



# VISAKA INDUSTRIES LIMITED<sup>®</sup>

CIN: L52520TG1981PLC003072

**CORP OFF :** "VISAKA TOWER", 1-8-303/69/3, S.P. ROAD, SECUNDERABAD - 500 003.

TEL : +91-40-2781 3833, 2781 3835, FAX : +91-40-2781 3837, 2789 1833, www.visaka.co E-mail : vil@visaka.in

Ref: VIL/SEC/ST-EX/Presentation/2018-19/47

Date: 12.02.2019

To,

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

**Sub: Presentation – Centrum Conference Call dated 12.02.2019**

**Ref: Regulation 30 read with Schedule III to SEBI (LODR) Regulations, 2015**

Dear Sir/s,

With reference to above, we herewith enclosed a presentation in connection with the said conference.

This is for your information and records please.

Thanking you,

Yours faithfully,

for **VISAKA INDUSTRIES LIMITED**

**Authorised Signatory**



Encl. Presentation

Regd. Office & Factory : A.C. Division I, Survey No. 315, Yelumala Village, R.C. Puram Mandal, Sanga Reddy District, T.S, Pin 502 300.  
Factory : A.C. Division II : Behind Super Gas, Manikantham Village, Paramathi-Velur Taluq, Namakkal District, Tamil Nadu, Pin 637 207.  
Factory : A.C. Division III : 70/3A, 70/3, Sahajpur Industrial Area, Nandur Village, Daund Taluka, Pune District, Maharashtra, Pin 412 020.  
Factory : A.C. Division IV : Changsole Mouza, Bankibundh, G.P. No. 4, Saliboniblock, Midnapore West, W.B, Pin 721 147.  
Factory : A.C. Division V : No. 27/1, G. Nagenahalli Village, Kora Hobli, Tumkur, Karnataka, Pin 572 138.  
Factory : A.C. Division VI : Vill. Kannawan, PS Bachrawan, Tehsil Maharajgunj, Dist Raebareli, U.P, Pin 229 301.  
Factory : A.C. Division VII : Survey No. 385, 386, Jujuru (V), Chennaropalem (P), Veerulapadu (M), Near Kanchika Cherla, Krishna Dist, A.P, Pin 521 181.  
Factory : A.C. Division VIII : Plot No. 2006, 1994, Khata No. 450, At-Paramanapur Manejwan, Navamunda Village Sambalpur Dist, Odisha, Pin 768 200.  
Factory : Textile Division : Survey No. 179 & 180, Chiruva Village, Mouda Taluk, Nagpur District, Maharashtra, Pin 441 104.  
Factory : V-Boards Division I : Gajalapuram Village, Peddadevalapally Post, Tripuramam Mandal, Near Miryalaguda. Nalgonda Dist, T.S, Pin 508 207.  
Factory : V-Boards Division II : Gate No : 262 to 269, Delwadi Village, Daund Taluq, Pune Dist, Maharashtra, Pin 412 214.



# VISAKA INDUSTRIES LIMITED

## Q3FY19 RESULTS PRESENTATION

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12<sup>th</sup> February, 2019





# Disclaimer

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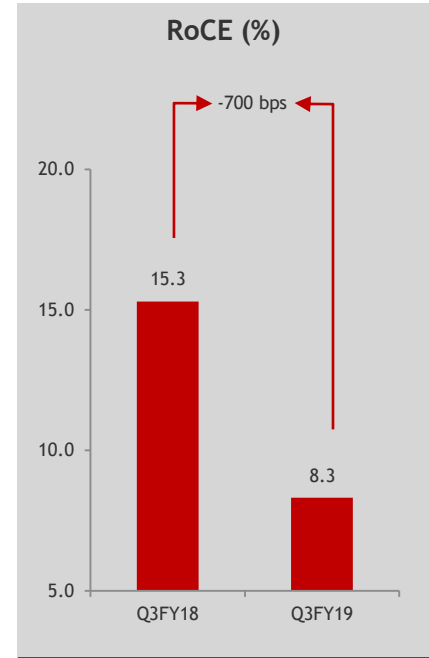
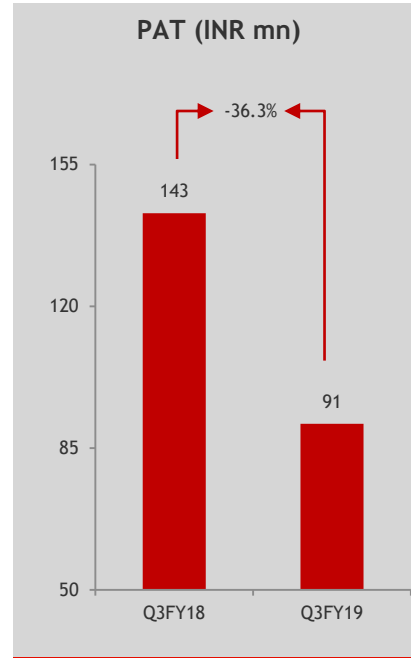
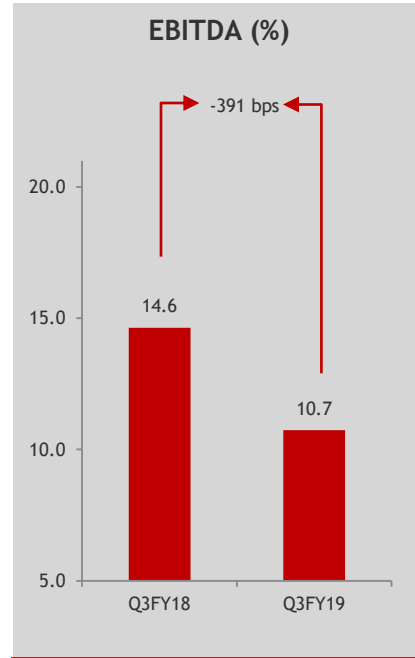
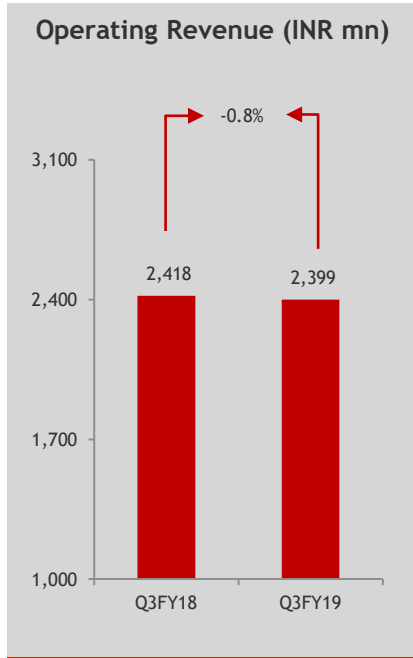
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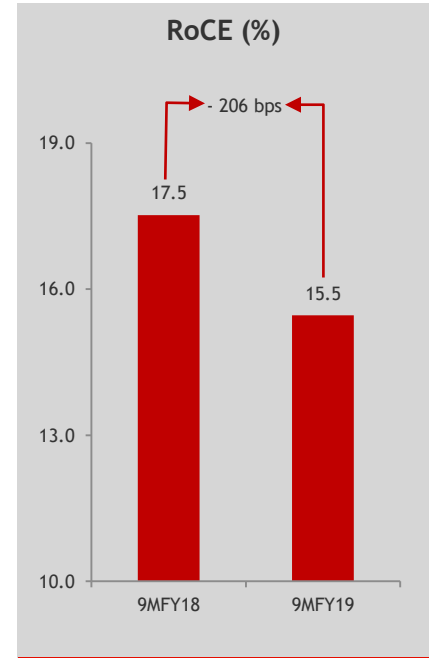
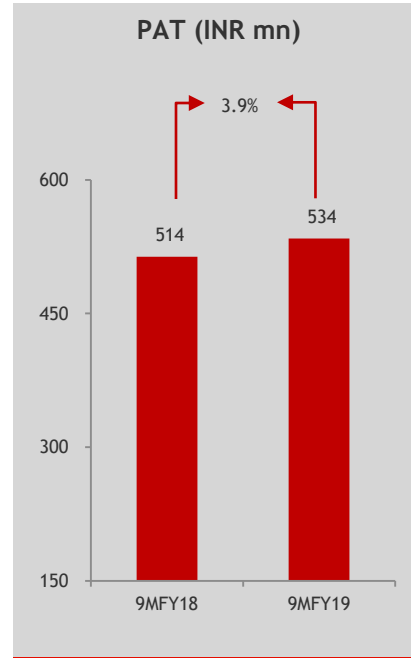
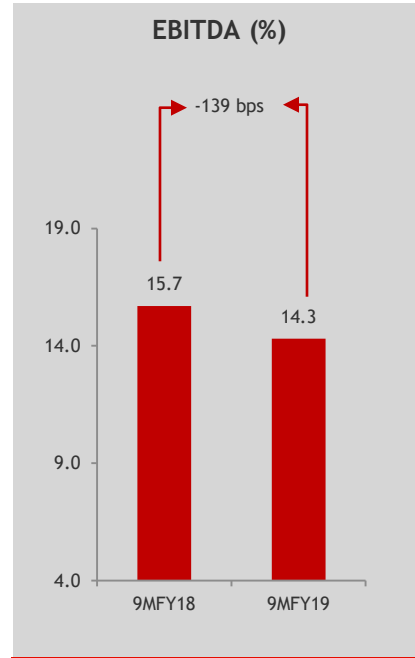
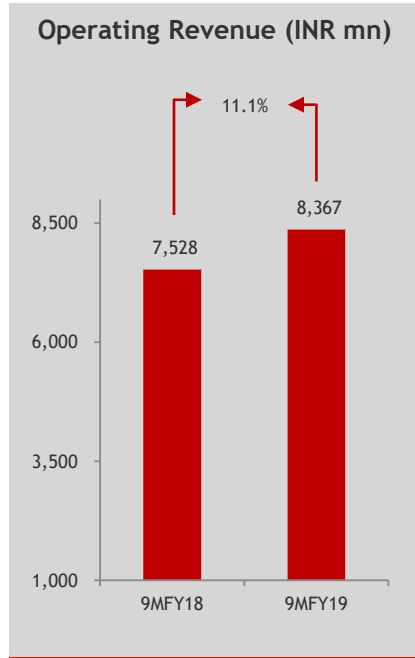
# Result Highlights



# Quarterly financial highlights



# 9MFY19 financial highlights



# Management commentary

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- Operating Revenue dipped 0.8% YoY in Q3FY19 to Rs 2,399 mn against Rs 2,418 mn in Q3FY18
- EBIT dipped by 3.9% YoY in Q3FY19
- RoCE (Annualised) for 9MFY19 was 15.5% against 9MFY18 of 17.5%
- ROE (Annualised) for 9MFY19 was 14.6% against 9MFY18 of 16.0%
- The volume dip is considered temporary, margins were affected primarily due to exchange fluctuations, volume reduction, increased cost like selling expenses etc. Management intends to monitor them more effectively
- The outlook for the future continues to be positive

# Current market share of business segments

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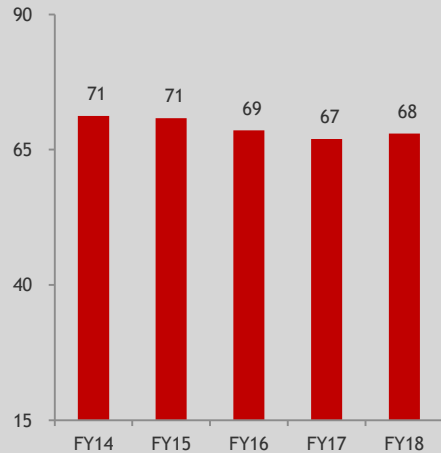
- Cement Asbestos market share stays at 18%
- Boards and Panels retains a market share at 26% in Q3FY19 with higher domestic market share



# Revenue contribution shifting to higher margin offerings

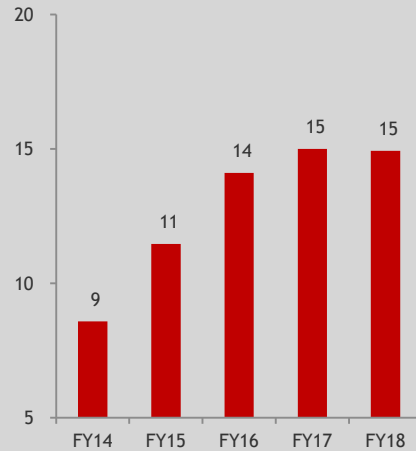


### Cement Asbestos (% Sales)



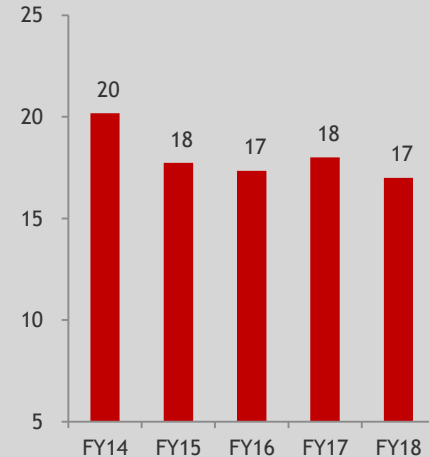
Cement asbestos continues its flattish revenue share

### Fibre Cement (% Sales)



De-risking the business operations by focusing on non-asbestos businesses

### Textiles (% Sales)





# Operational Metrics



# Operational Metrics - Quarterly



Operational Metrics (INR mn)	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19
<b>Segmental revenues</b>								
Building Products	2,134.9	2,613.1	1,693.6	1,969.7	2,143.7	2,956.0	1,912.9	1,889.5
Synthetic Yarn	407.6	485	317.2	448.7	452.3	500.8	597.5	509.8
<b>Segmental Profits</b>								
Building Products	312.6	447.4	279.6	297.8	328.8	506.7	235.3	187.8
Synthetic Yarn	9.8	11.8	6.0	27.3	35.1	43.7	74.5	53.2
<b>Segmental EBIT margins</b>								
Building Products	14.6%	17.1%	16.5%	15.1%	15.3%	17.1%	12.3%	9.9%
Synthetic Yarn	2.4%	2.41%	1.9%	6.1%	7.8%	8.7%	12.5%	10.4%
<b>Installed capacity in MT</b>								
Building Products	931,750	931,750	931,750	931,750	931,750	931,750	931,750	931,750
Synthetic Yarn - Spinning capacity	2,752	2,752	2,752	2,752	2,752	2,752	2,752	2,752
<b>Production in MT</b>								
Building Products	186,142	235,987	187,343	211,361	202,529	228,330	237,613	209,922
Synthetic Yarn	2,634	2,743	2,568	2,892	2,488	2,717	2,849	2,979
<b>Sales in MT</b>								
Building Products	218,445	252,816	157,967	188,508	208,408	276,107	176,009	173,941
Synthetic Yarn	2,137	2,646	1,738	2,461	2,537	2,723	2,981	2,474
<b>Utilization (on sales)</b>								
Building Products	94%	109%	68%	81%	89%	119%	76%	75%
Synthetic Yarn	71%	88%	58%	82%	85%	91%	99%	82%

# Operational Metrics - Annually



Operational Metrics (INR mn)	FY14	FY15	FY16	FY17	FY18	9MFY19
<b>Segmental revenues</b>						
Building Products	7,047.9	8,334.6	8,179.7	7,817.3	8,420.0	6,758.5
Synthetic Yarn	1,781.3	1,796.4	1,715.8	1,788.3	1,703.2	1,608.1
<b>Segmental Profits</b>						
Building Products	244.6	486.3	531.3	1,009.0	1,353.6	929.8
Synthetic Yarn	268.6	216.3	262.4	172.0	80.1	171.4
<b>Segmental EBIT margins</b>						
Building Products	3.5%	5.8%	6.5%	12.9%	16.1%	13.8%
Synthetic Yarn	15.1%	12.0%	15.3%	9.6%	4.7%	10.7%
<b>Installed capacity in MT</b>						
Building Products	881,750	931,750	931,750	931,750	931,750	931,750
Synthetic Yarn - Spinning Positions	2,032	2,032	2,176	2,752	2,752	2,752
<b>Production in MT</b>						
Building Products	664,436	855,293	797,157	800,817	837,220	675,864
Synthetic Yarn	8,614	8,900	9,290	9,985	10,691	8,545
<b>Sales in MT</b>						
Building Products	697,714	805,604	796,238	787,481	807,700	626,057
Synthetic Yarn	8,522	8,958	9,199	9,453	9,382	8,178
<b>Utilization (on sales)</b>						
Building Products	79%	86%	85%	85%	87%	90%
Synthetic Yarn	96%	101%	97%	79%	78%	91%



# Financial Summary



# Profit & Loss statement - Quarterly



Profit & Loss (INR mn)	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19
Income from Operations	2,542.5	3,092.3	2,010.8	2,418.4	2,596.0	3,456.9	2,510.4	2399.3
Other Income	8.3	15.9	10.2	9.9	9.8	69.1	20.0	13.4
<b>Total Income</b>	<b>2,550.8</b>	<b>3,108.2</b>	<b>2,020.9</b>	<b>2,428.2</b>	<b>2,605.8</b>	<b>3,526.0</b>	<b>2,530.3</b>	<b>2412.7</b>
Operating Expenses	2,232.3	2,625.2	1,677.6	2,074.1	2,239.0	2,924.9	2,192.7	2155.4
EBITDA	318.5	483.1	343.3	354.1	366.9	601.1	337.6	257.4
<b>Margin %</b>	<b>12.5</b>	<b>15.6</b>	<b>17.1</b>	<b>14.6</b>	<b>14.1</b>	<b>17.4</b>	<b>13.4</b>	<b>10.7</b>
Depreciation	91.0	90.5	86.3	86.6	84.9	86.0	84.8	89.3
<b>EBIT</b>	<b>227.5</b>	<b>392.6</b>	<b>257.0</b>	<b>267.5</b>	<b>281.9</b>	<b>515.2</b>	<b>252.8</b>	<b>168.0</b>
<b>Margin %</b>	<b>8.9</b>	<b>12.7</b>	<b>12.8</b>	<b>11.1</b>	<b>10.9</b>	<b>14.9</b>	<b>10.1</b>	<b>7.0</b>
Financial Charges	54.8	39.7	39.9	48.7	54.2	51.8	43.6	50.9
Interest %	2.2	1.3	2.0	2.0	2.1	1.5	1.7	2.1
<b>PBT</b>	<b>172.7</b>	<b>352.9</b>	<b>217.1</b>	<b>218.7</b>	<b>227.7</b>	<b>463.4</b>	<b>209.2</b>	<b>117.1</b>
<b>Margin %</b>	<b>6.8</b>	<b>11.4</b>	<b>10.8</b>	<b>9.0</b>	<b>8.8</b>	<b>13.4</b>	<b>8.3</b>	<b>4.9</b>
Tax	68.6	123.3	75.7	76.1	75.8	160.0	69.8	26.3
<b>PAT</b>	<b>104.2</b>	<b>229.6</b>	<b>141.4</b>	<b>142.6</b>	<b>151.9</b>	<b>303.4</b>	<b>139.4</b>	<b>90.9</b>
<b>Margin %</b>	<b>4.1</b>	<b>7.4</b>	<b>7.0</b>	<b>5.9</b>	<b>5.9</b>	<b>8.8</b>	<b>5.6</b>	<b>3.8</b>
EPS	6.6	14.5	8.9	9.0	9.6	19.1	8.8	5.7

# Profit & Loss statement - Annually



Profit & Loss (INR mn)	FY14	FY15	FY16	FY17	FY18
Income from Operations	8,921.0	10,211.3	10,048.5	9,605.7	10,123.2
Other Income	53.6	24.2	27.3	57.1	45.7
<b>Total Income</b>	<b>8,974.6</b>	<b>10,235.5</b>	<b>10,075.8</b>	9,662.8	10,168.9
Operating Expenses	8,348.1	9,252.3	9,096.2	8,433.8	8,621.6
<b>EBITDA</b>	<b>626.5</b>	<b>983.3</b>	<b>979.6</b>	<b>1,229.0</b>	<b>1,547.3</b>
<b>Margin %</b>	<b>7.0</b>	<b>9.6</b>	<b>9.7</b>	<b>12.8</b>	<b>15.3</b>
Depreciation	224.6	430.9	363.0	340.8	348.4
<b>EBIT</b>	<b>401.9</b>	<b>552.4</b>	<b>616.6</b>	<b>888.2</b>	<b>1,199.0</b>
<b>Margin %</b>	<b>4.5</b>	<b>5.4</b>	<b>6.1</b>	9.2	11.8
Financial Charges	214.0	220.3	212.9	196.0	182.6
Interest %	2.4	2.2	2.1	2.0	1.8
<b>PBT</b>	<b>188.0</b>	<b>332.1</b>	<b>403.7</b>	<b>692.2</b>	<b>1,016.3</b>
<b>Margin %</b>	<b>2.1</b>	<b>3.3</b>	<b>4.0</b>	7.2	10.0
Tax	68.3	119.7	159.4	264.4	350.8
<b>PAT</b>	<b>119.7</b>	<b>212.4</b>	<b>244.4</b>	427.9	665.6
<b>Margin %</b>	<b>1.3</b>	<b>2.1</b>	<b>2.4</b>	4.5	6.6
EPS	7.5	13.3	15.3	26.9	41.8

# Balance sheet & Key Ratios



Balance Sheet (INR mn)	FY14	FY15	FY16	FY17	FY18
Share capital	159.2	159.2	159.2	159.2	159.2
Reserves and Surplus	3,174.5	3,162.6	3,311.4	3,766.5	4,297.4
Non-current liabilities	3,132.2	3,521.4	3,354.2	1,828.8	2,109.5
Current liabilities	818.3	1,059.0	1,364.4	1,848.9	2,279.2
<b>Total Equity and Liabilities</b>	<b>7,284.2</b>	<b>7,902.2</b>	<b>8,189.2</b>	<b>7,603.4</b>	<b>8,845.3</b>
Non-current assets	3,877.8	3,464.4	3,368.7	3,546.0	4,258.3
Current assets	3,406.4	4,437.8	4,820.4	4,057.4	4,587.0
<b>Total Assets</b>	<b>7,284.2</b>	<b>7,902.2</b>	<b>8,189.2</b>	<b>7,603.4</b>	<b>8,845.3</b>
Key Ratios	FY14	FY15	FY16	FY17	FY18
RoCE (%)	6.2	8.0	8.6	13.4	16.3
RoE (%)	3.6	6.4	7.0	10.9	14.9
Debt to equity (x)	0.9	1.0	1.0	0.6	0.6
Interest coverage (x)	2.9	4.5	4.6	6.3	8.5
Inventory days	77.0	89.0	84.0	74.0	85.0
Receivable days	40.0	46.0	53.0	59.0	53.0
Payable days	19.0	21.0	23.0	29.0	34.0





# Annexure

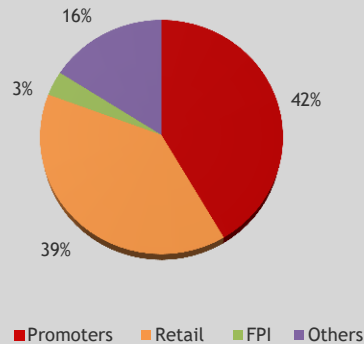


# Stock information

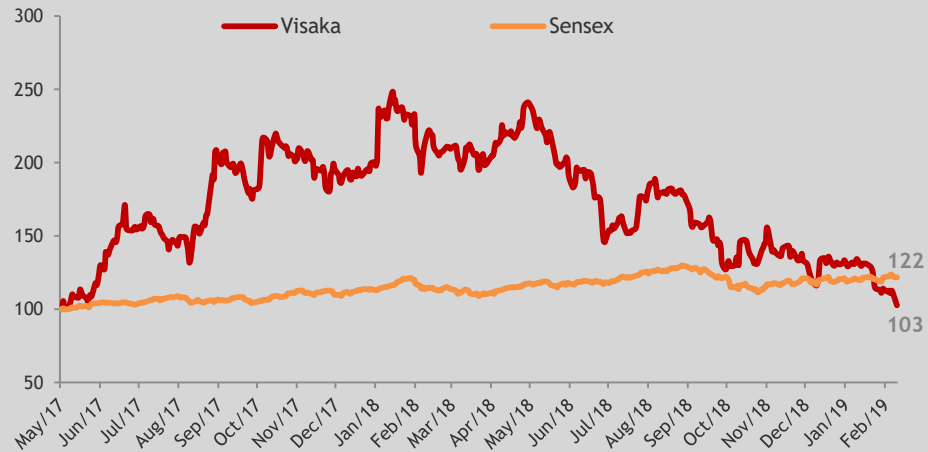


- Market cap (INR) - 5,341 mn (as on 11<sup>th</sup> Feb 2018)
- Shares outstanding- 15.9mn (31<sup>th</sup> Dec 2018)
- BSE code: 509055
- NSE code: VISAKAIND

Shareholding Pattern as on 31<sup>th</sup> Dec 2018



Relative stock price vs BSE Sensex (as on 11<sup>th</sup> Feb 2019 )



# Key Managerial Team



**Shri. Dr G. Vivekanand**  
Vice Chairman



An MBBS graduate from Osmania University and a former Member of Parliament is a first-generation entrepreneur playing a pivotal role in the company growth. It is under his leadership and guidance, Visaka Industries has grown multifold and diversified into building products and synthetic blended yarn with a prominent position in both industries.

**Shri. G. Vamsi Krishna**  
Joint Managing Director



He is a science graduate from Purdue University, USA. He joined Visaka in June 2010 as a management trainee and was later promoted as Chief Business strategist then as whole time director and he is currently joint managing director. He spearheaded the growth of the V-next business and invented ATUM. He was responsible in repositioning the company and introduction of ATUM.

**Shri. Vepa Vallinath**  
Whole Time Director & CFO



He is a member of Institute of Chartered Accountants of India and Institute of Cost Accountants of India. He has a rich and varied experience of over 33 years spreading over various key operations of Finance, Business Strategy, Costing etc.



# Brands & Offerings



# Prestigious Brands of VISAKA Industries

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VISAKA & SHAKTI

V-Next

V-Board

V-Premium

V-Plank

V-Panel

ATUM

V-Infill

## Green products footprint increasing



Vnext by Visaka products are manufactured using Cellulose fiber and are Green Pro Certified product (V board, V designer, V plank & V premium, and V panel) by CII-IGBC, the first and only company to be certified **Green Products in the category of FCB**. With use of V board, you save huge amount of electricity and water as our product is dry wall construction. Due to shortage of Red Sand for construction, Vnext is an ideal ecofriendly product for future generations to come.

# Revolutionizing use of energy efficiently-ATUM



ATUM PLANT



ROOFING with the ATUM product



# Revolutionizing use of energy efficiently-ATUM



ATUM ROOFING PANELS



ADMINISTRATIVE BLOCK - JHAJJAR PLANT

ROOFING WITH THE ATUM PANELS



AN APPLICATION AT HYDERABAD



# Multifarious use of Boards and Panels



Mezzanine Flooring with V-Boards



Kitchen cabinets rich look with V-Boards



# Aesthetic offering with V-Boards & Panels



Wall Paneling with V-Boards



Roof Underlay with V-Premium



Partitions, False Ceiling, Mezzanine flooring, Shelves in House Boat with V-Board



# Contact us



## Investor Relations contact

Name : V. Vallinath (Whole Time Director & CFO)  
Email id : vallinath@visaka.in  
Phone : 040-27813833

## Address

Visaka Industries Limited. Visaka towers", 1-8-303/69/3, S.P. Road, Secunderabad - 500003