

Chairman's Speech at the 38th AGM of Visaka Industries Ltd. on Thursday, the 23rd July, 2020 conducted through video conferencing.

Good morning dear shareholders.

Today I am arising to address you for the last time as a Chairman of this august company. I will be retiring on 31st March, 2021 as a member of the Board of Directors. It takes me down the memory lane of my association with Visaka. I was appointed as a Director on 22nd December, 1983 along with Late Shri K. V. K. Raju. I have had an opportunity to work with few of the stalwarts of industry as well as professionals, as my colleagues on the Board of Directors during my tenure and I value my this experience as one of the best, as a professional independent director. Its almost 37 years of association through which I have seen how Visaka has groomed itself to be the leader of the industry over time.

From the 1st plant of Asbestos cement roofing sheets at Patancheru in 1985, Visaka added another 7 plants as part of expansion projects between 1985 & 2006, synthetic yarn project as a diversification in 1992, 3 Boards & 1 Panels plants between 2008 & 2010, Solar energy plant in 2014, Atum – an unique first of its kind solar roofing plant in 2018 and metal sheets plant in 2020 - total of 16 manufacturing plants in 35 years. Dr. G. Vivekanand has exhibited his enterprising abilities and leadership qualities throughout this meaningful journey and I can vouch that he began to appreciate the virtues of honour, courage, competence, commitment, teamwork and loyalty, as well as the related values of discipline, respect, and persevering in the face of adversity, very early in his career as an Industrialist. I have observed over the past three and half decades that the team that he created have also learned their skills with a set of principles, practices, and values that, together has helped Visaka to materially increase the probability of success in the market place as well as in its industry segment. It's an approach that has been proven time after time to increase its market share and has rightfully made Visaka No. 1 in industry in terms of sales in 2019-20. Friends its serious business.

This year's annual report announces its main trait - Discipline - As I mentioned above, Visaka means serious business, it likes to be in leadership position in whatever it does. So, as a result, we try to remove as many variables as possible before heading into action - and that takes discipline. We at Visaka take the long view, we establish long-term strategic objectives and then we plan using a rigorous detailed approach. When we are ready, when we have all the resources in place, when the timing is right, then we commit; we act in accordance with that well-developed plan. Discipline is a hallmark of Visaka, but we don't have a monopoly on it as there are quite a few other industrial houses that are also known for their disciplined approach to business. Discipline is not about blind obedience, it is about doing the right things the right way – every time.

Currently the world is passing through the coronavirus pandemic. It is not only a health crisis of immense proportion, but it is also an imminent restructuring of the global economic order. It is increasingly clear our era will be defined by a fundamental schism : the period before Covid-19 and the new normal that would emerge in the post viral era. In this unprecedented new reality, we will witness a dramatic restructuring of the economic and social order in which businesses and society have traditionally operated. And in the near future, we will see the beginning of discussion and debate about what the next normal could entail and how sharply its contours will diverge from those that previously shaped our lives.

When the lockdown restrictions begin to ease, businesses will need to figure out how to operate in new ways. In short, resiliency - the ability to absorb shock - and to come out of it better than the competition – will be the key to survival and long-term prosperity. Visaka did get hurt, but

recovered much faster due to our preparation before the crisis - Visaka had stronger balance sheet and effective action during this period - specifically our ability to cut operating costs and better sales receivables. As businesses step into post coronavirus future, they need to find a balance between what worked before and what needs to happen to succeed in next normal. This will make agile companies to learn to adapt to the new circumstances much earlier than their peers. Agility is the ability to reconfigure strategy, structure, processes, people and technology quickly toward value creating and value protecting opportunities. Agile companies are more decentralised and depend on top-down command-and-control decision making. They create agile teams, which are allowed to make most day-to-day decisions, while the top line management continue to make strategic decisions. Agile teams aren't out-of-control teams, accountability, in the form of tracking and measuring precisely stated outcomes, is as much a part of their responsibilities as flexibility is. The overarching idea is for the right people to be in position to make and execute decisions. This is what exactly the Visaka management - Vice Chairman, Managing Director, Jt. Managing Director and two whole time Directors - have done. I congratulate them for their agility to reimagine and restart operations in the new normal that will guarantee continuous value creation.

I would like to express my gratitude to one and all at Visaka, especially Dr. G. Vivekanand and his family, my colleagues on the Board of Directors including the whole-time Directors Mr. Vallinath and Mr. J.P.Rao, our V.P. {Corporate Affairs} & Company Secretary Mr. I. Srinivas and others, and our shareholders.

Thank you.

Bhagirat B. Merchant
Chairman,
Visaka Industries Ltd.

23rd July, 2020