

Chairman's speech at the 37th Annual General Meeting of Visaka Industries Ltd. On 27th June, 2019

Good morning.

It is my pleasure to welcome you all to your company's 37th Annual General Meeting.

Your company's journey of 37 years has been one of great values and achievements. Looking back, at the commencement of its commercial operations in 1983, Visaka constituted its Board of Directors with the induction of external professionals with vast experience in their chosen fields as independent directors so as to promote a concept of corporate governance that embodies the essential building blocks of trust and integrity. It is to the credit of the promoter Dr. G. Vivekanand who brought to the table his family and personal values which were discussed, defined and documented that culminated into Visaka's Vision Statement. The management explained this Vision Statement to all the employees and executives of the company and that became the Mission Statement of Visaka.

This initiative helped the management to build an effective team of dedicated and loyal managers and operators at office and plant levels, who were told upfront that business success is not about numbers, it is about trust. The promoter demonstrated that business integrity means living up to the intent and not just the letter of the laws and regulations wherever one operates. It meant obeying the internal moral compass that we all have, so that in each situation we face in our business life, we consciously choose to do what we believe is right and reject what we believe to be wrong. "Decision-making, when faced with an ethical dilemma, is easy: Do the right thing. Always." The leadership quality of the promoter has been very unique. He believed in "Prove it with Action". His emphasis has been on ethical leadership from an institutional standpoint and that it must be looked at, in terms of how it's exhibited in the everyday actions of the people. Leadership has less to do with any single individual than it does with the culture, norms and values of the company itself. Discussing the importance of everyday workplace performance, he clearly conveys that how we act as individuals has a profound effect on whether the company we represent achieve its full potential. Integrity has a direct impact on both the bottom line and long-term viability of the company. Integrity transcends borders, language and culture. Its not something we can impose, but it is something we can influence and monitor. His belief that if we act responsibly and focus on meeting our customers' needs, strong financial performance will follow, which is amply demonstrated by Visaka's audited accounts consistently.

The 2nd line management of the company has responded well to the "value creation" proposition of Visaka. Finance, marketing, production and HR divisions have worked in tandem to develop and put in place a robust organizational structure to deliver consistent growth and returns. Finance and marketing people have a shared understanding of strategic goals as well as commitment to operational plans and financial targets. This approach has encouraged teamwork internally and at times have created a flexible approach to meet the challenges thrown by competitors, changing consumer preferences and ever-increasing pace of technological changes. Thus, they have ensured that business must remain faithful to its values and build upon its strengths in accommodating changes in its marketplace and in responding to new opportunities. This is the true character of Team Visaka.

Visaka has grown from being the 7th largest cement asbestos product manufacturer in India in 1996 to the 2nd largest today, accounting for a 18% market share. Visaka is also a leader in the twin air-jet spun yarn segment {1992} and in the fibre cement board segment {2009}. These diversification has proved to be quite successful for Visaka. This takes us to know that how Visaka gears itself for future - how it would like to manage for tomorrow. It takes a visionary leader capable of assessing the present and seeing the potential that lies in the future and the possible pitfalls. The importance of

looking ahead can't be overemphasized and Dr. G Vivekanand took the decision to induct his son Mr. G. Vamsi Krishna, in 2011. Currently he is the Joint Managing Director of Visaka. He thinks that just because something worked well in the past, doesn't mean it will continue to work well in the future. His formula for achieving success is plain and simple : keeping all stakeholders in balance is the key to maintaining public trust and therefore it is essential for Visaka to strive constantly to overcome the temptation to let technology, rather than our customers and our market, drive the development of our products. Thus he has added a new dimension to Visaka's original vision statement of trust - "Innovation" ... if you want to manage your business for tomorrow you can't have one without the other. He believes that "to think and plan long-term is particularly critical to Visaka's business of developing new innovative products". The introduction of ATUM had an intensive research effort gone into mainly on account of increased awareness towards climate change to have an impact on consumer behaviour-preference for a product that is not only cost effective but also eco-friendly that addresses sustainability concerns across the value chain. He saw an opportunity to develop ATUM catering to these demands by being a pioneer in the field of sustainability. This transformation of business of Visaka has a great potential to scale up at a fierce pace resulting into attractive profitability. Ultimately, in my opinion, shareholders' interests are best served when management think and act "generation-to-generation, as well as quarter-to-quarter."

Current economic and business environment: For the last few years, stories about malfeasance of corporate entities and corporate leadership have filled the news media. CEOs are frequently portrayed as arrogant, uncaring with respect to all stakeholders, disdainful of laws and regulations and in a few cases, as remarkably incompetent. Most recently, an epidemic of almost unthinkable scandals has beset the top managements of large corporations as well as financial institutions. Law firms and accountants have also been caught up in ethical lapses. Given the flood of negative news, it is no wonder that corporate governance comes under heavy and continuing scrutiny. Against such a backdrop, Visaka's performance has to be evaluated and I am very pleased to mention that your company has done well despite very challenging conditions. Visaka continues to adhere to its value system and culture which will ensure ethical growth and satisfactory returns to all stakeholders.

I would like to express my sincere appreciation for the valuable assistance of all stakeholders as well as dedicated and committed services by the company's executives, staff and workers and especially to you all to make it convenient to attend today's Annual General Meeting.

Thank you.

Bhagirat B.Merchant

Chairman