



# VISAKA INDUSTRIES LIMITED

CIN : L52520TG1981PLC003072

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

Corporate office : "Visaka Towers", 1-8-303/69/3, S.P. Road, Secunderabad – 500 003.

website : www.visaka.co, Tel : +91 40 27813833, 27813835 , Fax : +91 40 27813837, 27891833, e-mail : vil@visaka.in

## PUBLIC DEPOSIT SCHEMES

### FORM DPT-1

**CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS (PURSUANT TO SECTION 73 (2) (a) AND SECTION 76 AND RULE 4(1) AND 4(2) OF THE COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014]**

#### 1. GENERAL INFORMATION.

##### a. Name of the Company:

**VISAKA INDUSTRIES LIMITED.**

CIN : L52520TG1981PLC003072

**Address (Registered Office) : Survey No. 315, Yelumala Village, R. C. Puram Mandal, Sangareddy District, Telangana – 502 300.**

**Corporate Office : "Visaka Towers" 1-8-303/69/3, S.P. Road, Secunderabad - 500 003.**

**Website : www.visaka.co**

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**E-mail : vil@visaka.in**

##### b. Date of incorporation of the Company: 18th June, 1981.

##### c. Business carried on by the company and its subsidiaries with the details of branches or units, if any:

The Company is engaged in manufacturing and marketing of the following products:

- Asbestos Cement Sheet and other Allied Products.

- Synthetic Blended Yarn.

- Fibre Cement Boards, Panels and other wall solutions.

**The details of A.C. Sheets units: A.C. Division Unit – I** is located at Survey No. 315, IDA, Yelumala Village, R.C. Puram Mandal, Sangareddy District, Telangana – 502 300. **A.C. Division Unit – II** at Survey No.164, Manickantham Village, Paramati – Velur Taluq, Namakkal District – 637 207, Tamil Nadu. **A.C. Division Unit – III** at Plot No. 11,12,18 to 31 & 30, Changsol Mouza, Bankbunth, G.P. No. 4, Salboni Block, Midnapore West, West Bengal – 721 101. **A.C. Division Unit – IV** at Survey No. 90/2A,90/2B, 27/1, G. Nagenahalli Village, Kora Hobli, District & Taluk – Tumkur, Karnataka. **A.C. Division Unit – V** at Village Kannawan, P.S: Bacharawan, Tehsil – Maharaj Ganj, Rai Bareilly District, Uttar Pradesh. **A.C. Division Unit - VI** at Survey No. 385 & 386, Near Kanchikacharya, Jujuru Village, Veerula Padu Mandal, Krishna District, Andhra Pradesh – 521 181. **A.C. Division Unit - VII** at 70/3A & 70/3, Sahajpur Industrial Area, Village – Nandur, Taluk – Daund, Pune, Maharashtra and **A.C. Division Unit – VIII** at Plot No. 1994, 2006, Khata No. 450, Chaka No. 727, Paramanpur Village, Tehsil – Maneswar, Sambalpur District, Odisha – 768 200.

The Textile Factory of the Company is located at 39 KM Mile Stone, NH No. 6, Bhandara Road, Survey No. 179 & 180, Chiruvu Village, Moudha Taluk, Nagpur District, Maharashtra.

The Reinforced Building Board **Division-I** of the Company is located at Survey No. 95 & 96, Gajalapuram Village, Near Miryalguda P.O., Pedadevullapally, Tripuraram Mandal, Nalgonda District – 508 207, Telangana (panels are also manufactured at this unit) and **Division-II** at Gatt No. 262, Delwadi Village, Daund Taluq, District Pune, Maharashtra – 412 214.

The Company has no branch Offices and subsidiaries.

##### d. Brief particulars of the management of the company:

Subject to the supervision and control of the Board of Directors, the business and affairs of the Company are being managed by Smt. G. Saroja Vivekanand, Managing Director with the support of Joint Managing Director, Whole-time Directors and other senior management team.

##### e. Names, addresses, DIN and occupations of the directors:

Sl. No.	Name	Address	DIN	Occupation
1.	Mr. Bhagirat B Merchant Chairman	Fiat No. 10, Govardhan Bhavan 4th Floor, N.S. Road No.12-A, Jahhind Co-op.Hsg.Soc.Ltd, J.V.P.D Scheme, Mumbai - 400049.	00375025	Business
2.	Mr. V. Pattabi Director	1067, Street No. 9 New Bakaram, Gandhi Nagar, Hyderabad-500080.	00200157	Business
3.	Mr. Gusti J Noria Director	H.No. 8-2-325/6&7 Road No. 3, Bajara Hills, Hyderabad - 500034.	00015561	Business
4.	Mr. P. Srikar Reddy Director	306, Raheja Mansion, 13, Millon Street, Cooke Town, Bangalore – 560 005	00001401	Employment
5.	Dr. G. Vivekanand Vice Chairman	H.No. 6-3-1238/A, Renuka Enclave, Somajiguda, Hyderabad-500082.	00011684	Business
6.	Smt. G. Saroja Vivekanand Managing Director	H.No. 6-3-1238/A, Renuka Enclave, Somajiguda, Hyderabad-500082.	00012994	Employment
7.	Mr. G. Vamsi Krishna Joint Managing Director	H.No.6-3-1238/A, Renuka Enclave, Somajiguda, Hyderabad 500082.	03544943	Employment
8.	Mr. V. Vallinath Whole-time Director & Chief Financial Officer	Fiat No. 102, H. No. 6-3-1100/4/102, Jaya Lake View Apartments, Somajiguda, Hyderabad-500 082	06947291	Employment
9.	Mr. J.P. Rao Whole-time Director	12-13-877/84, Plot No. 169, Kimithi Colony, Tarnaka, Hyderabad – 500007	03575950	Employment

##### f. Management's perception of risk factors:

**Asbestos Cement Products:** Lack of entry barriers is attracting new entrants into this line of business. Activities of ban asbestos lobby instigated by the manufacturers of substitute products continue to be a matter of concern. Presence of increased alternative products in the market in the recent past is also a concern.

**Synthetic Blended Yarn:** If the global cotton fibre production expands, it could reduce the demand for synthetic yarn. The 3D manufacturing capability for apparels which is in the nascent stage, if successfully commercialised at affordable price, could pose challenges to the traditional spinning & weaving industry. China's manufacturing facilities are a matter of concern.

**Fibre Cement Boards & other wall solutions:** Import of Cement Board materials from Philippines, Thailand, China and Malaysia is a matter of concern apart from lack of entry barriers. Initial handling of material is comparatively difficult for which necessary steps are initiated like educating the applicators to ensure acceptance. Import of cellulose is a matter of concern. In export front Saudi Arabia and Middle East market are down and alternate markets are being explored.

**A general from the aforesaid specific risks, we also will be affected by general business risks which include, but are not limited to:**

- Changes in Government policies with respect to roofing industry;
- Changes in competitors' pricing and other competitive strategies;
- General economic and political changes and changes in law and regulations including with respect to direct / indirect taxes or environmental regulations;
- The market prices and demand for the Company's products;
- The loss of any significant customers or financial health of the customers;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Government and business conditions globally and in India;
- Changes in interest rates, and in exchange rates;
- Changes in raw material, finished goods and energy prices;
- Availability of continued quality power supply.
- Changes in consumer preferences.
- Disaster risks like natural calamity etc.
- Changes in information technology & data integrity etc.

##### g. Details of default, including the amount involved, duration of default and present status, in repayment of:-

i) statutory dues	: Nil*
ii) debentures and interest thereon	: Nil
iii) loan from any bank or financial institution and interest thereon	: Nil.

\* does not include disputed dues.

##### 2. PARTICULARS OF THE DEPOSIT SCHEME:

- Date of passing of board resolution: 7th May 2018
- Date of passing of resolution in the general meeting authorizing the invitation of such deposits: 26th June 2014 (Passed under postal ballot process)
- Type of deposits (i.e., whether secured or unsecured): Unsecured
- Amount which the company can raise by way of deposits as per the Act and the rules made thereunder, and the aggregate of deposits actually held on the last day of the immediately preceding financial year and on the date of issue of the Circular or advertisement and amount of deposit proposed to be raised and amount of deposit repayable within the next twelve months: (Amount in Rs. Lakhs)

S. No.	Description	Limits	Deposits held as on 31.03.2018	Deposits held as on 27.04.2018	Amount of Deposits proposed to be raised	Deposits repayable within next 12 months
a	Deposits from members (10% of the aggregate of the paid up capital and free Reserves)	4456.61	180.98	188.98	1000.00	156.97
b	Deposits from Public (25% of the aggregate of the paid up capital and free reserves)	11141.52	1439.92	1477.02	3000.00	774.48

##### e. Terms of raising of deposits : Duration, Rate of interest, mode of payment and repayment:

The Company intends to raise public deposits as per the following schemes:

##### SCHEME I – NON CUMULATIVE DEPOSITS

Particulars	Monthly Income	Quarterly Income
Minimum Deposit	Rs. 25,000/- & in multiples of Rs.1000/-	Rs. 25,000/- & in multiples of Rs.1000/-
Rate of Interest	11% PA*. Payable Monthly. (*11.50% for Senior Citizens and Physically challenged persons)	11% PA*. Payable Quarterly. (*11.50% for Senior Citizens and Physically challenged persons)
Period of Deposit	12, 24 & 36 months.	12, 24 & 36 months.
Interest payable	Rs. 229 per month* for an investment of Rs. 25,000/- (*Rs.239.58 per month for an investment of Rs. 25,000/ for Senior Citizens and Physically challenged persons).	Rs. 687.50/- per quarter* for an investment of Rs. 25,000/- (*Rs.718.75 per quarter for an investment of Rs. 25,000/ for Senior Citizens and Physically challenged persons).

##### SCHEME II – CUMULATIVE DEPOSIT (Interest Rate @ 11% PA).

Period of	Amount(Rs.)	on Maturity Rs.		Yield	
		For Others	For Senior Citizens and Physically challenged persons	For Others	For Senior Citizens and Physically challenged persons
12 Months	25,000	27,866	28,001	11.46	12.01
24 Months	25,000	31,060	31,364	12.12	12.73
36 Months	25,000	34,620	35,128	12.83	13.50

**f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid:** All the schemes are open ended, and this advertisement will be valid until expiry of six months from the date of closure of the financial year 2018-19 or until the date on which the financial statements are laid before the members in annual general meeting to be held for 2018-19 (or due date if the same is not held), whichever is earlier.

**g. Reasons or objects of raising the deposits:** To meet the short and medium term working capital requirements.

**h. Credit rating obtained: Name of the Credit Rating Agencies. Rating obtained, meaning of the rating obtained, and Date on which rating was obtained.**

The Public Deposits are rated as CARE AA- (FD) [Double A minus (Fixed Deposit)], Outlook: Stable] by Credit Analysis & Research Limited (CARE), reaffirmed vide their letter dated November 30, 2017. Instruments with this rating are considered to have the higher degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

**i. Extent of deposit insurance: Name of the Insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc.** In terms of provisions of Companies (Amendment) Act, 2017, effective from February 9, 2018 the requirement relating to providing deposit insurance as per Section 73(2)(d) is done away with. Hence complying with this requirement does not arise.

**j. Short particulars of the charge created or to be created for securing such deposits, if any: Not applicable as type of deposits proposed to be accepted are unsecured deposits.**

**k. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons:** The company has accepted deposits from relatives of Promoters, Directors and KMP's subject to same terms and conditions as applicable to other depositors. Thus, there is no effect of such interest in so far as it is different from the interest of other persons. As on 31.03.2017, the outstanding amounts accepted from the said relatives is Rs. 251.78 lakhs and the interest payable there on is Rs. 2.20 lakhs.

##### 3. DETAILS OF ANY OUTSTANDING DEPOSITS:

The details of outstanding deposits as on 31st March, 2018 on account of the said deposits are as follows:

a	Amount Outstanding (Unmatured)	Rs. 16,20,90,000/-
b	Date of acceptance	Various dates as the schemes are open ended
c	Total amount accepted during the year	Rs. 18,04,49,000/-*
d	Rate of interest	11.00% (11.50% for Senior Citizens and Physically Challenged Persons). In case of cumulative deposits the yield will be changing based on the term of the deposit.
e	Total number of depositors	492 (On account of outstanding deposits as on 31.03.2018)
f	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved:	NIL
g	Any waiver by the depositors, of interest accrued on deposits	NIL

\* including outstanding as at 01.04.2017 of Rs. 14,99,45,000/-

##### 4. FINANCIAL POSITION OF THE COMPANY:

##### a. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement: (Amount in Rs.Lakhs)

Year	Profit before Tax	Profit after Tax
2015-2016 (IGAAP)	4037.17	2443.53
2016-2017 (Ind AS)	8922.08	4278.45
2017-2018 (Ind AS)	10163.93	6655.72

##### b. Dividends declared by the company in respect of the said three financial years;

Interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid)

Year	Dividend on Equity Share		Interest Coverage Ratio
	%	Amount	
2015 – 2016	50%	794.05	4.60
2016 – 2017	60%	952.86	6.30
2017 – 2018	70%	1116.66	8.50

##### c. A summary of the financial position of the company\* as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement: (Amount in Rs.Lakhs)

ASSETS	AS AT 31.03.2018*	AS AT 31.03.2017*	AS AT 31.03.2016*
Fixed Assets (Net)	39060.26	33854.25	29819.55
Non-current Investments	-	-	1009.19
Long Term Loans & Advances	3522.85	1605.65	2640.64
Current Assets	45870.16	40574.34	47626.74
	<b>88453.27</b>	<b>76034.24</b>	<b>81096.12</b>
LIABILITIES	AS AT 31.03.2018*	AS AT 31.03.2017*	AS AT 31.03.2016*
Share Capital	1592.07	1592.07	1592.07
Reserves & Surplus	42974.00	37664.58	33932.16
Non-Current Liabilities	10903.78	9541.31	7178.58
Current Liabilities	32983.42	27236.28	38393.31
	<b>88453.27</b>	<b>76034.24</b>	<b>81096.12</b>

\* Represents Ind AS numbers

##### d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement: (Amount in Rs.Lakhs)

Particulars	31st March 2018	31st March 2017	31st March 2016
<b>Cash Flow from Operating Activities:</b>			
Profit before tax	10,163.93	6,922.08	4037.17
<b>Adjustments for:</b>			
Depreciation and amortisation expense	3,483.56	3,407.62	3630.46
Loss on disposal of property, plant and equipment	-	2.27	4.99
Property, plant and equipment written off	10.19	2.53	-
Interest income on financial assets carried at amortized cost	(94.49)	(89.85)	-
Gain on disposal of property, plant and equipment	(61.81)	-	-
Wealth tax	-	-	7.00
Provision for doubtful debts	108.14	63.26	-
Bad Debts written off	11.39	28.98	-
Amortisation of government grants	(229.03)	(194.34)	-
Finance costs	1,825.76	1,959.81	2128.77
Fair valuation on forward contracts	-	7.42	-
Provision for diminution in the value of investment	-	1,009.34	450.00
Remeasurement of defined employee benefit plans	(305.02)	(250.42)	-
<b>Change in operating assets and liabilities</b>			
(Increase) in Trade Receivables	(206.22)	(1,084.03)	(1809.42)
Decrease in financial assets other than trade receivables	201.91	105.03	-
(Increase) / Decrease in other assets	(2,371.42)	488.41	868.30
(Increase) / Decrease in Inventories	(4,577.86)	3,602.02	1808.95
Increase in Trade payables	4,207.32	1,047.84	375.92
Increase / (Decrease) in other financial liabilities	(108.97)	348.96	-
Increase / (Decrease) in provisions	(54.86)	194.44	28.35
Increase / (Decrease) in other liabilities	(207.33)	182.19	(371.83)
<b>Cash Generated from Operations</b>	<b>11,795.19</b>	<b>17,753.56</b>	<b>11158.66</b>
Income taxes paid	(2,996.35)	(2,481.98)	(2,233.69)
<b>Net cash inflow (outflow) from operating activities</b>	<b>8,798.84</b>	<b>15,271.58</b>	<b>8924.97</b>
<b>Cash flows from investing activities</b>			
Payments for property plant and equipment	(10,636.76)	(6,256.32)	(2869.37)
Interest received	95.38	77.11	-
Proceeds from sale of property, plant and equipment	88.70	17.43	31.45
Investments / Advances towards share capital	-	-	(1.48)
Movement in other bank balances	(62.04)	(30.02)	(31.10)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(10,514.72)</b>	<b>(6,191.80)</b>	<b>(2870.50)</b>
<b>Cash flow from financing activities</b>			
Proceeds from non current borrowings	3,629.50	4,758.31	-
Repayment of non current borrowings	(2,139.57)	(1,374.00)	(1,374.00)
Proceeds / (repayment) from current borrowings	600.59	(13,500.19)	2529.30
Repayment of loan to related party	(1,854.00)	(808.50)	-
Receipt of loan from related party	2,401.50	315.00	-
Increase / (Decrease) in Other Secured & Unsecured loans	-	-	1045.41
Dividend paid to company's shareholders (including corporate dividend tax)	(1,141.91)	(408.83)	(1500.65)
Finance cost	(1,580.07)	(1,763.12)	(2091.38)
<b>Net cash inflow (outflow) from financing activities</b>	<b>116.04</b>	<b>(12,781.43)</b>	<b>(1391.32)</b>
<b>Net increase (Decrease) in cash and cash equivalents</b>	<b>(1,599.84)</b>	<b>(3,701.65)</b>	<b>4663.15</b>
<b>Cash and Cash equivalents at the beginning of the financial year</b>	<b>3,592.39</b>	<b>7,294.04</b>	<b>2630.89</b>
<b>Cash and Cash equivalents at the end of the Year</b>	<b>1,992.55</b>	<b>3592.39</b>	<b>7294.04</b>

Note: Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act 2013. Cash flow statement has been prepared for FY 2016-17 & 2017-18 as per Ind AS and FY 2015-16 as per IGAAP and figures are regrouped wherever necessary.

**e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company:** The company has transitioned its basis from IGAAP to Ind AS consequent to applicability of Indian Accounting Standards requirements effective from 01.04.2017. The Ind AS accounting policies have been applied in preparing the financial statement for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening of Ind AS balance sheet as at 01.04.2016. In preparing the opening Ind AS balance sheet, the amounts reported in financial statements prepared in accordance with IGAAP have been adjusted. For more details you may please refer company's Annual Report for the financial year ended 2017-18 available at company's website www.visaka.co/investorrelations/AnnualReports.

##### 5. DIRECTORS DECLARE THAT:-