liabilities) (net)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Opening balance	326.26	(498.69)
Add: Taxes paid	1,631.24	3,784.18
Less: Current tax expense for the year	(1,417.07)	(3,154.72)
Add: Income tax refund receivable (including interest)	106.82	195.49
TOTAL	**647.25**	**326.26**

13. Other current assets

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Rent deposits	44.29	44.08
Prepaid expenses	148.82	174.73
Other receivables	392.03	641.25
Supplier advances	2,451.72	1,461.60
Advances to related parties (Refer note 39)	-	142.00
Cenvat, VAT & GST credit available	1,081.19	1,277.45
TOTAL	**4,118.05**	**3,741.11**

Notes to the financial statements (contd.)

14. Equity share capital

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
AUTHORIZED:		
30,000,000 (2019- 30,000,000) Equity Shares of ₹10/- each	3,000.00	3,000.00
500,000 (2019- 500,000) 12% Cumulative Redeemable Preference Shares of ₹100/- each	500.00	500.00
TOTAL	**3,500.00**	**3,500.00**
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
15,880,952 (2019- 15,880,952) equity shares of ₹ 10/- each fully paid up	1,588.10	1,588.10
Add: Shares forfeited - 79,408 (2019- 79,408) shares	3.97	3.97
TOTAL	**1,592.07**	**1,592.07**

(A) Movement in equity share capital:

Particulars	Number of shares	Amount (₹ lakhs)
Balance at April 1, 2018	1,58,80,952	1,592.07
Movement during the year	-	-
Balance at March 31, 2019	**1,58,80,952**	**1,592.07**
Movement during the year	-	-
Balance at March 31, 2020	**1,58,80,952**	**1,592.07**

(B) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% holding	No. of Shares	% holding
a) Dr. G Vivekanand	58,99,425	37.15	57,86,071	36.43
b) Vigilance Security Services Private Limited	15,27,018	9.62	14,35,832	9.04

(C) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

Notes to the financial statements (contd.)

15. Other equity

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Reserves and surplus		
Securities premium reserve	4,903.45	4,903.45
General reserve	27,000.00	27,000.00
Retained earnings	17,005.97	16,454.49
TOTAL	**48,909.42**	**48,357.94**

(i) Securities Premium Reserve

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Opening balance	4,903.45	4,903.45
Movement during the year	-	-
Closing balance	**4,903.45**	**4,903.45**

(ii) General Reserve

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Opening balance	27,000.00	27,000.00
Movement during the year	-	-
Closing balance	**27,000.00**	**27,000.00**

(iii) Retained earnings

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Opening balance	16,454.49	11,070.55
Profit for the year	4,929.50	6,740.71
Interim dividend	(2,382.15)	-
Final dividend	(1,111.67)	(1,111.67)
Corporate dividend tax	(718.16)	(228.50)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(166.04)	(16.60)
Closing balance	**17,005.97**	**16,454.49**

Nature and purpose of other reserves

(i) Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

(ii) General Reserve

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

Notes to the financial statements (contd.)

16. Borrowings (non-current)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Non- current		
a) Secured loans		
Term loans from banks	2,263.13	3,268.96
Loans from others		
PICUP Loan	3,449.55	2,335.69
Deferred revenue grant - PICUP Loan	2,527.19	1,543.26
b) Unsecured loans		
Deferred payment liabilities- Sales Tax Deferment Loan	-	18.01
Deferred revenue grant - sales tax deferment loan	-	1.79
Public deposits	333.55	620.43
TOTAL	**8,573.42**	**7,788.14**

(i) Term loan is taken from IDBI Bank Limited for the Textile unit near Mouda Taluk, Nagpur in Maharashtra. The loan sanctioned is ₹6,035.00 lakhs during the year 2016-17, out of which ₹3,500 lakhs is drawn in 2016-17 and ₹2,535 lakhs is drawn in 2017-18 and is repayable in 24 quarterly installments at the rate of ₹ 251.46 lakhs each quarter from the financial year 2017-18 to 2022-23 (i.e., from September' 2017 to June' 2023).The current rate of interest is 10.25%. This loan is secured by first mortgage and charge in favour of the Bank on all the Company's fixed assets both present and future on pari passu basis with other lenders, second charge on the current assets of the Company and personal guarantee of the Dr G Vivekanand, Director of the Company. The amount outstanding as at balance sheet date is ₹3,268.96 lakhs repayable in 13 quarterly installments (out of which ₹1,005.83 lakhs are included in other financial liabilities (current)).

(ii) Loans from others include interest free loans of ₹6,246.33 lakhs availed (₹1,523.75 lakhs in 2012-13, ₹809.99 lakhs in 2014-15, ₹814.44 lakhs in 2016-17, ₹973.03 lakhs in 2017-18, ₹2,125.12 lakhs in 2019-20) from The Pradeshiya Industrial & Investment Corporation of U.P. Ltd (PIC UP) for the cement asbestos unit at Raebareli, U.P which is sanctioned under the Industrial Investment Promotion Scheme, 2003. The loan is secured by first charge on all assets of the company both present and future, by way of first pari-passu charge with all the secured lenders of the Company and personal guarantee of Mrs. G Saroja Vivekanand, Managing director of the company. The loans are repayable (each installment drawn) after 10 years from the date of disbursement.

As per Ind AS requirements, these loans should be recognised at fair value and the difference between fair value and transaction value is recognised as Deferred Revenue Grant. Consequently, the Company has fair valued these loans and as at balance sheet date ₹ 2,527.19 lakhs(2019- ₹ 1,543.26 lakhs) is shown as Deferred Revenue Grant."

(iii) Deferred payment liabilities represent sales tax deferment relating to cement asbestos unit at Patancheru, Sangareddy District. This loan is interest free and ₹ 81.28 lakhs repayable in the year 2020-21. Accordingly the same is grouped under Current maturities of long term debts in note 21 below.

(iv) Public deposits represent deposits accepted from public carrying interest varying from 11% to 11.5% . The maturity of these deposits fall on different dates depending on the date of each deposit. There are no deposits matured and remaining unpaid as on the balance sheet date.

Notes to the financial statements (contd.)

17. Other financial liabilities (non-current)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Interest accrued but not due	21.70	39.52
TOTAL	**21.70**	**39.52**

18. Deferred tax liabilities (net)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
a) Deferred tax assets		
Expenses allowable on payment basis	147.44	311.60
b) Deferred tax liabilities		
Depreciation and amortisation	1,565.20	2,313.30
Deferred tax liabilities (net)	**1,417.76**	**2,001.70**

Movement in deferred tax liabilities (net)

All amounts in ₹ lakhs

Particulars	WDV of depreciable PPE	Expenses allowable on payment basis	Total
As at 01 April 2018	**2,015.80**	**(274.17)**	**1,741.63**
Charged/(Credited) to statement of profit and loss	297.50	(37.43)	260.07
As at 31 March 2019	**2,313.30**	**(311.60)**	**2,001.70**
Charged/(Credited) to statement of profit and loss	(748.10)	164.16	(583.94)
As at 31 March 2020	**1,565.20**	**(147.44)**	**1,417.76**

19. Borrowings (current)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Current		
a) Secured loans		
Working capital loans from banks	11,543.13	8,054.28
b) Unsecured loans		
Short term loans from banks	3,827.64	6,745.57
Loans from related parties (Refer note 39)	250.00	-
TOTAL	**15,620.77**	**14,799.85**

19.1 Working capital loans from banks are loans from State Bank of India . The loans are repayable on demand which are secured on pari-passu basis by hypothecation of the Company's entire current assets including raw materials, work-in-progress, stores & spares, finished goods and book debts, present and future, and second charge by way of hypothecation on all fixed assets present and future. The loan carries floating rate of interest and present interest rate is 8.15%

Notes to the financial statements (contd.)

19. Borrowings (current) (contd.)

19.2 Short term loans are availed from various banks with a maximum maturity period of six months. The rates of interest vary from bank to bank also within a given bank for various installments of credit.

19.3 Net Debt Reconciliation

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Opening balance of borrowings	24,638.66	24,113.66
Add:- Proceeds from non-current borrowings	2,125.12	-
Less:- Repayment of non-current borrowings	(1,278.64)	(2,309.64)
Proceeds/ (repayment) from current borrowings	820.92	2,866.94
Fair Value Adjustment	(20.02)	(32.30)
Closing balance of borrowings	**26,286.04**	**24,638.66**

20. Trade payables

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
(a) Total outstanding dues of micro and small enterprises	19.31	-
(b) Total outstanding dues other than (a) above	8,624.14	7,924.60
TOTAL	**8,643.45**	**7,924.60**

21. Other financial liabilities (current)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Current maturities of long term debts	1,086.58	1,199.45
Current maturities of public deposits	1,005.27	851.22
Interest accrued but not due	109.16	120.11
Unpaid dividend	119.66	88.97
Sundry deposits*	3,936.93	3,855.03
Foreign-exchange forward contracts not designated as hedges	4.18	-
Capital creditors	3.73	72.37
TOTAL	**6,265.51**	**6,187.15**

*Sundry deposits include security deposits from stockists, agents and transporters etc.

22. Other current liabilities

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Advances from customers	767.54	458.25
Statutory liabilities	586.18	1,342.45
Employee benefits payable	1,552.82	1,917.52
TOTAL	**2,906.54**	**3,718.22**

Notes to the financial statements (contd.)

23. Provisions

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Current		
Provision for employee benefits		
- Leave encashment	224.10	162.69
- Gratuity	176.96	39.45
TOTAL	**401.06**	**202.14**

(i) Leave obligations

The leave obligation covers the Company's liability for earned leave. The Company has created a fund with LIC for earned leave encashment of employees for future payment.

(ii) Defined contribution plans

The Company has defined contribution plans namely Provident fund and super annuation fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The Company has created an approved superannuation fund and accounts for the contribution made to LIC against an insurance policy taken with them. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plans is as follows:

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Company's Contribution to Provident Fund	612.29	546.30
Company's Contribution to Superannuation Fund	123.78	104.06

(iii) Post- employment obligations

a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

All amounts in ₹ lakhs

Particulars	Present value of obligation	Fair Value of Plan Assets	Net Liability
1 April 2018	**2,108.44**	**1,919.83**	**188.61**
Current service cost	216.17	-	216.17
Interest expense/(income)	156.45	163.22	(6.77)
Total amount recognized in profit and loss	**372.62**	**163.22**	**209.40**
Remeasurements			

Notes to the financial statements (contd.)

23. Provisions (contd.)

All amounts in ₹ lakhs

Particulars	Present value of obligation	Fair Value of Plan Assets	Net Liability
Return on plan assets, excluding amounts included in interest expense/(income)	-	8.57	(8.57)
(Gain)/loss from change in demographic assumptions	(0.82)	-	(0.82)
(Gain)/loss from change in financial assumptions	(34.24)	-	(34.24)
Experience (gains)/loss	69.15	-	69.15
Total amount recognized in other comprehensive income	**34.09**	**8.57**	**25.52**
Employer contributions	-	384.08	(384.08)
Benefit payments	(88.81)	(88.81)	-
31 March 2019	**2,426.34**	**2,386.89**	**39.45**

All amounts in ₹ lakhs

Particulars	Present value of obligation	Fair Value of Plan Assets	Net Liability
1 April 2019	2,426.34	2,386.89	39.45
Current service cost	261.70	-	261.70
Interest expense/(income)	183.11	200.06	(16.95)
Total amount recognized in profit and loss	**444.81**	**200.06**	**244.75**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(13.93)	13.93
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(7.88)	-	(7.88)
Experience (gains)/loss	215.84	-	215.84
Total amount recognized in other comprehensive income	**207.96**	**(13.93)**	**221.89**
Employer contributions	-	329.13	(329.13)
Benefit payments	(139.32)	(139.32)	-
31 March 2020	**2,939.79**	**2,762.83**	**176.96**

The Company has no legal obligation to settle deficit in the funded plan with an immediate contribution or additional one off contribution. The Company intends to contribute as any request for contribution is made by LIC.

The net liability disclosed above relating to funded and unfunded plans are as follows:

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Present value of funded obligations	2,939.79	2,426.34
Fair value of plan assets	2,762.83	2,386.89

Notes to the financial statements (contd.)

23. Provisions (contd.)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Deficit of funded plans	176.96	39.45

Expected contributions to post- employment benefit plans of gratuity for the year ending 31 March 2021 are ₹ 413.40 Lakhs.

iv) Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

All amounts in ₹ lakhs

Particulars	Key assumptions		Defined benefit obligation					
	31 March 2020	31 March 2019	Increase in assumption by			Decrease in assumption by		
			Rate	31 March 2020	31 March 2019	Rate	31 March 2020	31 March 2019
Discount rate	6.84%	7.77%	1%	2,714.49	2,254.35	1%	3,202.50	2,625.14
Salary growth rate	5.00%	6.00%	1%	3,189.60	2,614.37	1%	2,721.79	2,260.83
Attrition rate	3.00%	3.00%	1%	2,966.22	2,452.18	1%	2,910.24	2,397.10

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:
The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:
Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:
This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to the financial statements (contd.)

24. Revenue from operations

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	104,654.16	112,652.21
Other operating revenue		
Export incentives	68.77	169.87
Industrial incentives	191.28	677.74
Sale of scrap	124.25	140.88
TOTAL	**105,038.46**	**113,640.70**

25. Other income

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on financial assets carried at amortised cost	143.60	99.27
Insurance claim received	48.06	56.16
Government grants	294.54	269.40
Net gain on disposal of property, plant and equipment	17.40	-
Miscellaneous income	158.44	779.21
TOTAL	**662.04**	**1,204.04**

26. Cost of materials consumed

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cost of materials consumed	48,783.22	58,229.12
TOTAL	**48,783.22**	**58,229.12**

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

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening inventory		
Finished goods	12,947.78	10,004.04
Work in progress	2,704.81	2,526.70
(A)	**15,652.59**	**12,530.74**
Closing inventory		
Finished goods	12,341.80	12,947.78
Work in progress	928.88	2,704.81
(B)	**13,270.68**	**15,652.59**
TOTAL (A-B)	**2,381.91**	**(3,121.85)**

Notes to the financial statements (contd.)

28. Employee benefits expense

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	9,611.04	8,853.86
Contribution to provident and other funds	842.33	784.83
Gratuity	244.75	209.40
Leave compensation	189.80	245.28
Staff welfare expenses	714.29	722.50
TOTAL	**11,602.21**	**10,815.87**

29. Finance cost

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on borrowings	1,677.59	1,924.68
Other borrowing cost	63.25	70.61
TOTAL	1,740.84	1,995.29

30. Depreciation and amortization expense

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment	4,058.05	3,496.89
Amortisation of intangible assets	38.46	38.59
TOTAL	**4,096.51**	**3,535.48**

31. Other expenses

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spares	3,008.58	3,505.84
Cost of packing materials consumed	1,017.24	1,029.96
Power and fuel	4,324.57	4,925.15
Repairs and maintenance		
Buildings	446.48	535.47
Plant and machinery	479.51	549.17
Insurance	295.49	248.49
Rates & taxes	134.06	147.11
Rent	448.37	372.92
Wages - contract labour	4,062.65	3,437.31
Travelling & conveyance	1,265.01	1,103.47

Notes to the financial statements (contd.)

31. Other expenses

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Commission & discount	432.40	354.14
Freight	9,891.11	11,159.45
Advertisement & sales promotion expenses	1,429.87	2,105.99
Payments to auditors (refer note 31 a)	44.93	44.34
Directors' sitting fee	10.90	7.92
Bad debts written off	38.42	7.04
Foreign exchange (gain)/loss (net)	271.92	(341.96)
Loss on sale of property, plant and eqiupment (net)	-	25.50
Non whole time directors' commission	56.67	50.00
Property, plant and eqiupment written off	9.35	-
Provision for doubtful debts	100.24	30.83
Corporate social responsibility (CSR) expenditure (Refer note 31 b)	186.75	160.39
Miscellaneous expenses	3,272.93	3,772.63
TOTAL	**31,227.45**	**33,231.16**

31 a. Payment to auditor

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) To statutory auditors		
-Statutory audit fee	29.00	29.00
-Quarterly audit fee	4.00	4.00
-Certification fee	2.50	1.50
-Reimbursement of expenses	1.88	1.99
(b) To others		
-Cost audit fee	1.50	1.50
-Tax audit fee	6.00	6.00
-Certification and taxation matters	0.05	0.35
TOTAL	**44.93**	**44.34**

31 b. Corporate Social Responsibility expenditure

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Amount required to be spent as per Section 135 of the Act	185.89	151.05
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
2. On purposes other than (1) above**	186.75	160.39

** includes ₹171 lakhs (2019- ₹37.7 lakhs) contributed to Visaka Charitable Trust.

Notes to the financial statements (contd.)

32. Reconciliation of tax expenses and the accounting profit multiplied by tax rate

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before income tax expense	**5,711.66**	**10,034.50**
Tax at the Indian tax rate of 25.168% (2019: 34.944%)*	1,437.51	3,506.46
Effect of non-deductible expense	58.13	80.53
Effect of allowances for tax purpose	(13.68)	(163.28)
Tax relating to prior years	(106.82)	(129.92)
Remeasurement of net deferred tax liabilities*	(592.98)	-
Income tax expense	**782.16**	**3,293.79**

*The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year ended March 31, 2020 and re-measured its net Deferred Tax Liabilities basis the rate prescribed in the said section.

33. Financial instruments and risk management

Fair values

1. The carrying amounts of trade payables, other financial liabilities(current), other financial assets(current), borrowings (current), trade receivables, cash and cash equivalents and other bank balances are considered to be the same as fair value due to their short term nature.
2. Borrowings(non-current) consists of loans from banks and government authorities, other financial liabilities(non-current) consists of interest accrued but not due on deposits, other financial assets consists of employee advances where the fair value is considered based on the discounted cash flow.
3. The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

   The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(i) Categories of financial instruments

All amounts in ₹ lakhs

Particulars	Level	31 March 2020		31 March 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost					
Non-current					
Other financial assets	3	34.90	34.90	45.46	45.46
Current					
Trade receivables	3	14,000.81	14,000.81	15,528.60	15,528.60
Cash and Cash Equivalents	3	1,628.00	1,628.00	1,662.95	1,662.95
Other bank balances	3	298.48	298.48	357.27	357.27

Notes to the financial statements (contd.)

33. Financial instruments and risk management (contd.)

All amounts in ₹ lakhs

Particulars	Level	31 March 2020		31 March 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Other financial assets	3	282.23	282.23	359.94	359.94
Measured at fair value through profit and loss					
Non-current					
Investments	3	0.00	0.00	0.00	0.00
Total		**16,244.42**	**16,244.42**	**17,954.22**	**17,954.22**
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3	8,573.42	8,573.42	7,788.14	7,788.14
Other financial liabilities	3	21.70	21.70	39.52	39.52
Current					
Borrowings	3	15,620.77	15,620.77	14,799.85	14,799.85
Trade Payables	3	8,643.45	8,643.45	7,924.60	7,924.60
Other Financial Liabilities	3	6,261.33	6,261.33	6,187.15	6,187.15
Measured at fair value through profit and loss					
Foreign-exchange forward contracts not designated as hedges (grouped under other current financial liabilities)	2	4.18	4.18	-	-
Total		**39,124.85**	**39,124.85**	**36,739.26**	**36,739.26**

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments is included in level 3.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Notes to the financial statements (contd.)

34. Financial risk management

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

(i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar, EURO, GBP against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollors, EURO and GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

All amounts in ₹ lakhs

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Change in USD				
1% increase	(24.63)	(70.57)	(18.43)	(45.91)
1% decrease	24.63	70.57	18.43	45.91
Change in EURO				
1% increase	-	0.18	-	0.12
1% decrease	-	(0.18)	-	(0.12)
Change in GBP				
1% increase	0.03	0.15	0.02	0.10
1% decrease	(0.03)	(0.15)	(0.02)	(0.10)

34. Financial risk management (contd.)

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, EURO and GBP, where the functional currency of the entity is a currency other than US dollars, EURO and GBP.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

All amounts in ₹ lakhs

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Change in interest rate				
increase by 100 basis points	(188.90)	(190.75)	(141.36)	(124.09)
decrease by 100 basis points	188.90	190.75	141.36	124.09

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate.

Notes to the financial statements (contd.)

34. Financial risk management (contd.)

Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

i. Credit risk on cash and cash equivalents and other bank balances is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.

ii. Expected credit loss provision created for trade receivable primarily comprise of specific provisions created towards certain receivables as the Company considers the life time credit risk of these financial assets to be very low.

(i) Expected credit loss for trade receivable

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Gross carrying amount	14,506.36	15,933.91
Expected credit losses (Loss allowance provision)	(505.55)	(405.31)
Carrying amount of trade receivables	14,000.81	15,528.60

Expected credit loss for financial assets where general model is applied

The financial assets which are exposed to credit risk are employee advances.

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Asset group	**Estimated gross carrying amount at default**	**Estimated gross carrying amount at default**
Gross carrying amount		
Employee advances	253.25	222.53
	253.25	**222.53**
Net carrying amount		
Employee advances	253.25	222.53
Total	**253.25**	**222.53**

Notes to the financial statements (contd.)

34. Financial risk management (contd.)

(ii) Reconciliation of loss allowance provision

All amounts in ₹ lakhs

Particulars	Trade receivables
Loss allowance as at 1 April 2018	**374.48**
Changes in loss allowance during the period of 2018-19	30.83
Loss allowance as at 31 March 2019	**405.31**
Changes in loss allowance during the period of 2019-20	100.24
Loss allowance as at 31 March 2020	**505.55**

(iii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period and considers additional provision for the current environment arising from COVID 19 Pandemic.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements:

The company had access to the following undrawn borrowing facilities at the end of the reporting period

All amounts in ₹ lakhs

Particulars	As at	
	31 March 2020	31 March 2019
Expiring within one year (bank overdraft and other facilities)	23,523.00	23,627.00

(ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at :

All amounts in ₹ lakhs

Particulars	31 March 2020		31 March 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	15,620.77	8,573.42	14,799.85	7,788.14
Trade Payables	8,643.45	-	7,924.60	-
Other Financial Liabilities	6,265.51	21.70	6,187.15	39.52
Total	**30,529.73**	**8,595.12**	**28,911.60**	**7,827.66**

(iii) Management expects finance cost to be incurred for the year ending 31 March 2021 is ₹ 2,022.51 Lakhs.

Notes to the financial statements (contd.)

35. Capital management

A Capital management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Borrowings		
Current	15,620.77	14,799.85
Non current	8,573.42	7,788.14
Current maturities of non- current borrowings	2,091.85	2,050.67
Debt	**26,286.04**	**24,638.66**
Equity		
Equity share capital	1,592.07	1,592.07
Other equity	48,909.42	48,357.94
Total capital	**50,501.49**	**49,950.01**
Gearing ratio in % (Debt/ capital)	**52%**	**49%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

B. Dividends

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Dividends recognised		
Final dividend for the year ended 31 March 2019 of INR 7/- (31 March 2018 - INR 7/-) per fully paid share	1,111.67	1,111.67
During the year, the directors have recommended the payment of a interim dividend of INR 15/- per fully paid equity share (March 31, 2019 - INR Nil/-).	2,382.15	-
For the year ended the directors have recommended the payment of a final dividend of INR Nil/- per fully paid equity share (March 31, 2019 - INR 7/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting, hence the same is not recognised.	-	1,111.67

Notes to the financial statements (contd.)

36. Segment information

The Company's Managing Director and Joint Managing Director examines the Company's performance from a product perspective and has identified two reportable segments:

1. Building products - The building products division produces asbestos sheets, solar panels ,accessories used mostly as roofing material and non asbestos flat sheets and sandwich panels used as interiors.
2. Synthetic Yarn - Synthetic yarn division manufactures Yarn out of blends of polyester, viscose, other materials which go into the weaving of fabric.

They primarily uses a measure of profit before tax to assess the performance of the operating segments.

Segment revenue and expenses:
The Company has an established basis of allocating Joint/Corporate expenses to the segments, which is reasonable, and followed consistently. All other segment revenue and expenses are attributable to the segments. Certain Expenses/Income are not specifically allocable to specific segments and accordingly these expenses are disclosed as unallocated corporate expenses or income and adjusted only against the total income of the company. Segment result includes the respective other income.

Segment assets and liabilities:
Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions that are reported as direct offsets in the balance sheet. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. In such cases, the entire revenue and expenses of these assets including depreciation are also allocated to the same segments. Assets which are not allocable to the segments have been disclosed as 'unallocated corporate assets'. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes. The loans and other borrowings that are not specifically allocable to the various segments are disclosed as 'unallocated corporate liabilities'.

Inter segment transfers:
The Company adopts a policy of pricing inter-segment transfers at cost to the transferor segment.

Summary of segment information All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
A.Revenue		
Segment revenue		
Building product	83,460.92	91,592.93
Synthetic yarn	21,577.54	22,047.77
Total revenue	**1,05,038.46**	**1,13,640.70**
B.Segment profit		
Building product	7,118.40	12,206.13
Synthetic yarn	2,810.50	2,241.52
Segment operating profit	**9,928.90**	**14,447.65**
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Unallocated corporate expenses	(2,823.34)	(3,442.30)

Notes to the financial statements (contd.)

36. Segment information (contd.)

Summary of segment information

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Unallocated corporate Income	346.94	1,024.44
Operating profit	**7,452.50**	**12,029.79**
Finance costs	(1,740.84)	(1,995.29)
Profit before tax	**5,711.66**	**10,034.50**
Income tax expense	(782.16)	(3,293.79)
Profit after tax	**4,929.50**	**6,740.71**

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Segment Assets		
Building product	74,398.35	73,081.00
Synthetic yarn	16,055.49	17,310.33
Unallocated corporate assets	3,897.86	2,220.00
Total assets	**94,351.70**	**92,611.33**
Segment liabilities		
Building product	9,971.48	10,406.39
Synthetic yarn	1,586.41	1,308.84
Unallocated corporate liabilities	32,292.32	30,946.09
Total liabilities	**43,850.21**	**42,661.32**

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Geographical segment revenue by location of customers		
India	98,078.02	1,07,843.82
Outside India	6,960.44	5,796.88
	1,05,038.46	**1,13,640.70**

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Geographical segment assets		
India	92,785.14	91,702.22
Outside India	1,566.56	909.11
	94,351.70	**92,611.33**

Notes to the financial statements (contd.)

37. Contingent liabilities

The Company has following contingent liabilities as at:

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
(i) Income tax	-	18.58
(ii) VAT/CST/Entry tax*	172.16	225.83
(iii) Excise duty/Customs duty*	229.11	229.11
(iv) Thirty party claims not acknowledged as debts	200.01	200.01
Total	**601.28**	**673.53**

*Includes ₹ 57.99 lakhs (2019 - ₹ 40.61 lakhs) paid under protest.

38. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Property, plant and equipment	412.24	236.48
Total	**412.24**	**236.48**

39. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) Key Managerial Personnel (KMP):	
Mrs. G. Saroja Vivekanand	Managing Director
Mr. G. Vamsi Krishna	Joint Managing Director
Mr. V. Vallinath	Whole Time Director & CFO
Mr. J. Pruthvidhar Rao	Whole Time Director
Mr. I. Srinivas	Company Secretary & Vice-President (Corporate Affairs)
ii) Non-whole-time Directors	
Mr. Bhagirat B. Merchant	Director
Dr. G. Vivekanand	Director
Mr. Gusti J. Noria	Director
Mr. V. Pattabhi	Director
Mr. P. Srikar Reddy	Director
Mr. Gogineni Appnender Babu (w.e.f 12.08.2019)	Director

Notes to the financial statements (contd.)

39. Related party transactions (contd.)

Names of the related parties	Nature of relationship
iii) Relatives of key managerial personnel:	
Mrs. G.Vritika	Daughter of Mrs. Saroja Vivekanand
Mrs. G.Vaishnavi	Daughter of Mrs. Saroja Vivekanand
Mr. G.Venkat Krishna	Son of Mrs. Saroja Vivekanand
Mrs. B.L. Sujata	Spouse of Mr. V.Vallinath
Mrs. K.Vimala	Mother of Mrs. Saroja Vivekanand
Late Mr. Subramanyam Kasinadhuni	Father of Mrs. Saroja Vivekanand
iv) Enterprises in which key managerial personnel and/or their relatives have control:	
a) Visaka Thermal Power Limited	
b) Visaka Charitable Trust	
c) VIL Media Pvt Ltd	
d) Ecovav Construction Private Limited	
e) A-Bond Strands Private Limited	
f) V-Solar roofing Pvt ltd	
g) G Vivekanand family trust	
h) SV family trust	
i) VNEXT solutions Pvt Ltd	

Details of transactions during the year where related party relationship existed:

All amounts in ₹ lakhs

Names of the related parties	Nature of Transactions	Year ended 31 March 2020	Year ended 31 March 2019
Mrs. G.Saroja Vivekanand	Remuneration*	267.70	548.29
Mr.G.Vamsi Krishna	Remuneration*	186.13	340.48
Mr.V.Vallinath	Remuneration*	96.00	88.27
Mr.J.Pruthvidhar Rao	Remuneration*	95.98	83.99
Mr.I. Srinivas	Remuneration*	35.07	31.09
Mrs. G.Saroja Vivekanand	Dividend paid	42.71	13.59
Dr.G.Vivekanand	Dividend paid	1,285.53	404.32
Mr.G.Vamsi Krishna	Dividend paid	3.39	0.61
Mrs. G.Vritika	Dividend paid	0.88	0.28
Mrs. G.Vaishnavi	Dividend paid	0.88	0.28
G Vivekanand family trust	Dividend paid	8.07	0.01
SV family trust	Dividend paid	3.41	-
Mr. Bhagirat B. Merchant	Commission and Sitting fees	11.90	12.20
Dr. G.Vivekanand	Commission and Sitting fees	11.85	11.12

Notes to the financial statements (contd.)

39. Related party transactions (contd.)

All amounts in ₹ lakhs

Names of the related parties	Nature of Transactions	Year ended 31 March 2020	Year ended 31 March 2019
Mr. Gusti J. Noria	Commission and Sitting fees	12.60	12.35
Mr. V. Pattabhi	Commission and Sitting fees	12.60	11.70
Mr. P. Srikar Reddy	Commission and Sitting fees	10.95	10.55
Mr. Gogineni Appnender Babu	Commission and Sitting fees	7.67	-
Mrs. G.Vritika	Interest on Public Deposits	2.68	8.25
Mrs. G.Vaishnavi	Interest on Public Deposits	3.62	3.27
Mr. G.Venkat Krishna	Interest on Public Deposits	0.66	6.96
Mrs. B.L. Sujata	Interest on Public Deposits	4.43	1.60
Mrs. K.Vimala	Interest on Public Deposits	2.88	-
Late Mr. Subramanyam Kasinadhuni	Interest on Public Deposits	-	2.87
Dr.G.Vivekanand	Loan received	465.00	119.56
	Loan Repaid	215.00	147.06
	Interest on Unsecured loan	1.14	2.93
Mrs. G.Saroja Vivekanand	Loan received	269.30	648.00
	Loan Repaid	269.30	1,033.00
	Interest on Unsecured loan	2.17	19.39
VIL Media Pvt Ltd	Interest on Inter corporate deposits	-	3.78
	Inter corporate deposits repaid	-	390.00
	Advertising Expenses	410.42	314.41
	Advances paid	-	141.00
V Solar Roofing Pvt Ltd	Advances paid	-	1.00
Visaka Charitable Trust	Contribution towards CSR	171.00	37.70
Ecovav Construction Private Limited	Purchases	21.02	218.28
	sales	6.76	7.14
A- Bond Strands Private limited	Handling Charges	7.52	10.41
	Interest on security deposits	4.57	1.17
	Security deposit received	-	75.00
	Security deposit repaid	60.00	-
Mrs. G.Vritika	Public Deposits received	-	30.00
Mrs. G.Vaishnavi	Public Deposits received	3.06	2.77
Mrs. B.L. Sujata	Public Deposits received	38.96	-
Mrs. G.Vritika	Public Deposits repaid	-	86.00
Mr. G.Venkat Krishna	Public Deposits repaid	-	100.00

* Remuneration above doesnot include post employment benefits since they are actuarially determined on overall basis.

Notes to the financial statements (contd.)

39. Related party transactions (contd.)

Details of outstanding balances as at the year end where related party relationship existed:

All amounts in ₹ lakhs

Names of the related parties	Nature of Balance	31 March 2020	31 March 2019
Dr.G.Vivekanand	Unsecured Loan Outstanding	250.00	-
VIL Media Pvt Ltd	Advances Outstanding	-	141.00
A- Bond Strands Private limited	Security deposit Outstanding	20.62	76.05
V Solar Roofing Pvt Ltd	Advances Outstanding	-	1.00
Mrs. G.Vritika	Public Deposits Outstanding	24.34	24.34
Ms. G.Vaishnavi	Public Deposits Outstanding	32.68	29.62
Mr. G.Venkat Krishna	Public Deposits Outstanding	6.00	6.00
Mrs. B.L. Sujata	Public Deposits Outstanding	52.55	13.59
Mrs. K.Vimala	Public Deposits Outstanding	25.00	25.00
Mr.V.Vallinath	Advances Outstanding	-	1.89
Mr.J.Pruthvidhar Rao	Advances Outstanding	19.20	4.88
Mr.Srinivas I	Advances Outstanding	-	4.00

40. Earnings per share (EPS)

Particulars	31 March 2020	31 March 2019
Profit after tax ((₹ in lakhs))	4,929.50	6,740.71
Weighted average number of equity shares in calculating Basic and Diluted EPS (in Nos)	1,58,80,952	1,58,80,952
Face value per share ₹	10.00	10.00
Basic and Diluted Earnings per Share (EPS)₹	31.04	42.45

41. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Non-current Assets		
(a) Property, plant and equipment	40,600.60	41,826.91
(b) Capital work-in-progress	878.09	115.59
(c) Intangible assets	-	38.46
(d) Financial assets		
Investments	0.00	0.00
Other financial assets	34.90	45.46
(e) Other non-current assets	1,470.64	1,364.84

Notes to the financial statements (contd.)

41. Assets pledged as security (contd.)

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Current Assets		
(a) Inventories	30,392.65	27,243.94
(b) Financial assets		
(i) Trade receivables	14,000.81	15,528.60
(ii) Cash and cash equivalents	1,628.00	1,662.95
(iii) Other bank balances	298.48	357.27
(iv) Other financial assets	282.23	359.94
(c) Current tax assets (net)	647.25	326.26
(d) Other current assets	4,118.05	3,741.11
TOTAL	**94,351.70**	**92,611.33**

42. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

All amounts in ₹ lakhs

Particulars	31 March 2020	31 March 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	19.31	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Notes to the financial statements (contd.)

43. Impact assessment of the global health pandemic- COVID-19 and related estimation uncertainty

During the last few months the global Pandemic Covid-19 has had significant impact on the economic activity globally and in India and is disrupting supply chains with closing of national and state borders and also imposing of lock down and the economic activity have come to a grinding halt. Post announcement by WHO as a global pandemic, numerous steps have been taken by the Government and the companies to contain the spread of virus.

The Central and most State governments have lifted the lockdown partially from May 2020 to allow economic activity (especially construction and building materials) to start. Construction activity is more important to the company since an estimated 79% of our revenues come from sale of building materials. Also, the rural part of India is fairly insulated from the current impact to a large extent where the company's fiber cement sheets are sold (60% of the company's revenues). Most of the company's factories have started production/dispatches and the supply chain is getting active.

However the extent to which the business/operations of the company shall be impacted due to various uncertainties arising from Covid-19 shall depend on future developments that are highly uncertain and it may take time for the demand to get to full normalcy. There may be delays beyond usual credit terms from customers.

The Company as a measure of prudence has initiated the following actions:

a) focus on reducing costs

b) managing customer exposure and continuous monitoring of their financial health

c) monitoring cash inflows and outflows with specific focus on maintaining liquidity by actively following up for recovery of receivables and managing vendor payments

d) Re-engineering the operations to achieve efficiencies

The Company has made an assessment on measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay its debts for the next one year, and concluded that no material adjustments are considered necessary.

However, the actual impact may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to the assumptions made or future economic conditions.

44. Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure.

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number:
304026E/E-300009

N.K.Varadarajan
Partner
Membership Number: 090196

Place: Secunderabad
Date: May 26, 2020

On behalf of Board of Directors

Bhagirat B. Merchant
Chairman
DIN : 00375025

Smt. G. Saroja Vivekanand
Managing Director
DIN : 00012994

V. Vallinath
Whole-time Director & Chief Financial Officer
DIN : 06947291

I. Srinivas
Company Secretary & VP (Corporate Affairs)

NOTICE

Notice is hereby given that the 38th Annual General Meeting of VISAKA INDUSTRIES LIMITED will be held on Thursday, the 23rd day of July 2020 at 11.30 A. M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020 and reports of Board of Directors of the company and Auditors' thereon as on that date.

2. To appoint a Director in place of Shri V.Vallinath (DIN: 06947291) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any amendment(s) or re-enactment(s) thereof for the time being in force), Shri P. Srikar Reddy (DIN:00001401), who was appointed as an Independent Director and who holds office as such up to 24.07.2020 and in respect of whom the company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of director, being eligible be and is hereby reappointed as an Independent Director of the Company to hold the office for a term of 5 (five) years effective from 25.07.2020 i.e., from the expiry of his present term of office up to 24.07.2025 and that he shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution including to delegate all or any of such powers to any committee of directors or any other Officer(s) / Authorized Representative(s) of the Company."

4. To consider and if thought fit, to pass, with or without modifications(s) the following resolution as a Ordinary Resolution:

   "**RESOLVED THAT** pursuant to provisions of Sections 149, 152, 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any amendment(s) or re-enactment(s) thereof for the time being in force), Shri Gogineni Appnender Babu (DIN: 00034681), who was appointed as an additional director pursuant to the provisions of Section 161(1) of the Act read with the Articles of Association of the company and in respect of whom the company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of director, being eligible be and is hereby appointed as an Independent Director of the Company to hold the office for a term of 5 (five) years up to 25.05.2025 and that he shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution including to delegate all or any of such powers to any committee of directors or any other Officer(s) / Authorized Representative(s) of the Company."

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

   "**RESOLVED THAT** pursuant to provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements)

Regulations 2015 (including any amendment(s) or re-enactment(s) thereof for the time being in force), Smt. Vanita Datla (DIN: 00480422), who is appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act read with the Articles of Association of the company and in respect of whom the company has received a notice in writing under Section 160 of the Act proposing her candidature for the office of director, being eligible be and is hereby appointed as an Independent Director of the Company to hold the office for a term of 5 (five) years up to 25.05.2025 and that she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution including to delegate all or any of such powers to any committee of directors or any other Officer(s) / Authorized Representative(s) of the Company."

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

   RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Sagar & Associates, Cost Accountants, Hyderabad, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be paid a remuneration of ₹.1,50,000/- exclusive of out of pocket expenses and applicable taxes

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board
For **VISAKA INDUSTRIES LIMITED**

I SRINIVAS
Vice President (Corporate Affairs)
& Company Secretary

Date : May 26, 2020
Place : Hyderabad

NOTES:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 5, 2020 read with other previous circulars issued in that connection (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM and thus physical attendance of Members has been dispensed with. In compliance with the said Circulars, the AGM of the Company is being held through Video Conference (VC) / Other Audio Visual Mode (OAVM) and as such the route map is not annexed to this Notice.

2. In compliance with the aforesaid circulars, this Notice together with annual report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the company / depositories. Copies of the Notice and annual report 2019-20 will also be uploaded on the company's website at www.visaka.co, websites of stock exchanges i.e., BSE Ltd and National Stock Exchange of India Ltd., at www.bsseindia.com and www.nseindia.com respectively.

3. Members attending AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under the provisions of the Act.

4. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility to appoint proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. The Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special

Business to be transacted at the Meeting is annexed hereto and forming part of this Notice.

6. The Register of members and share transfer Books of the Company will be closed from 18.07.2020 to 23.07.2020 (both days inclusive). The members are requested to –

    a) Intimate changes if any, relating to name, their registered addresses, email addresses, telephone/mobile numbers, Permanent Account Numbers (PAN), mandates, nominations, power of attorney at an early date to the Company or its Registrar and Transfer Agents, Kfin Technologies Private Limited (KFTPL), in case they hold shares in physical form and to their Depository Participants in case they hold shares in electronic form;

    b) Quote Ledger Folio/Client ID in all the correspondence and

    c) Intimate to their respective Depository Participant about changes in bank particulars such as name of the bank, branch details, bank account number, MICR Code, IFSC Code etc., in case members are holding shares in electronic form. In all such cases, the Company or its Registrar and Transfer Agents, KFTPL cannot act on any request received directly from such members.

7. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Accordingly, members holding shares in physical form are advised to avail the facility of dematerialisation and the company / RTA has stopped accepting any fresh lodgment of transfer of shares in physical form.

8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf or to participate in e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer through their registered mail-id addressing to vil-evoting2020agm@visaka.in. with a copy marked to NSDL, email-id e-voting@nsdl.co.in. The file scanned image of the board resolution should be in the naming format “Corporate name_event no.”

9. Members desiring any information pertaining to accounts are requested to write to the Company at least fifteen days before the date of the meeting to enable the management to keep the information ready during the meeting.

10. Adhering to the various requirements set out in terms of provisions of Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017:

    i. The company has transferred 1,22,785 equity shares to the IEPF authority in respect of which no claim for dividend from the shareholders has been made for the seven consecutive preceding years upto the year ended 31.03.2012;

    ii. Details of the aforesaid shares are available on the website of the Company and the same can be accessed through the link:http://www.visaka.co The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link:www.iepf.gov.in;

    iii. Respective members may claim back the aforesaid shares as well as unclaimed dividend from IEPF authority; and

    iv. Amounts lying in the Unclaimed Dividend account together with shares, if any, in respect of Final Dividend for the Year 2012–13 will be transferred to Investor Education and Protection Fund on or before September 2, 2020. Accordingly, shareholders who have not claimed Dividend in respect of Final Dividend for the year 2012-13 are requested to claim the same on or before August 2, 2020;

11. In connection with 2nd Interim Dividend (Rs.5/- per share (i.e., 50%)) declared on equity share of Rs.10/- each fully paid-up for the financial year 2019–20, an amount aggregating to Rs.7,94,04,760/- was paid to the shareholders through electronic means i.e., NEFT, RTGS, ECS and NECS etc. An amount of Rs.15,88,255/- pertaining to 2069 shareholders either holding shares in physical mode or NEFT/NCS return cases

against whom, dividend warrants are taken but could not be posted due to the inability expressed by the postal department to offer registered / speed post services, due to the current lockdown situation prevailing across the country to combat the COVID-19 Pandemic crises. The company is in regular touch with the postal and courier services for dispatching of the same upon resume of services;

12. All documents referred to in the notice and explanatory statement are open for inspection at the Corporate Office of the Company during office hours on all working days (from Monday to Friday) except public holidays, between 11.00 A.M. and 1.00 P.M. up to the date of the annual general meeting.

13. The business as set out in the Notice will be transacted only through voting by electronic means i.e. e-voting system and as required, the Company is providing the said e-voting facility to all its members. Under the said system, members are allowed to exercise their voting rights through remote e-voting process, wherein they can cast their vote from a place other than venue of the meeting. Apart from aforesaid remote e-voting facility, voting through e-voting system will also be provided during the AGM and those members who did not exercise their vote under remote e-voting, are allowed to cast their vote under this platform.

14. This Notice together with annual report 2019-20 containing instructions as to creation of login ID and password for e-voting along with process and manner is being sent only through electronic mode to those members who have registered their e-mail IDs. Since, physical attendance of Members has been dispensed with, the requirement relating to put every resolution to vote through a ballot process at the meeting will not be applicable. The detailed instructions as to accessing the NSDL portal, creation of login ID and password etc., relating to remote e-voting are provided at point no.19(x) in detailed manner. The same user id can be used for participating in the AGM on July 23, 2020.

15. To support Green initiative, members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.

16. The Company has engaged the services of National Security Depository Limited (NSDL) as the Agency to provide e-voting facility. The e-voting facility will be available at the link https://evoting.nsdl.co.in during the voting period as mentioned at point no. 19 (x) below.

17. Members holding shares in physical form in multiple folios either single names or joint holding in the same order of names, are requested to send the share certificates to KFTPL, for consolidation into a single folio. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

18. Details of Directors retiring by rotation and seeking appointment at the ensuing meeting:

    In terms of the provisions of Section 152 of the Act., Shri. V.Vallinath, Whole-time Director and CFO is liable to retire by rotation at the ensuing AGM. Shri. V Vallinath is a commerce graduate and a member of Institute of Chartered Accountants of India (qualified in the year 1985) as well as Institute of Cost Accountants of India (qualified in the year 1987). He has been associated with the company for the past 31 years and during the said period, he dealt with various key operations of the company. He has rich and varied experience of over 36 years in addition to a 3 years period of articleship. Before joining the Company in the year 1988, he worked in various Private and Public Sector Companies. Save and except Shri V.Vallinath, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

19. Information and other instructions relating to e-voting are as under:

    i. As required under the provisions of the Companies Act and listing regulations, read with MCA circulars, since the meeting is being conducted through VC/OAVM, facility of voting by electronics means (e-voting) to its members is provided to enable them to exercise their right to vote electronically on resolutions proposed to be passed in the ensuing Annual General Meeting.

ii. Under this mode, the members may either cast their votes using an electronic voting system from a place other than the venue during the Meeting ('remote e-voting') or venue of the meeting. The e-voting facility is made available during the Meeting to enable the members attending the Meeting to vote at the Meeting, provided they have not cast their vote by remote e-voting.

iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

iv. July 17, 2020 is fixed as cut-off date for e-voting facility purpose. A person whose name is recorded in the register of members (either in physical form or in demateralisation form) as on the cut-off date, only is entitled to avail the e-voting facility based on the paid up value of shares held by him / her on that date.

v. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. June 19, 2020, is requested to follow the procedure as indicated at point 19 (x) for creating login credentials. Members may call the NSDL's toll free number 1800-222-990 or send a request to e-voting@nsdl.co.in or refer the FAQ, in case of any queries in this regard.

vi. The Board of Directors of the Company has appointed Mr. B.V.Saravana Kumar, Practicing Company Secretary, Hyderabad as scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and he has given his consent to act as a scrutinizer

vii. The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta-Poll) and through remote e-voting, will, not later than forty-eight hours of conclusion of the Meeting, make a consolidated report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report will be placed on the website of the Company www.visaka.com and will simultaneously be communicated to the Stock Exchanges.

viii. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. July 23, 2020.

ix. Members are requested to note that the remote e-voting will open at 09.00 A.M. (IST) on July 19, 2020 and shall remain open till 05.00 P.M. (IST) on July 22, 2020 and the remote e-voting module will be disabled by NSDL after 05.00 P.M. on July 22, 2020.

x. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

   Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

   Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow the steps mentioned below

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "Physical User Reset Password" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

20. Members intending to express their views or raise queries during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DPID & client ID / Folio Number, PAN, mobile number at vil-evoting.2020agm@visaka.in from July 17, 2020 (09.00 AM IST) to July 19, 2020 (05.00 P.M. IST). Please note that those members who have registered themselves as a speaker will only be allowed to express their views / raise queries during the AGM. The company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

21. Information and other instructions for members for attending the AGM through VC / OAVM:

    a. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same, by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

    b. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

    c. Members who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

    d. Members who need assistance before or during the AGM, can contact NSDL on nsdl.co.in / 1800-222-990

ANNEXURE TO THE NOTICE

STATEMENT AS REQUIRED UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 3

At the annual general meeting held on July 25, 2015 the members of the company had appointed Shri P.Srikar Reddy (DIN:00001401) as an Independent Director of the company for a period of 5 years up to July 24, 2020 (first term).

The Nomination and Remuneration Committee of the Board, on the basis of performance evaluation report, has recommended re-appointment of Shri P.Srikar Reddy as an Independent Director of the company for a consecutive second term of 5 years. Shri P.Srikar Reddy is not disqualified from being appointed as a Director as mandated under the provisions of the Act and has given his consent to act as Director. The company has also received declaration from him stating that he meets the criteria of independence as prescribed both under the Act and SEBI (LODR) Regulations and in the opinion of Board of Directors, he fulfils the said criteria of independence.

Keeping in view his vast experience and knowledge, based on the performance evaluation and as per the recommendation of NRCM committee, the board considers that the continued association of Shri P.Srikar Reddy would be beneficial to the company.

Accordingly, it is proposed to re-appoint him as an Independent Director of the Company, not be liable to retire by rotation for a second consecutive term of 5 years i.e. upto July 24, 2025.

Shri. P. Srikar Reddy aged about 62 years, has been with Sonata Software Limited since 1986 and has been pivotal in building Sonata as a trusted and reliable IT services partner and presently he is the Managing Director & CEO of the Company. He holds an Engineering degree from REC, Tiruchirapalli and Post Graduate degree in Management from the Indian Institute of Management, Calcutta.

He is a Director of Sonata Information Technology Limited and Sonata Software FZ LLC, Dubai. He is also a member of the Audit Committee of Sonata Information Technology Limited and a member of the Investors' Grievance Committee of the Company.

He does not hold any share in the Company and is not related to any other Director of the Company.

In terms of provisions of Section 149(10) of the Act, the re-appointment of Shri P.Srikar Reddy as an Independent Director for a period of 5 years requires approval of shareholders by way of special resolution. Accordingly, consent of the members is sought for passing a special resolution as set out at Item No. 3 of the Notice (hereinafter 'resolution')

Shri. P. Srikar Reddy, is interested in the proposed Resolution as set out at item no.4 of the Notice with respect to his re-appointment and his relatives may be deemed to be interested in the said resolution to the extent of their shareholding, if any, in the Company.

Save and except the same, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution as set out at Item No. 3 of the Notice.

The Board of Directors in the interest of the Company, commends the resolution for approval of the members.

Item No. 4

Based on the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of your Company have, in terms of the provisions of Section 161 of the Act read with provisions of Articles of Association of the Company, appointed Shri G.Appnendar Babu as an Additional Director of the Company effective from 12.08.2019. He holds office as such up to the date of ensuing Annual General Meeting. Shri G.Appnender Babu, is an industrialist having a vast entrepreneurial experience of 35 years.

Shri. G. Appnender Babu has furnished a declaration stating that he fulfils the criteria of independence as stipulated under both the Act and SEBI (LODR) Regulations, 2015. He is not disqualified from being appointed as a Director as mandated under the provisions of the Act and has given his consent to act as Director. The Nomination and Remuneration Committee of the Board, on the basis of performance evaluation report and the declaration furnished by him as to his meeting independence criteria, has recommended his appointment as an Independent Director of the company for a term of 5 years.

Keeping in view his vast experience and knowledge, based on the performance evaluation and as per the recommendation of NRCM committee, the board considers that the continued association of Shri G.Appnender Babu would be beneficial to the company. Accordingly, it is proposed to appoint him as an Independent Director of the Company, not be liable to retire by rotation for a term of 5 years i.e. upto May 25, 2025.

Shri G. Appnendar Babu aged about 62 years is an engineer (Mechanical) and former member of Federation of Telangana and AP Chamber of Commerce and Industry. He is into the business of manufacturing corrugated and other packing material.

He holds directorships in other private companies. He does not hold any shares in the Company and is not related to any other Director of the Company.

In terms of provisions of Section 149(10) of the Act, the re-appointment of Shri G. Appnender Babu as an Independent Director for a period of 5 years requires approval of shareholders. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice (hereinafter 'resolution')

Shri G. Appnendar Babu, is interested in the proposed Resolution with respect to his appointment and the relatives of Shri G. Appnendar Babu may be deemed to be interested in the said resolution to the extent of their shareholding, if any, in the Company.

Save and except the same, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

The Board of Directors in the interest of the Company, commends the resolution for approval of the members.

Item No. 5

In order to comply with the requirement of SEBI (LODR) Regulations to have an independent woman director on the Board of the company, the Nomination and Remuneration Committee after considering the profile of Smt.Vanitha Datla recommended her appointment as an independent director. Smt. Vanitha Datla aged about 52 years is the Vice Chairperson and Managing Director of Elico Ltd, a pioneer company in the Analytical Instruments Industry and Managing Director Elico Healthcare Services Ltd, a service provider to the Health-care Industry in countries like USA, UK, Middle East etc.

Smt. Vanitha Datla has furnished a declaration stating that she fulfils the criteria of independence as stipulated under both the Act and SEBI (LODR) Regulations, 2015. She is not disqualified from being appointed as a Director as mandated under the provisions of the Act and has given her consent to act as Director. Based on these declarations, considering the recommendations of Nomination & Remuneration Committee and keeping in view Smt. Vanitha Datla's vast experience and knowledge, the board considers that her appointment as an Independent Director would be beneficial to the company. Accordingly, it is proposed to appoint her as an Independent Director of the Company, not be liable to retire by rotation for a term of 5 years i.e. upto May 25, 2025.

Smt. Vanitha Datla held various prestigious positions like Director on the Board, Chairwoman, Deputy Chairwoman etc., and also associated with NGOs, Indian Women Network (IWN-CII), Southern Region, Chairperson, Confederation of Indian Industry (CII), Telangana, Vice-Chairperson, Confederation of Indian Industry (CII), Andhra Pradesh, Chairwoman, Indian Women Network (IWN-CII), Andhra Pradesh, Board Member, WWF State Chapter, Andhra Pradesh & Telangana Director on Board, School of Management Studies, University of Hyderabad.

Smt. Vanitha Datla is Chartered Financial Analyst (CFA), ICFAI, Hyderabad, Post Graduate Diploma in Business Administration (PGDBA), ICFAI, Hyderabad, Bachelor of Arts (BA), St. Francis College for Women, Hyderabad. Two decades of acquiring experience across diverse sectors such as Financial Services, Insurance Services, Cement, Power, Security Printing, Instrumentation & BPO services, with stints in the USA and India.

She holds directorships in other private companies. She does not hold any shares in the Company and is not related to any other Director of the Company.

In terms of provisions of Section 149(10) of the Act, the re-appointment of Smt. Vanitha Datla as an Independent Director for a period of 5 years requires approval of shareholders. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5. of the Notice (hereinafter 'resolution')

Smt. Vanitha Datla is interested in the proposed Resolution with respect to her appointment and her relatives may be deemed to be interested in the said resolution to the extent of their shareholding, if any, in the Company.

Save and except the same, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

The Board of Directors in the interest of the Company, commends the resolution for approval of the members.

Item No. 6

As per the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sagar and Associates, Cost Accountants, Hyderabad have been conducting Cost Audit of Synthetic Yarn Division as well as Building Products Division of the Company from the financial year 2014-15 onwards.

The Board of Directors of your Company, based on the recommendations of its Audit Committee, approved to appoint them as cost auditors for the financial year 2019-20 at a remuneration of Rs.1,50,000/- exclusive of out of pocket expenses and applicable taxes subject to your ratification in the ensuing Annual General Meeting of the Company.

In terms of aforesaid rules, the remuneration payable to them is subject to ratification by the members. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6. of the Notice (hereinafter 'resolution') for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors in the interest of the Company, commends the resolution for approval of the members.

By order of the Board
For **VISAKA INDUSTRIES LIMITED**

I SRINIVAS
Vice President (Corporate Affairs)
& Company Secretary

Date : May 26, 2020
Place : Hyderabad

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A TRISYS PRODUCT
info@trisyscom.com

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