



OPPORTUNITY-**READY**

WELCOME TO OUR 2018-19 ANNUAL REPORT

The corporate identity, financial performance, senior management review, operational review, statutory reports, financial statements and notes sections are based on in-depth assessments of our performance across key areas and form part of the Strategic Report.

Corporate identity	
This section will communicate the twelve most important things that readers need to know about Visaka Industries Limited as well as the Company's corporate journey over the years.	02 Corporate identity
Financial performance	
This section captures the Company's performance during the past four years on the basis of all the major performance indicators so that readers can assess how Visaka has improved year-on-year.	06 Financial performance
Senior management review	
In this segment, Visaka's senior management – Joint Managing Directors and Chief Financial Officer present their views on their Company's performance during FY2018-19 and what shareholders can look forward to in the coming years.	08 Joint Managing Director's review
	10 The CFO's financial review
Operational review	
This section details the Company's transformation, developments, integrated value report, various strengths, and risk management protocols of Visaka Industries. Readers can also get incisive insights into the various business segments of the Company, their performance highlights for the year under review, their strengths and their outlooks for FY2019-20.	18 Integrated value creation report
	22 Review of our business segments
	32 Risk management
Statutory reports	
This segment contains reports which need to be part of the Company's annual report in accordance to the guidelines laid down under the Companies Act, 2013.	34 Boards' report:
	74 Report on corporate governance
Financial statements and notes	
This segment contains Visaka's financial statements and notes prepared in accordance with Ind-AS.	86 Auditor's report
	94 Financial statements
	135 Corporate information
	137 Notice & explanatory statements

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 realized, 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.

At Visaka Industries, being opportunity- ready means...

Investing ahead of the curve
Protecting the Balance Sheet in a slowdown
Enhancing the brand's respect and recall
Leveraging technologies to enhance efficiencies
Scaling capacities to address prospective demand growth
Seeding tomorrow's products across a large number of consumers

Translating into a CAGR in revenues of 4.4% and a CAGR in PAT of 40.2% in the three years ending 2018-19

12 things you need to know about Visaka Industries

Values

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

Values: Initiative, responsibility and accountability.

- Care, compassion and courtesy
- Ethical functioning, fairness and transparency
- Trust, good faith and integrity

Status

The Company has grown from being the seventh-largest cement asbestos product manufacturer in India (by volume) in 1996 to the second largest today, accounting for a 18% share of the Indian market. The Company is also a leader in the twin air-jet spun yarn segment and in the fibre cement board segment.

Promoters

Visaka Industries Limited was established in 1981 by Dr. G. Vivekanand, a first-generation entrepreneur.

The Company is now being stewarded by Mr. G. Vamsi Krishna, son of Dr. G. Vivekanand and Mrs. Saroja Vivekanand. Following his schooling in India and Singapore and graduation from Purdue University, Mr Vamsi Krishna worked as the Chief Business Strategist and Whole-time Director before being elevated to the position of Joint Managing Director.

Products

The Company commenced the manufacture of corrugated cement fibre sheets in 1985.

The Company diversified into the manufacture of synthetic yarns in 1992 and in 2009, it commenced the manufacture of V-Next fibre cement boards. In 2018, the Company launched a solar roofing product (ATUM) to capitalise on the growing rooftop solar market.

Corporate identity

Financial performance

Senior management review

Operational review

Statutory reports

Financial statements and notes

Sustainability initiative

We sold 85 mn sq ft (out of total capacity of 130 mn sq ft) of V-Next products, a plywood substitute, saving ~48,400 trees from being felled.

Our eco-friendly roofs helped substitute steel sheet roofs, reducing our carbon footprint and generating clean energy.

We manufactured sustainable yarns at zero-discharge facilities, ensuring compliance with environmental standards and leading to the recycling of ~45 mn PET bottles.

Portfolio

The Company's building products division comprised cement asbestos sheets that were largely consumed in rural India, whereas Non asbestos products (fibre cement boards and panels) were consumed in urban and suburban markets.

The non-asbestos component of the overall business is expected to account for 50% (currently 35%) of overall revenues over the next three years.

Presence

The Company has a national presence with 12 manufacturing locations and is headquartered out of Hyderabad.

The Company's 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. It's yarn spinning plant comprises 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.

Network

The Company markets products directly to retailers as opposed to pursuing the conventional distributor-retailer methodology, facilitating a superior understanding of marketplace realities.

The Company's distribution network comprises >7,000 dealers in urban, rural and suburban markets.

Operating efficiency

Cement asbestos products

Capacity
8,02,000
metric tonnes per annum

Capacity utilisation of
92%
during FY2018-19

Fibre cement products

Capacity
1,79,750
metric tonnes per annum

Capacity utilisation of
67%
during FY2018-19

Textiles

Capacity
2,752
Spinning positions

Capacity utilisation of
94%
during FY2018-19

Performance

In 2018-19, Visaka's sales increased 13% to ₹1,127 crore while PAT increased 1.29% to ₹67 crore.

The Company derived 81% of its revenues from building products and 19% from textiles. The Company's EBIDTA margin was 13.8% while ROCE was 14.9% and debt-equity ratio 0.57. Exports accounted for 5% of total revenues; building products were exported to 16 countries and yarn to 15 countries.

Listing

Visaka Industries' equity shares are listed and actively traded on the Bombay and National Stock Exchanges.

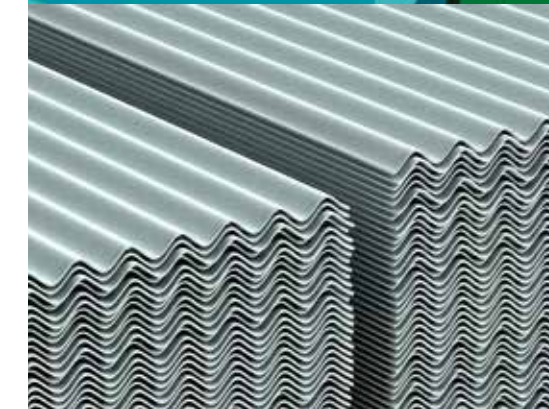
The Company enjoyed a market capitalisation of ₹656 crore as on 31st March 2019. The promoters owned 41.56% of the Company's equity share capital.

Respect

CARE, the credit rating company, upgraded Visaka's rating on bank facilities and fixed deposit programmes from CARE A+ to CARE AA- in December 2017. The Company was accredited with certifications like Star Export House, BIS and TUV.

Business segments

Cement asbestos



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

V-Next



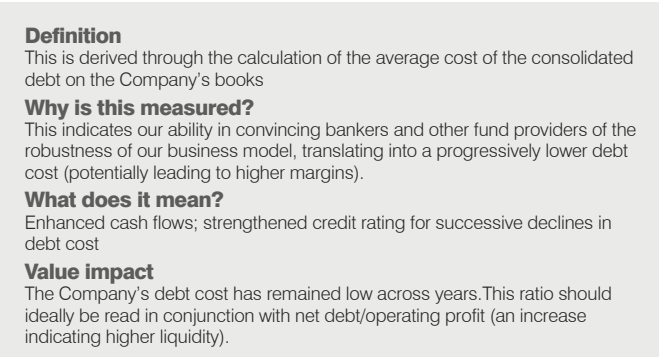
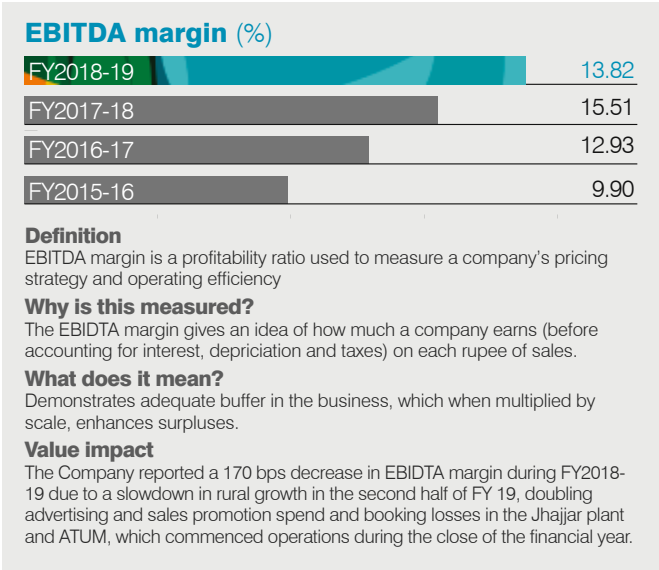
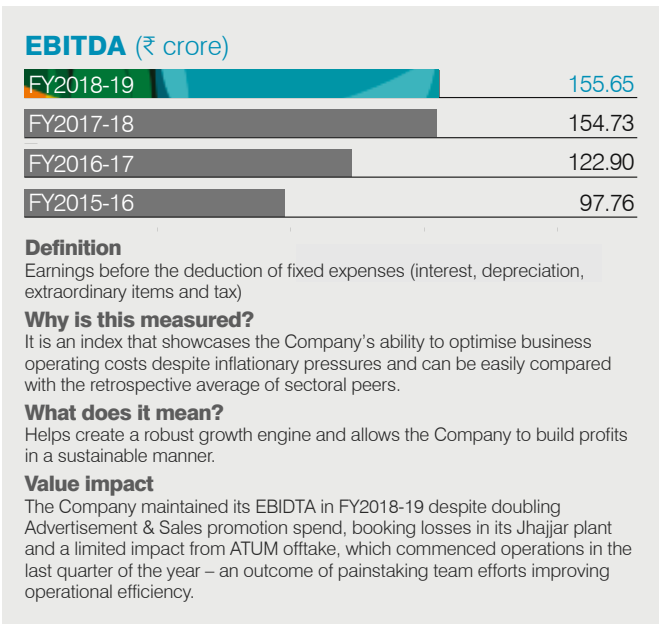
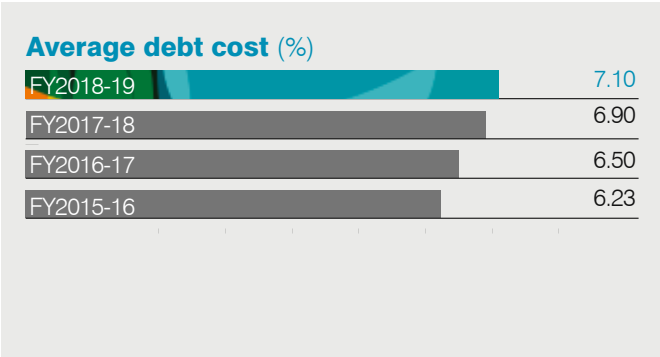
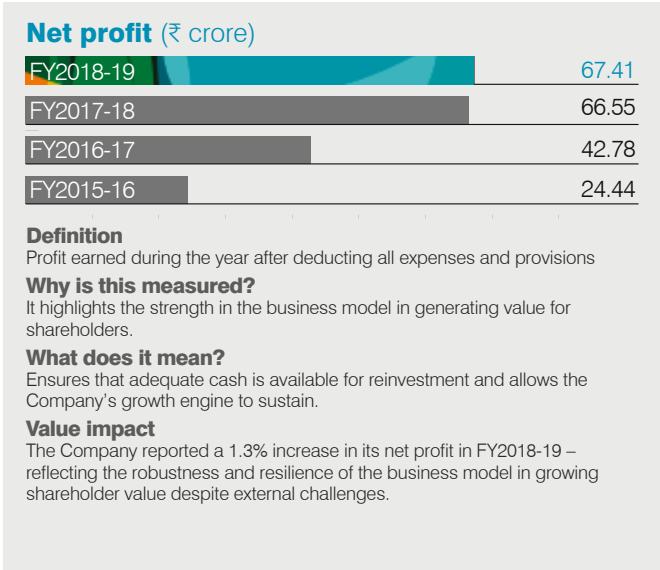
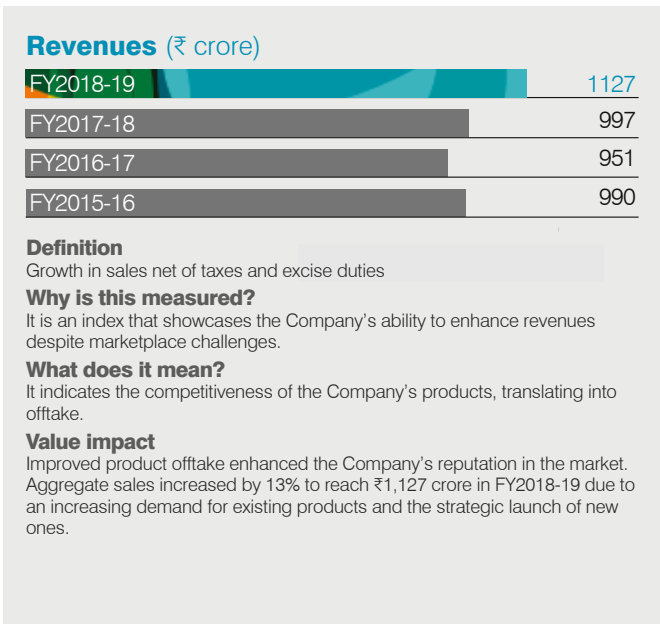
- V-Board
- V-Premium
- V-Designer
- V-Plank
- V-Panel
- V-Infill
- ATUM

Yarns

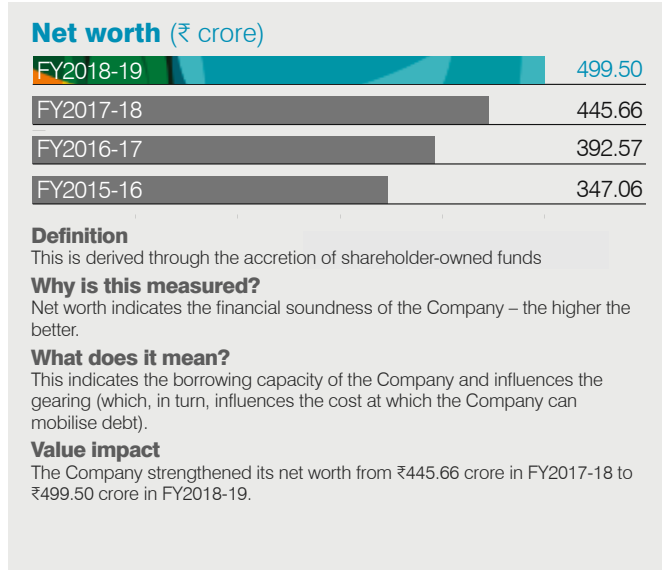
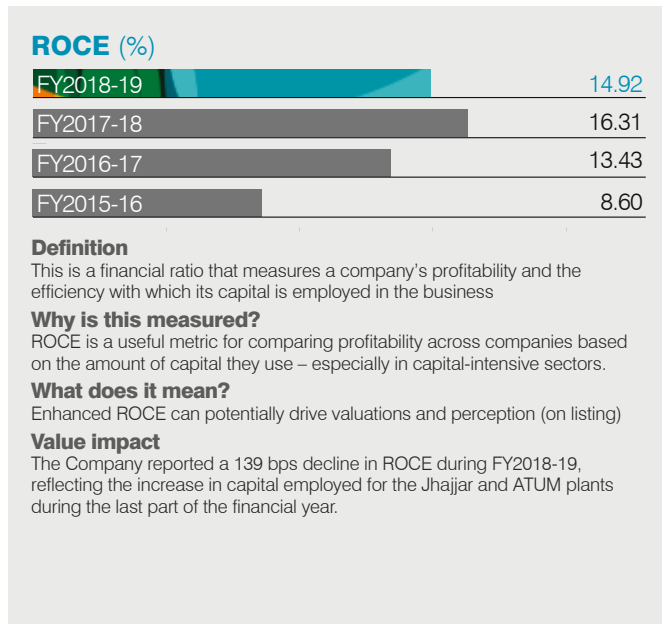


- Cotton-touch air-jet-spun polyester yarns

Our culture of opportunity-readiness is reflected in our consistent outperformance

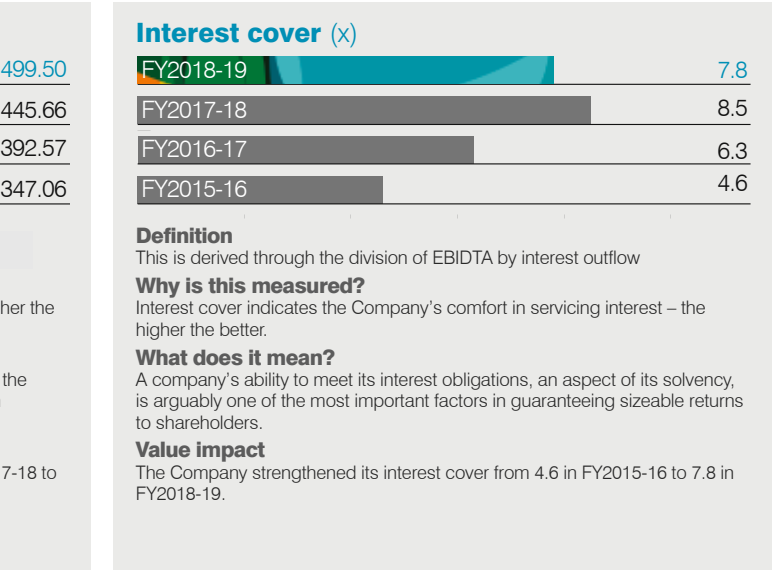
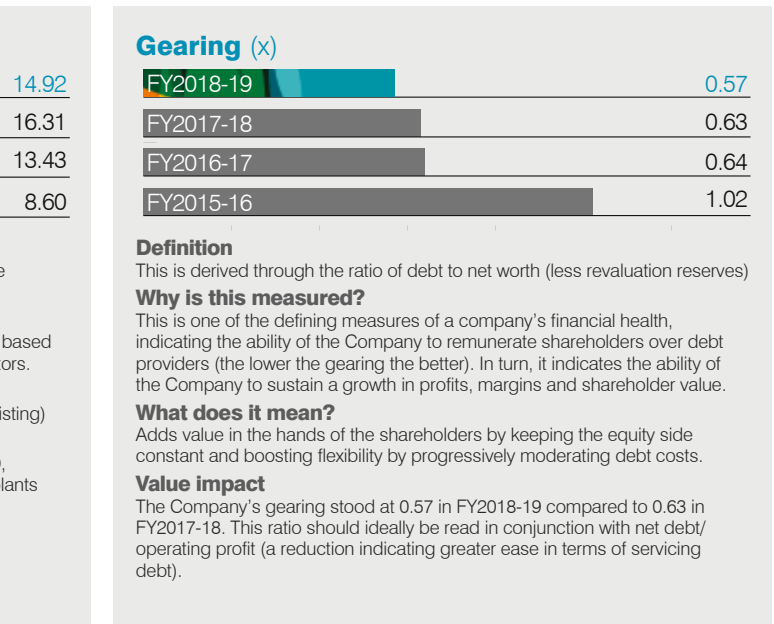


Corporate identity	Financial performance	Senior management review	Operational review	Statutory reports	Financial statements and notes
--------------------	-----------------------	--------------------------	--------------------	-------------------	--------------------------------



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

	1 year	3 years	5 years	10 years
Stock price	-36 %	58%	42%	26%
Sensex	17%	15%	12%	15%



Key performance indicators

	2017-18	2018-19	INCREASE/ (DECREASE)
Working capital cycle (days)	103	112	9
Debtors' turnover cycle (days)	53	50	(3)
Inventory turnover cycle (days)	85	88	3
Return on gross block (%) *	31	23	(8)

*The capitalisation of the ATUM and V-Next projects at Jhajjar towards the end of FY 19 was ₹104 crores

From the Joint Managing Director's desk

As an opportunity-ready company, Visaka is attractively placed to grow even faster as it gets larger

The year 2018-19 was the worst of years and the best of years.

The Indian economy reported attractive growth in the first two quarters of the financial year but thereafter faltered to report one of the most sluggish subsequent quarters in recent memory. This divergence was the result of a crisis in a large non-banking finance company that translated into a national liquidity paralysis which, in turn, induced caution in consumer sentiment across regions and product categories.

The performance of Visaka Industries must be appraised against the backdrop of this national economic landscape. The Company reported a 13% growth in revenues and a 1.3% increase in profit after tax (before comprehensive income) during the year under review, which is a creditable achievement during a challenging economic phase.

At Visaka, we continued to strengthen our business during this period. We are convinced that, based on our previous experience, every sluggish period in a consumption-driven economy like India will be followed by an extended period of robust growth. In line with our commitment to be opportunity-ready, the Company invested in its business during the course of this slowdown. The principal message that I intend to communicate is that the Company is adequately invested in terms of capacities and capabilities and is attractively placed to capitalise on the imminent demand rebound whenever that transpires.

Strengthening the business

I am pleased to report that when it may have been convenient for Visaka to

be cautious about its investments in 2018-19, the Company reaffirmed its commitment to the business instead through timely investments.

One, Visaka emerged as the largest producer of fibre cement boards and panels in India.

Two, Visaka introduced a revolutionary solar roofing solution called ATUM that combined the need for durable roofing on the one hand and renewable energy-centric solution on the other.

Three, Visaka retained its position as the largest twin-airjet spinner and second-largest cement asbestos sheet manufacturer in the country.

Four, Visaka commissioned a manufacturing facility for boards and panels(V-Next) in North India, strengthening our pan-India leadership positioning.

We believe that by the virtue of these investments and market-visible positions, we reinforced the sustainability of our business during the year under review. While the quarter-on-quarter performance of our company may be influenced by economic and sectoral developments, we are attractively placed to resist downtrends better because of our potential to strengthen offtake higher than the sectoral average in the past. By broadbasing of our organisational pyramid has placed us in a better position to maintain the sustainability of our business.

Performance review

At Visaka, we have consistently focused on opportunity-readiness. Over the

years, we have selected to invest ahead of the curve, seed our presence in under-penetrated locations, enter adjacent business segments and introduce new products within the areas of our presence. The result of this approach is that we have generally tended to capitalise attractively on prevailing sectoral realities.

This characteristic was evident once again during the year under review. Even as India retained its position as the world's fastest-growing major economy, the growth in rural India outpaced urban growth. The upside of this was reflected in the performance of the cement asbestos roofing sector in 2018-19.

The country's cement asbestos sector grew for the second consecutive year in 2018-19. This growth was achieved on the back of increased rural incomes, the benefit of government schemes that translated into increased rural purchasing power and an increase in steel prices that enhanced the competitiveness of cement asbestos sheets. By an informed estimate, India's cement asbestos sheet sector grew >4% in 2018-19.

I am pleased to report that Visaka outperformed this growth with a 7.6% increase in revenues derived from its cement asbestos sheet business in FY2018-19 (even as volumes grew 4.5%). This improvement was achieved in the face of unforeseen currency fluctuations that increased raw material costs and put pressure on the Company's margins.

The other attractive feature of our performance was the improvement in our v-next business. During the year under review, this business (comprising V-Boards, V-Panels and V-Planks) generated a 17% growth in revenues when compared with the corresponding estimated sectoral growth of 10%.

The third business to have performed creditably in 2018-19 was textiles. This business reported 29.7% revenue growth and 19.6% volume growth during the year under review. I am pleased to report that this increased throughput was not achieved at the cost of realisations. The Company reported a 8% increase in the average realisation

per kg of the end product, validating our premium positioning and value-addition.

The bottomline is that the Company reported a creditable performance under challenging economic circumstances. We believe that our business today is more sustainable than ever, which should translate into relative sectoral outperformance across market cycles.

The positive India story

Our optimism is based on the fact that India continuous to be the most exciting major economic story in the world.

India is the world's fastest growing economy. The country took 60 years to achieve its first trillion dollars in economic size; it replicated this in the space of just seven years thereafter; it expects to emerge as a \$10 trn economy in a decade-and-a-half from now.

Income growth is expected to transform India from a bottom-of-the-pyramid economy into a middle-class-led one with consumer spending growing from US\$1.5 trillion to ~US\$6 trillion by 2030. This would be driven by an expansion of the middle-class and the emergence of a sizeable high-income segment. By 2030, India could add ~140 million middle-income households that could lift ~25 million households out of poverty. Likewise, only ~5% of India's households are expected to be below the poverty line by 2030, down from 15% today. Economists estimate that rural per capita consumption could grow 4.3x by 2030, compared to a growth of 3.5x in urban India. These realities augur well for our products that will ride the average Indian's growing need for secure housing, interiors pride, enhanced lifestyle and superior price-value proposition.

We believe that the Indian government is helping catalyse rural investments. The government announced a plan to double farmer incomes by 2022. It increased the minimum support price across a number of crops, strengthened the direct benefit transfer scheme, increased investments and incentives in its affordable Housing for All programme and reduced the GST rate on affordable housing from 8% to 1%.

Visaka is opportunity-ready

As an opportunity-ready company, Visaka is attractively placed to grow even faster as it gets larger.

One, the Company's 8 cement asbestos sheet manufacturing facilities are present across the country to capture demand upturns; the focus in this business would be to enhance capacity utilisation and strengthen the business' RoCE.

Two, the Company enjoys enduring relationships with marquee fabric brands as a supplier of specialised yarns. The Company will continue to focus on enhanced operating efficiency, strengthened product mix and new productised varieties to stay ahead of the sectoral curve and report one of the highest margins in India's yarn sector.

Three, the Company believes that a large space lies under-explored in the building products segment. We expect to grow our presence in this space with a manufacturing presence in under-penetrated geographies (like we did in North India in 2018-19), reinforce presence in existing spaces (boards and panels) and launch innovative products (like ATUM) that deepens respect for us as an opportunity-responsive company.

Overview

At Visaka, we are building a company that endures and enhances value.

We will continue to deepen our governance to strengthen our position as a systems-led company that invests consistently in the future and reports a Balance Sheet that is as solid as it is credible.

We believe that in doing so, we will continue to reinforce our fundamentals that enhance our sustainability and value in the hands of all those who own shares in our company.

Sincerely,

G. Vamsi Krishna, Joint Managing Director

13%
Revenue growth
during the year

CFO's review

At Visaka, we have always focused on building a sustainable business, measured by the consistent robustness of our financials.

0.57

Consolidated gearing at the year end

0.16

Gearing (without working capital), 2018-19

Our priorities

This focus has been achieved through a number of priorities.

The first priority for our company is measured growth, reflected in a consistent increase in revenues, surpluses and cash flows. This consistency is not necessarily measured through the short-term prism of quarter-on-quarter or year-on-year performances but through blocks of three years where short-term aberrations are smoothened out and long-term fundamentals begin to surface.

The second priority for us is a robust Balance Sheet. We believe that marketplace errors are easier to correct than Balance Sheet mismatches, which often set companies back by years. With this conviction, we seek security in investing in business growth through accruals to the extent we can, remaining extensively under-borrowed at all times. Of the ₹284 crore invested in gross block in the five years ending 2018-19, our consolidated gearing at the close of 2018-19 was a modest 0.57. Our gearing (ex short-term debt) was only 0.16. We believe that this conservative financial architecture makes it possible for us to be rated better by the most demanding rating agencies, which in turn, makes it possible for us to mobilise debt at increasingly favourable rates and repayment terms. This sets in motion a virtuous cycle of cash liquidity that makes it possible for us to negotiate better with resource providers, strengthening our overall competitiveness.

The third priority is phased investments. As a company, we select to invest in our business in a phased manner and preferably after a large portion of the preceding investment has been repaid to lenders. The result is that we do not over-invest in any phase through debt accumulation where even a reasonable mismatch between the timing of

our investment and the generation of returns could create a working capital shortage that could possibly kickstart a vicious cycle.

The fourth priority for our company is that we seek to enter relatively under-penetrated spaces and rapidly build scale. 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 in FY 2009, we emerged as the largest Indian producer in March 2019.

The fifth priority (and not necessarily in that order) is our focus on progressive value-addition and cost management. 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 our non-asbestos business and value-added products was 35% of our overall revenues in 2018-19 compared with 25% six years ago.

Segmental review, 2018-19

The cement asbestos market grew by 4.3% during the year under review while Visaka grew by 4.5%. Although the first two quarters showed an improvement in demand, growth during Q3 remained muted and the Company bounced back during Q4, growing over Q3. Margins were affected following a rise in raw material costs due to exchange rate fluctuations. The Company decided not to pass the cost increases to consumers but maximise market share and capacity utilisation instead.

Increased capacity utilisation and enhanced demand resulted in the V-Next (fibre cement boards and panels) business registering a healthy growth of 17% to ₹177 crore compared to a market growth of 10%. ATUM, the newly-launched product, generated revenues of ₹2.18 crore despite low market awareness. The Company will undertake decisive initiatives to enhance product traction across the foreseeable future.

The Company's yarn division reported one of its best performances. Despite the lingering impact of GST, the business grew at 29.70%. A rise in yarn realisations allowed the Company to cover an increase in raw material costs. The result was that EBITDA margins grew from 8% to 13%, an improvement of 500 bps over the previous year.

Strengthening the Balance Sheet

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

It repaid ₹20 crore of long-term debt during the year ending 31st March 2019 and strengthened its debt-equity ratio from 0.63 in FY2017-18 to 0.57 in 2018-19. The working capital cycle of 103 days of turnover equivalent in 2017-18 increased to 112 days in 2018-2019; the receivables cycle of 53 days strengthened to 50 days.

ROCE for FY2018-19 stood at 14.92% compared to 16.31% in FY2017-18. The working capital days and ROCE were muted due to the capitalisation of two projects and building inventories. Net worth grew to ₹499 crore during FY2018-19 from ₹446 crore in FY2017-18. EPS was ₹42.45 compared to ₹41.91 during FY2017-18.

Outlook

The monsoons and rural growth are demand drivers of products manufactured by the Company. The cement asbestos sheet business is expected to grow 5% to 6% following low inflation, increased direct benefit transfer, rural development and the implementation of schemes addressing the rural poor. The asbestos business margins are expected to improve in FY2020.

The Company's fibre board segment is expected to emerge as a major topline contributor, accounting for approximately 30% of revenues by 2022 compared with 16% in FY 2019. Margins are expected to improve to double-digits; capacity addition is expected to grow revenues 25% in FY2020. Logistic costs are expected to decline as the north and eastern markets will be addressed by the Jhajjar plant. Visaka's brand, experience, dealer engagement and product quality could help Visaka scale its business going forward. The Company doubled its advertisement and sales promotion expenditure to ₹20 crore in FY2018-19, which could taper in FY2019-20.

The Company's yarn business division is expected to grow consistently, reaching optimum utilisation by FY 21. The cash generated from it would be mobilised to enhance the efficiency of other businesses.

A combination of these factors should translate into another year of attractive growth for Visaka, enhancing shareholder value.

Vepa Vallinath, Chief Financial Officer

Visaka has transformed more in the last few years than in all the decades since its inception

■ From a longstanding presence as a focused cement asbestos manufacturer *to an attractive manufacturing combination of cement asbestos sheets, V-Next (fibre cement boards), solar roofs and yarn.*

■ From a company with a largely singular location *to a company with operations spread across 12 locations.*

■ From a company that was completely dependent on a single customer segment *to an organisation driven by customers across various segments.*

■ From a company that was engaged in the manufacture of low-technology products *to a company that has embraced sophisticated manufacturing technologies.*

■ From a company that was engaged in the broad play of a large sector *to a company increasingly addressing niche spaces.*

■ From a company that completely revolved around the prospects of one sector (cement asbestos) *to one addressing multi-sectoral opportunities.*

■ From a company that was largely a roofing-dependent play *to one that represents an attractive roofing-cum-interior solutions proxy.*

■ From a company that comprised one large complex managerial structure *to one that comprises SBU-driven verticals.*

■ From a company that was manufacturing-focused *to one driven largely by manufacturing-cum-marketing competencies.*

■ From a company that responded to the needs of today *to a company that customised its business model around how people will build infrastructure (solar panel roofing) and how they will dress tomorrow.*

6 developments that could transform India ... and how Visaka is opportunity-ready

1 The housing sector of the world's second largest population cluster (India) is headed for a dramatic transformation through an enhanced focus on affordability.

Visaka is widening its reach across the breadth of the market to address this opportunity.

2 India is passing through a phase of unprecedented increase in rural aspirations, incomes and consumption.

Visaka possesses adequate manufacturing capacities, products and a distribution network to address the growing demand

3 There is a discernible shift in consumer clothing preference from the functional to the aspirational.

Visaka manufactures value-added yarns (through cutting-edge Twin air-jet spinning technology) used in the manufacture of value-added fabric and garments

4 India is steadily showing an increased acceptance and deployment of renewable energy in everyday lives

Visaka introduced ATUM, an innovative solar roofing solution that can integrate renewable energy into the everyday lives of the average Indian

5 There is a deeper pride in interiors across India today, reflected in a larger spending on aesthetic products

Visaka is addressing this growing need through V-Next products (launched in the year 2009)

6 There is a greater traction for quality products in India today (as opposed to the conventional preference for low-priced products)

Visaka's manufacturing units are ISI-certified; its board manufacturing unit has invested in superior HPSC technology; its textile products use the sophisticated Twin air-jet spinning technology

Being opportunity-ready means consistently developing innovative future-facing products



Solar rooftop (ATUM) installed over electrical bicycle stand

Visaka has always been at the forefront of groundbreaking innovation. Not only has it ensured long-term business sustainability but also empowered the Company to emerge as a sectoral leader.

During the year under review, Visaka commercialised its one-of-a-kind solar roofing product, **ATUM**. A consistent focus on R&D enabled the Company to come up with this fire-resistant, eco-friendly product and superior alternative over the conventional solar panel.

Features that sets ATUM apart

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

Certified: It 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 kilograms and a point load of 200 kilograms.

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 a revolutionary product like ATUM can be assessed from the fact that Visaka has already completed installing them in 20 projects with a cumulative capacity of 887 kilowatts.

Projects executed

Region	Number of projects	Capacity (kilowatts)
Northern	1	113
Western	2	21
Southern	17	753

Visaka's integrated value-creation report

Sectoral context	Population growth India is the second most populous country, adding ~15 million annually to its population – a perpetually growing market.	Non-metro India Metro Indian cities will grow slower than non-metro urban clusters (Tier-II and III cities), where Visaka has selected to be predominantly present.	Disposable incomes Per capita income increased from ₹103,870 during FY2016-17 to ₹112,835 during FY2017-18 to an estimated ₹125,397 during FY2018-19, driving consumption growth.
	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 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 Capacity utilisation of the cement asbestos, fibre cement boards and yarns manufacturing units stood at 92%, 67% and 94%, respectively in 2018-19.	Operational footprint Visaka widened its footprint to 28 States in FY2018-19.	Financial leverage Visaka's gearing of 0.57 as of 31st March 2019 indicated additional borrowing room without compromising financial integrity.	Human resources Visaka reported people retention of 93.91% in 2018-19 compared to 93.93% in 2017-18.
---	---	---	--

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.	Financial capital <table><tr><td>Turnover</td><td>Earnings per share</td><td>Dividend per share</td><td>ROCE</td></tr><tr><td>1127</td><td>42.75 ₹</td><td>7 ₹</td><td>14.92 percent</td></tr><tr><td>₹ in crore</td><td></td><td></td><td></td></tr></table>		Turnover	Earnings per share	Dividend per share	ROCE	1127	42.75 ₹	7 ₹	14.92 percent	₹ in crore			
Turnover	Earnings per share	Dividend per share	ROCE												
1127	42.75 ₹	7 ₹	14.92 percent												
₹ in crore															
Intellectual capital Our focus on cost optimisation and 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.	Manufacturing capital <table><tr><td>Cement asbestos sheet revenues</td><td>V-Next revenues</td><td>Yarn revenues</td></tr><tr><td>728</td><td>180</td><td>219</td></tr><tr><td>₹ in crore</td><td>₹ in crore</td><td>₹ in crore</td></tr></table>		Cement asbestos sheet revenues	V-Next revenues	Yarn revenues	728	180	219	₹ in crore	₹ in crore	₹ in crore			
Cement asbestos sheet revenues	V-Next revenues	Yarn revenues													
728	180	219													
₹ in crore	₹ in crore	₹ in crore													
Human capital Our management, employees and contract workers form a part of our workforce with their experience and competence enhancing value for us.	Social capital Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.	Human capital <table><tr><td>Permanent Employees</td><td>Average age</td></tr><tr><td>2022</td><td>36</td></tr></table>		Permanent Employees	Average age	2022	36								
Permanent Employees	Average age														
2022	36														
		Intellectual capital <table><tr><td>Market status (cement asbestos sheets)</td><td>Training</td><td>Employees of five years or more</td></tr><tr><td>2</td><td>11 person-hours</td><td>71.46 percent</td></tr></table>		Market status (cement asbestos sheets)	Training	Employees of five years or more	2	11 person-hours	71.46 percent						
Market status (cement asbestos sheets)	Training	Employees of five years or more													
2	11 person-hours	71.46 percent													
		Natural capital Investment in eco-friendly technologies (V-Next & ATUM in FY 19) 104 ₹ in crore	Social capital Investment in Corporate Social Responsibility 1.60 ₹ in crore												

Drivers of India's growing product consumption

India's macroeconomic context

Force 1 Income growth



- Middle and high segment expansion
- Reduction of poverty
- Consumption growth and composition

Force 2 Urbanisation and rural growth



- Steady and dispersed urbanization
- Breakdown of the urban and rural divide

Force 3 Favourable demographics



- Large working age group
- Growing millennial and Generation Z
- Among youngest global nation

Force 4 Technology and innovation



- Existing technology backbone
- New technology and business model innovations

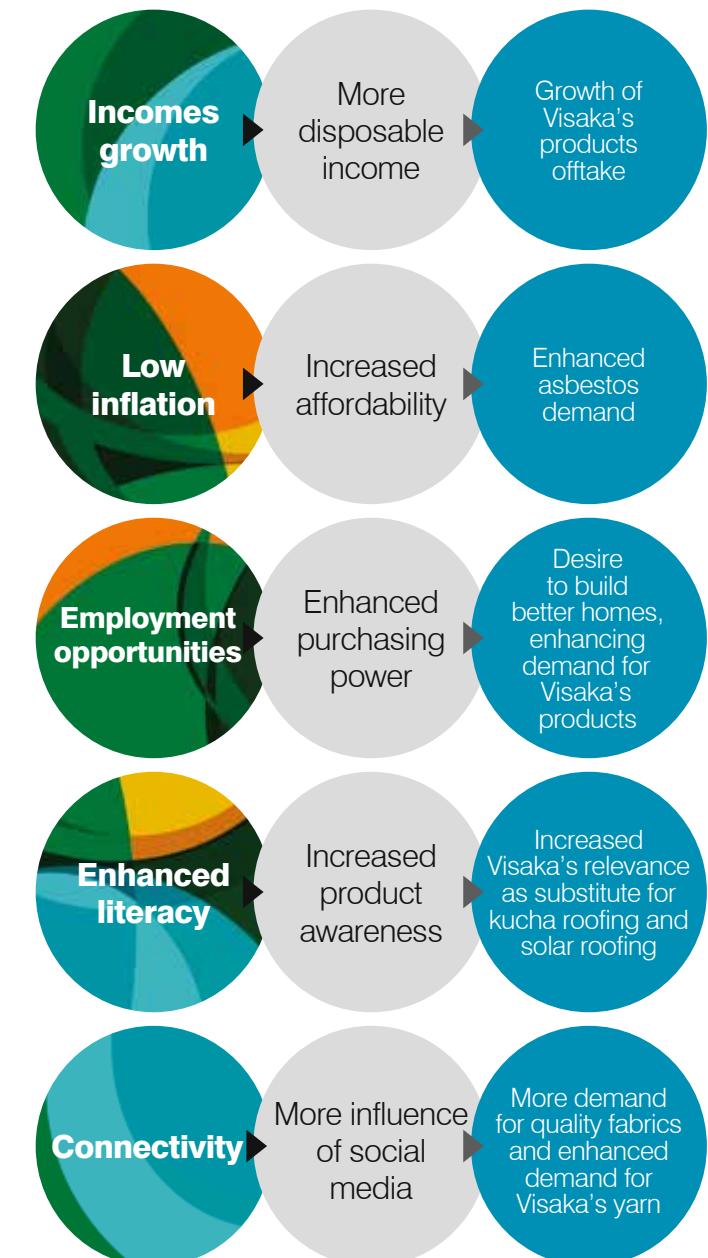
Force 5 Evolving consumer attitude



- Income, demographics and technology-adoption led preferences

Being opportunity-ready means being prepared to address market potential...

GDP growth of around 7%



Cement asbestos

Business profile

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	65%

Capacity utilisation

	FY15	FY16	FY17	FY18	FY19
Installed capacity (metric tonnes)	802,000	802,000	802,000	802,000	802,000
Capacity utilisation (%)	90	87	86	88	92

Sales growth

	FY15	FY16	FY17	FY18	FY19
Sales (₹ crore)	717	678	637	677	728
Sales growth (%)	+14	-5.4	-6.1	+6.2	+7.6

Contribution to total sales

	FY15	FY19
Contribution (%)	71%	65%

Visaka commenced the manufacture of cement asbestos sheets in 1985 with an annual capacity of 36,000 metric tonnes. Over the years, the Company scaled its annual manufacturing capacity to 802,000 metric tonnes across eight plants that account for a 65% share of the Company's total revenues. The result: Visaka emerged as the second-

largest player, commanding a market share of 18%.

The Company caters predominantly to rural and suburban Indians. Visaka's state-of-the-art manufacturing facilities and wide distribution network have strengthened the Company's position as a long-term provider of dependable and enduring products.

During the past three years, rural incomes were affected on account of lacklustre monsoons and decelerated rural wage growth, affecting product offtake. However, prospects improved during the current year on account of an abundant monsoon, farsighted governmental policies and rising steel prices (competing alternative).

Visaka's moat



Knowledge

The Company has aggregated more than three decades of sectoral knowhow, allowing it to manufacture products that effectively address existing and emerging customer needs.



Certifications

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



Extensive

The Company has managed to establish a retail footprint, which spans the length and breadth of the nation, thanks to its team of ~7,000 dealers in the distribution network.



Scale

The Company is the second-largest manufacturer of cement asbestos sheets in the country and accounts for 18% of the sectoral capacity.

Highlights, FY2018-19

- Grew revenues by 7.6% from ₹677 crore in FY2017-18 to ₹728 crore in FY2018-19.
- Improved operational efficiencies to enhance capacity utilisation from 88% in FY2017-18 to 92% in FY2018-19.

Challenges and counter-measures

- The Company imported ~ 53% of its raw materials for this business, exposing it to currency movements. During 2018-19, raw material prices increased 3.9% y-o-y, impacting margins.

Demand drivers

Governmental initiatives: The Direct Benefit Transfer undertaken by the

Indian government will empower rural spending. The Housing for All initiative should enhance demand for roofing products.

Steel prices: Steel prices increased in FY2018-19, widening the market for substitutes like cement asbestos sheets.

Abundant monsoons: India has seen reasonable monsoons for two successive years, enhancing crop productivity and rural incomes.

Rising MSPs: The government increased the Minimum Support Price to 1.5x the cost, increasing rural incomes that led to a shift from kutcha to pucca roofs (using cement asbestos sheets).

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

Lowered inflation: Inflation over the past year has not just fallen, but fallen more than expected. Food inflation is at -0.1% and core inflation at 6.1% resulting in the headline inflation at 2.6%, well under the 4% expectation.

Way forward

The Company expects to maximise capacity utilisation while maintaining/ improving EBITDA margins in the face of positive macroeconomic developments expected to boost cement asbestos sheet offtake across the country.

V-Next products, fibre cement boards and panels

Capacity utilisation

	FY15	FY16	FY17	FY18	FY19
Installed capacity (metric tonnes)	129,750	129,750	129,750	129,750	179750
Capacity utilisation (%)	66	73	75	81	67

Sales growth

	FY15	FY16	FY17	FY18	FY19
Sales (₹ crore)	116	140	140	152	177
Sales growth (%)	53	20	0	9	17

Contribution to total sales

	FY15	FY19
Contribution (%)	11%	16%

Division profile

Market share (%)	26
Presence	Pan-India
Plant locations	Telangana, Maharashtra, Haryana
Number of plants	3
Brands	V-Next
Sales contribution (%) to total revenues	16%

Sustainability initiative: We sold 85 mn sq ft (out of total capacity of 130 mn sq ft) of V-Next products, a plywood substitute, saving ~48,400 trees from being felled.

V-Next product installed in office

Visaka entered the cement boards business in 2009 by commissioning its first unit in Miryalaguda, Telangana. Despite being a late entrant, the Company emerged as a market leader by leveraging logistical efficiencies, branding initiatives and farsighted investments. The result: the Company outperformed sectoral growth in the last few years.

Visaka was the first sectoral player to create a business segment for the manufacture of fibre cement boards and panels, indicating its emphasis on growing this business. The Company manufactures V-Board, (non-asbestos

autoclaved fibre cement boards) using the Hatschek process and high-pressure steam curing technology.

Visaka's capacity is 1,70,000 metric tonnes per annum for boards and 9750 metric tonnes per annum for panels. The Company is the #1 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).

In the last five years, Visaka focused on the domestic market. The share of V-Next exports as a proportion of total V-Next revenues is 11% in FY2018-19. During the fiscal under review, the V-Plank product was enthusiastically accepted by consumers. The camp house of the Chief Minister of Andhra Pradesh was constructed using the Company's products including ATUM. Our material supplies in flood-affected Kochi in Kerala enhanced our credibility as a quality product with the benefits of water, termite and fire-resistance.

Visaka's moat



Quality-conscious

The Company's products were certified as fire-proof, water-proof, termite-resistant and UV-resistant by TUV Singapore. Visaka is the only manufacturer to have received the coveted GreenPro certification from CII's Green Building Council for its products (V-Board, V-Panel and V-Plank, among others). The Company's focus on manufacturing best-in-class, eco-friendly products has resulted in sectoral leadership.



Focused

Having started with more than 30 applications, Visaka has shortlisted seven applications to provide enduring solutions.



Innovative

The Company introduced value-added products like designer boards and exterior boards like planks. Recently, it introduced the path-breaking V-Infill (Load bearing dry wall) technology that facilitates superior and accelerated construction.



Strategic

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



Farsighted

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



Cutting-edge

The Company's automated fibre cement Board plant is ISI-certified, consuming far lower power compared to the sectoral average.

Popular uses of fibre cement boards

- 4 to 6 mm: Grid false ceilings
- 6 to 8 mm: Wall panelling and seamless false ceiling
- 10 to 12 mm: Dry walls/Partitions
- 16 to 18 mm: Kitchen cabinets, wardrobes and mezzanine flooring

The V-Next portfolio

- V-Board:** For interiors
- V-Premium:** For exteriors
- V-Plank:** For exteriors
- V-Infill:** Load bearing wall
- V-Panel:** For internal and external walls



Installed V-Board products (false ceiling)



Installed V-Board products (false ceiling and cabins)



Installed V-Plank in the house (external cladding)

**Highlights, FY2018-19 (V-Next Products)**

- Grew revenues by 17% from ₹152 crore in FY2017-18 to ₹177 crore in FY2018-19.
- Commissioned a plant in Jhajjar in March 2019 (capacity 50,000 metric tonnes per annum).
- Grew volumes 12% in FY2018-19 compared to FY2017-18.

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, potentially widening the market for the Company's products.

Warehousing growth: The rise in e-tail and industrial growth is 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 would 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 should strengthen the offtake of fibre cement boards and dry wall systems.

Ready-to-install products: The shortage of skilled labourers and increasing costs have increased the demand for modular ready-to-install products that save construction time without compromising safety or strength. It also generates attractive savings.

Aesthetics: The need for aesthetically-appealing products by consumers of today and Nextgen are expected to increase the demand for the Company's products manifold.

Way forward

The commissioning of the Jhajjar plant in North India is expected to generate 25% revenue growth of V-Next products in FY2019-20, strengthening the proportion of the V-Next revenue on the Company's total revenues from 16% in 2018-19 to an estimated 19% over the next year.

The appeal of fibre cement boards

- Suitable for personalisation; can be combined with different materials.
- Application comprises kitchens, washrooms, ceilings, walls and mezzanine floors, among others
- Installation requires little time and effort coupled with low wastage and uniform finish.
- Withstands climatic vagaries without rotting or warping,
- Low-maintenance product; can withstand fire.

Sub-business segment **ATUM**

In October 2018, Visaka commercialised the production of a unique roofing product called ATUM, a new-age, eco-friendly cement-based roof integrated with a solar energy generating system. The roof is designed to reduce thermal conductivity more effectively when compared to the conventional metal roofing alternative.

Sustainability initiative: Our eco-friendly roofs helped substitute steel sheet roofs, reducing our carbon footprint and generating clean energy.



ATUM installed over the administrative block of the Company's production unit

Highlights, FY2018-19

- The Company bagged an attractive order from a pharmaceutical company
- It entered into a collaborative effort with a Japanese company.
- It received an order from Infosys to provide roofing solutions for its cycle and car sheds.
- It installed solar-powered roofing solutions at bus stops near Hyderabad.

Challenges and counter-measures

- The Company received BIS certification for ATUM
- The marketing of this product posed challenges related to awareness and acceptance. The Company addressed these challenges through various presentations and marketing initiatives.

Way forward

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

Visaka's moat

Unique

The Company reinforced its status as a sectoral pioneer following the launch of this product.

Value-accretive

The product ensures that the 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 needing 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.

Business division - III Yarns

Capacity

	FY15	FY16	FY17	FY18	FY19
MTS machines	31	33	41	41	41
Spinning positions	2,176	2,176	2,752	2,752	2,752

Sales growth

	FY15	FY16	FY17	FY18	FY19
Sales (₹ crore)	180	172	174	169	219
Sales growth (%)	+1%	-4%	+1%	-3%	+30%

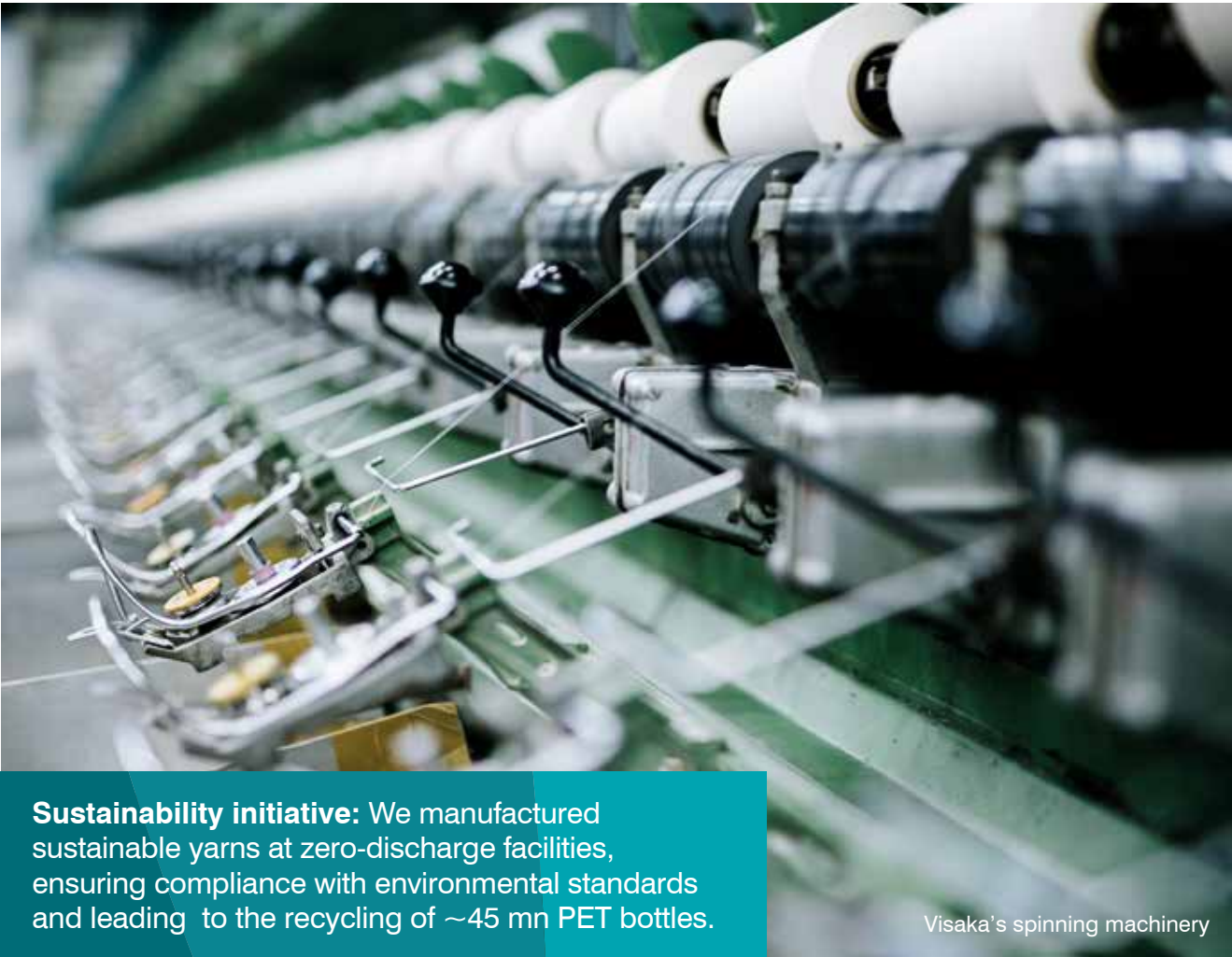
Contribution to total sales

	FY15	FY19
Contribution to total sales (%)	18%	19%

Visaka extended 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 extended into the manufacture of 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 spinning machinery

Sustainability initiative: We manufactured sustainable yarns at zero-discharge facilities, ensuring compliance with environmental standards and leading to the recycling of ~45 mn PET bottles.

Visaka's moat

Reputed

The Company invested in periodic capacity addition (now 12,000 metric tonnes of yarn 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 yarn 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 a cotton-touch feel.

Preferred

The yarn produced by Visaka enhances loom productivity and hence preferred by demanding fabric manufacturers.



Rolled yarns ready to be dispatched

Highlights, FY2018-19

- Grew revenues by 30% from ₹169 crore in FY2017-18 to ₹219 crore in FY2018-19.
- Grew volumes by 20% from 9382 metric tonnes in FY2017-18 to 11221 metric tonnes in FY2018-19.
- Improved capacity utilisation from 78% in FY2017-18 to 94% in FY2018-19.

Demand drivers

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

Online brands: The e-tail market in India is 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 expected to expand by 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 textile sector's advantage over its global peers.

Westernwear demand: India's westernwear market of ~US\$ 700 million is growing at a CAGR of 17%. With >40% of the population

economically productive, the demand for westernwear is likely to increase.

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

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

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

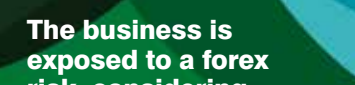
Way forward

The GST implementation lag is expected to decline, thereby strengthening sectoral prospects. As a result, the Company's volume is expected to grow by 6% in FY2019-20.

Managing risks at Visaka

Risks are an integral part of the growth of a business. However, to effective risk management framework helps the organisation in mitigating the risks effectively and ensure business sustainability. Effective risk management comprises reducing the element of surprise, improve services, ensure proactive change management, source resources efficiently, optimise utilisation levels, prevent leakages and reduce wastages. Visaka has an efficient risk management process, which is periodically reviewed by the Board for measuring their effectiveness. The process evaluates each risk associated with various business transactions and undertakes effective mitigation strategies to minimise impact.

Building products business

 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 the users of the material. The Company uses white fibre, banning the carcinogenic blue fibre. Besides, the free floating asbestos used by the Company is well below the 0.1 fibres/ml of air standard fixed by Ministry of Environment. The Company's ongoing audit ensures a safe workplace for employees. The Company makes a responsible presentation 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 (three grades) from Russia, Kazakhstan and Brazil. Even though the Company has been working with suppliers for long, it enters into annual contracts with them for predictable supply based on its production plan. 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 transhipment breakage and endanger profitability.	The Company has progressively commissioned plants in regions with attractive offtake but relatively inadequate supply. The Company's strategy is to service consumers within a radius of 500 kilometres. Each of the Company's plants cover mutually exclusive marketing zones, thus maximising national coverage.
 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 V-Next products export.
 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 undersupply.

Textiles business

 The Company may be affected by commodity realisations.	The Company has consciously selected to be present at 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 ₹195 in 2018-19.
 The Company could be affected by a rise in input prices.	This risk affects the entire industry. However, the Company has generally been able to pass the cost increases due to its premium 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 income increase, a greater proportion of the population becoming earners, a 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 yarn products and produces challenging counts 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 its viability. The divisional cash profit stood at ₹21 crore for the year ended 31st March, 2019.

Boards' Report

Dear Members,

Your Directors are pleased to present the 37th Annual Report of the Company with Audited Financial Statement for the year ended March 31, 2019. The financial highlights are as follows:

Particulars	₹ in Lakhs	
	2018-19	2017-18
Total Revenues	114845	104781
Profit before depreciation and Taxes	13570	13647
Profit before taxes	10035	10164
Provision for taxes (Including deferred tax)	3294	3508
Total Comprehensive Income	6724	6456
Dividend (including corporate dividend tax) *	1340	1147
Balance brought forward from previous year	11071	5761
Profit available for appropriation	16454	11071

*Dividend paid during the respective years.

Performance review and the state of company's affairs:

The year under review, started on a positive note, but could not sustain towards the end, as the initial momentum in GDP for the first quarter, recorded at 8% gradually slowed down to 6.6% for the third quarter of FY 2018-19 due to weaker domestic and external demand. This growth may look respectable, but under-performance of manufacturing sector and creation of inadequate employment opportunities remained as concerns. Despite the increase in state's spending and direct cash transfer to farmers, the rural economy is hit by falling prices for farm produce. Towards the end, the state spending also slowed down due to general elections.

Your company's significant scale, broad geographical exposure focussing on value added applications coupled with cost control measures have helped it to register highest ever sales since inception during the financial year under review. Increase in prices of key raw materials, rupee depreciation

coupled with initial losses incurred on two projects impacted the profitability and thus the profit for the year remained the same as that of last year, despite increased revenues.

The Company's key performance indicators are as under:

Total revenues increased by 10% to ₹1148 Crores from ₹1048 Crores of previous year.

Cash Profit remained at the same level of ₹136 Crores as that of previous year.

Net Profit increased by 3% to ₹67 crores from ₹65 crores of previous year.

The capital expenditure for 2018-19 was ₹50 crores, maximum of which is in respect of new V-Boards plant at Jhajjar in Haryana and ATUM plant at Miryalguda in Telangana

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

Management discussion and analysis

Global economic overview

The global economy grew 3.7% in 2018 compared to 3.8% in 2017, largely on account of the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Global growth is estimated at 3.5% in 2019 and 3.6% in 2020 on account of a sustained weakening in advanced economies. (Source: World Economic Outlook).

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	3.7	3.5	3.6

[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

Indian economic overview

India emerged as the sixth-largest and retained its position as the fastest-growing trillion-dollar economy. However, after growing 7.2% in 2017-18, the Indian economy slowed down to 7% in FY2018-19. In 2018, the country attracted more foreign inflows worth ~US\$ 38 billion, higher than China's US\$ 32 billion. India witnessed a 23-notch jump to reach the 77th position in the World Bank's Ease of Doing Business rankings. The commencement of the US-China trade war opened a new opportunity for India. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years and below the RBI's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. The growth of India's manufacturing sector to 8.3% from 5.7% in 2017-18 reflected a rebound from transitory shocks (the currency exchange initiative and implementation of the GST), with strengthening investments and robust private consumption. India is expected to grow at 7.3% in FY2019-20, benefiting from ongoing structural reforms. (Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today, IMF)

Global construction and building products industry

Overview

The business of Visaka Industries is influenced by the performance of the construction and building product sectors.

The growth in construction was notable in first half of 2018 before easing in the latter part of the year, notably in China and the US. The global construction industry was driven by increasing demand in the advanced economies. The Asia Pacific accounted for the largest share of the global construction industry.

Outlook

The global construction and infrastructure industry is being influenced by automation, digitisation and use of advanced materials. The global construction industry is expected to expand by 3.6% till 2022. In real value terms, measured at constant 2017 prices and US dollar exchange rates, global construction output is forecast to rise to US\$12.7 trillion in 2022, up from US\$10.6 trillion in 2017. (Source: Reuters, CIC)

	Corporate identity	Financial performance	Senior management review	Operational review	Statutory reports	Financial statements and notes
Indian construction and building materials industry Overview India's construction sector was valued at ~US\$126 billion and is expected to become the third-largest in the world by 2025. The infrastructure and construction sector accounted for the second-largest share in terms of FDI inflows. The Indian construction industry is fragmented and comprises a number of unorganised players. The nation's construction sector is being catalysed by growth in the real estate and urban development sectors on the back of growing industrialisation and commercialisation on the one hand and increased home-building on the other. (Source: Invest India, Maier Vidorno, Business Wire, KPMG) Outlook India's construction industry is expected to record a CAGR of 15.7% to reach US\$738.5 billion by 2022. The residential segment grew at a CAGR of 11.7% between 2013 and 2017 in terms of value and this growth rate is expected to increase to 18.3% by 2022 on account of the incremental demand coming in from the affordable housing segment. (Source: Hindu Business Line, Business Wire, Accommodation Times) Growth drivers Road construction: The highway network in the country is expected to cover 50,000 kilometres by 2019. All villages in India will be connected through a road network by 2019 under the Pradhan Mantri Gram Sadak Yojana. Growth in the country's road network is expected to accelerate home-building and the offtake of home-building products. Real estate revival: India's real estate sector is expected to reach a market size of US\$180 billion by 2020 and US\$1 trillion by 2030 from US\$ 120 billion in 2017, accounting for 13% of the country's GDP by 2025. Office spaces: Services sectors such as IT and ITeS, retail, consulting and e-commerce registered high demand for office space, driving real estate sector growth in India. At present, India's Grade-A office real estate stands at a massive 530 million square feet and this is likely to surpass 700 million square feet by 2022. Urban development: ~40% of India's population would be urbanised by 2030 compared to ~32% today. Within India's urban clusters, initiatives such as Housing for All and Smart Cities will drive growth, driven by the Central Government's flagship PMAY scheme that aims to build 20 million urban homes and 30 million rural houses by 2022.	Urbanisation and nuclearization: >34% of India's current population lives in urban areas, rising by 3% since 2011. While large urban agglomerations (population of >50 lac) have remained mostly constant since 2005, smaller clusters have risen significantly (from 34 to 50 clusters with populations of 10-50 lac). India's urban population is expected to increase to 814 million by 2050, resulting in a corresponding increase in housing needs. Population growth: India is the second-most populous country in the world, adding ~ 15 million people to its population each year, enhancing requirement for infrastructure. (Source: DIPP, RBI Handbook of Statistics on Indian Economy, PIB, Union Budget 2018-19, FICCI) SWOT analysis of the construction and building materials industry Strengths - Robust demand from commercial and private sector housing - Increased governmental investment in national infrastructure - Abundant availability of raw materials - Accessibility to affordable labour - Increased inflow of FDI into India Weaknesses - High logistics costs between service providers and customers - Dearth of skilled labourers - High competition - Lack of well-defined operating procedures Opportunities - Stable growth of the private housing sector - Opportunities in public-private partnership projects - Increasing disposable incomes - Easy loan availability - Numerous employment opportunities - Lower rural inflation Threats - Safety issues - Natural calamities Indian cement asbestos products sector As per Census 2011, ~54% rural Indians used thatched roof/	tiles that are kuccha and need periodic replacement. Asbestos cement roofing is the most long-lasting and affordable roofing option for rural Indians. Cement asbestos products have been used for roofing for more than 80 years on account of their being weather-proof and corrosion-resistant. These sheets are cost-effective, easy-to-install, strong and durable, ideal for warehouses, factories, low-cost housing and any roofing application. A periodic increase in the minimum support price announced by the Central Government for agricultural produce could strengthen rural consumption, entailing an increasing demand for homes (and roofing products). Following the successful rollout of the GST and imposition of favourable tax rates, asbestos cement roofing demand is expected to grow over the long-term. (Source: ACPMA, Valorem Advisors) SWOT analysis of the cement asbestos products industry Strengths - Low-cost - Low-maintenance - Long-lasting - Fire and water-resistant - Rust-proof Weaknesses - Highly fragmented - Low-value commodity Opportunities - Increasing demand for housing - Increased governmental thrust upon low-cost housing - Improvement in economic conditions in rural India - Improved competitiveness following tax reduction from 28% to 18% Threats - Lack of sectoral entry barriers Fibre cement boards (FCBs) and panels (V-Next products) Overview The fibre cement boards market in India has almost doubled in the last few years owing to the increasing demand for modern quick-to-install building materials.	~1.53 crore houses were constructed under PMAY in the last five years. The Central Government aims to build next-gen physical and social infrastructure in preparation for a US\$10 trillion economy. During the last five years, the fibre cement boards and panels segment has grown at a CAGR of 18% compared to 10% for the overall industry. The reduction in GST rates promises to bridge the cost gap, accelerating a transition from the unorganised to the organised and branded segment when it comes to consumption. (Source: IIFL) Outlook Fibre cement boards and panels are becoming popular due to increasing health-consciousness and the rising cost of wood or wooden products. Besides, these boards are eco-friendly and their application promotes a chemical-free hygienic environment. The other major drivers of their use comprise the need for speed, preference for dry construction, relative difficulty in accessing sand and water at construction sites and a dearth of skilled masons, among others. The Indian Government intends to invest US\$ 1.3 trillion in building homes over the next few years, brightening prospects for the building materials sector. (Source: Mordor Intelligence) Union Budget incentives for the sector - Individuals earning ≤₹5 lac will get a full tax rebate; for those investing in specified governmental saving schemes, the tax exemption could extend to ₹6.5 lac, catalysing demand for affordable housing. - The deduction under Section 54 with regards to capital gains was amended to provide exemption for two houses (instead of one). A notional tax earlier levied on the second self-occupied property was removed. - The infrastructure and construction sectors received concessions during the Interim Budget with ₹19,000 crore being sanctioned for rural development. - Under-construction properties attracted a GST of 12%, with no GST charged on ready apartments. (Source: The Hindu, Provident Housing, Fortune, Liasis Foras, DNA) Solar rooftops Overview India's rooftop solar capacity rose to about 3.4 gigawatts in 2018, at a y-o-y growth rate of 75% with most of the demand coming from commercial and industrial buildings.			
36	Visaka Industries Limited	Annual Report 2018-19				

	Corporate identity	Financial performance	Senior management review	Operational review	Statutory reports	Financial statements and notes

Key ratios

Particulars	2018-19	2017-18
EBIDTA/Turnover (%)	13.82	15.51
EBIDTA/Net interest ratio	7.8	8.5
Debt-equity ratio	0.57	0.63
Return on equity (%)	13.49	14.93
Book value per share (₹)	315	281
Earnings per share (₹)	42.45	41.91

Internal financial control systems and their adequacy

The Company's internal audit system is 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 regular basis. The committee makes note of the audit observations and takes corrective actions, if 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, 2019, 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 the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 2,022 as on 31st March 2019.

Details of significant changes (i.e. changes amounting to ≥25% compared to the previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Particulars	2018-19
Debtors Turnover	50 days
Inventory Turnover	88 days
Interest Coverage Ratio	7.8
Current Ratio	1.5
Debt Equity Ratio	0.57
Operating Profit Margin (%)	13.82
Net Profit Margin (%)	5.98

During the year under the review return on net worth stood at 13.49% compared to 14.93% during the previous year. The reduction was due to a pressure on margins and expansion of the Jhajjar unit.

Cautionary statement

This statements 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 ₹2.42 Crores as public deposits and repaid ₹3.91 Crores upon the maturity making the outstanding as on March 31, 2019 to ₹14.71 Crores.

In this regard, it is further stated that:

- There were no deposits lying unpaid or unclaimed at the end of the year i.e. 31.03.2019;
- There has been no default in repayment of deposits or payment of interest thereon during the year;
- 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
- 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 together 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:

- 1,04,861 shares – In terms of notification general circular no.12/2017 dated 16.10.2017 for seven consecutive years preceding 07.09.2016 (later extended up to 31.10.2017);
- 4,107 shares – dividend declared up to the financial year 2010-11

Further, in terms of the aforesaid provisions, consequent to expiry of 7 consecutive years' period unclaimed amount pertaining to Final Dividend for the Year 2011–12 along with First and Second Interim Dividends for the year 2012-13 together with shares, if any, will be transferred to the said fund on or before August 8, 2019 and September 8, 2019 respectively.

Banks and Financial Institutions

Your Company is prompt in making the payment of interest and repayment of loans to the Financial Institutions / bank and interest on working capital to the banks.

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 bore wells, construction of irrigation tanks in remote villages, building of Class Rooms in Schools and Colleges, reimbursement of salaries of teachers and supply of class room 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

Pursuant to your approval obtained under postal ballot mode, following directors were reappointed as Independent Directors of the company effective from April 1, 2019:

- Shri Bhagirat B.Merchant for two years up to 31.03.2021,
- Shri V.Pattabhi for two years up to 31.03.2021 and
- Shri Gusti J. Noria for five years with effect from 01.04.2019 up to 31.03.2024.

All the Independent Directors have given declarations stating that for the financial year 2019-20, they meet the criteria of independence as contemplated under Section 149(6) read with Schedule IV to the Act as well as SEBI Listing Regulations 2015 and the same were taken on record by the Board in its meeting held on May 3, 2019.

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

You are aware that Smt. G. Saroja Vivekanand is appointed as the Managing Director of the company for a period of five years effective from 24.10.2014 and holds the said position upto 23.10.2019. Based on the recommendations of Nomination and Remuneration Committee, your Board recommends her appointment as the Managing Director of the company for a further period of five years effective from 24.10.2019.

The compensation payable to the Managing Director and Joint Managing Director in aggregate is more than 5% of the net profits of the company. Therefore, in terms of SEBI (LODR) Regulations the terms of remuneration payable to Managing Director from 1.4.2019 requires your approval by way of special resolution. Appropriate resolutions to aforesaid effect are included in the Notice calling the ensuing annual general meeting of the company for seeking your approval.

Directors' Responsibility Statement

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

- In the preparation of the annual accounts for the year ended March 31, 2019, 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;
- They have selected such accounting policies and applied them consistently and made judgments 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 same 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.
 - 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 subject to the ratification at every Annual General Meeting, based on their eligibility confirmation to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for reappointment.

You are aware that in terms of interim orders of the Securities Exchange Board of India’s (SEBI) dated January 10, 2018, Price Waterhouse network Audit firms were restricted to undertake statutory audit and other certification related work for listed companies and intermediaries registered with SEBI for a period of 2 years including imposition of a financial penalty. However, SEBI has clarified that said order will not impact audit assignments for the financial year 2017-18. PW network firms have preferred an appeal against the said orders before the Hon'ble Securities Appellate Tribunal (SAT) and Hon'ble Tribunal granted partial relief to PW network firms,

allowing them to audit their existing clients till March 31, 2019 or until a new bench is formed, whichever is earlier. As the quorum in SAT was not complete for hearing the matter in this case, PW preferred an appeal before Hon'ble Supreme Court for extension of the period of interim relief as granted by SAT. The Hon'ble Supreme Court vide its order dated 7th December 2018, inter-alia, mentioned that the interim order that has been passed in these proceedings (by SAT) should continue to operate at least until March 31, 2019 or until the SAT is properly constituted and decides the appeal. SAT vide its order dated 4th April 2019 reserved its order and mentioned that interim order that has been passed earlier, will continue to operate till disposal of the appeals.

In terms of Companies (Amendment) Act, 2017, with effect from May 07, 2018, the requirement relating to ratification of statutory auditors at every annual general meeting is done away with.

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 as 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 2018-19 at a remuneration of ₹1,50,000/- (exclusive of out of pocket expenses and applicable taxes) and the same was ratified by you at the 36th Annual General Meeting of the Company.

Further, the Board after considering the recommendations of its Audit Committee, appointed the aforesaid firm as cost auditors for the financial year 2019-20 and appropriate resolutions in this connection seeking your approval, has been included in the notice calling ensuing Annual General Meeting of the Company. Cost audit report for the financial year ended March 31, 2018 was filed with the Central Government on August 30, 2018.

Secretarial Audit:

Your Board has appointed M/s. Tumuluru & Co., Practicing Company Secretaries, Hyderabad as Secretarial Auditors for the financial year 2018-19 and Secretarial Audit Report for the Financial Year ended March 31, 2019 is enclosed as Annexure-2.

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 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 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 on Board Diversity Criteria to be followed for identification, appointment, remuneration and evaluation of performance of directors including Company’s Board diversity etc., as approved by the Board, aids the committee in discharging aforesaid functions.

The criteria for appointment, qualifications and positive attributes along-with remuneration policy as applicable to Directors, KMPs and other Senior management personnel and 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 Company’s performance and thus, the primary evaluation platform is that of collective performance of the Board.

The parameters for Board performance evaluation, 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 meeting 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, 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, 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 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 of the said committee.

The Board of Directors of your Company has made annual evaluation of its performance, its committees and directors for the financial year 2018-19 based on afore stated criteria.

Copy of Annual Return

A copy of the annual return has been placed on the website of the company at www.visaka.co.

The details forming part of the extract of the Annual return in form MGT-9 is annexed herewith as Annexure - 7.

Particulars of Loans, Guarantees or Investments

Details of investments and inter corporate deposits made by the Company, are given in the notes to the Financial Statements (Please refer Note Nos. 5 and 11). 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, 2019. 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 negative impacts and capitalize on opportunities.

Risk management framework enables a systematic approach to risk identification, leverage on any opportunities and provides strategies to manage, transfer and 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 process. However, there are certain risks which cannot be avoided but the impact can only be minimized. The risks and concerns associated with each segment of your company's business are discussed while reviewing segment-wise Management and Discussion Analysis. The other risks that the management reviews also include:

- a) **Industry & Services Risk:** this includes Economic risks like demand and supply chain, Profitability, Gestation period etc.; Services risk like infrastructure facilities; Market risk like consumer preferences and distribution channel etc.; Business dynamics like inflation/deflation etc.; Competition risks like cost effectiveness.
- b) **Management and Operational Risk:** this includes Risks to Property; Clear and well-defined work process;

Changes in technology / up gradation; R&D Risks; Agency network Risks; Personnel & labour turnover Risk; Environmental and Pollution Control Regulations etc.; Locational benefits near metros.

- c) **Market Risk:** this includes Raw Material rates; Quantities, quality, suppliers, lead time, interest rate risk and forex risk.
- d) **Political Risk:** this includes Elections; War risk; Country/ Area Risk; Insurance risk like Fire, strikes, riots and civil commotion, marine risk, cargo risk etc.; Fiscal/Monetary Policy Risk including Taxation risk.
- e) **Credit Risk:** this includes Creditworthiness; Risk in settlement of dues by clients and Provisions for doubtful and bad debts.
- f) **Liquidity Risk:** this includes risks like financial solvency and liquidity; Borrowing limits, delays; Cash/Reserve management risks and Tax risks.
- g) **Disaster Risk:** 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 Risk:** this includes System capacities; System reliability; Obsolescence risk; Data Integrity risk & Coordination and Interface risk.
- i) **Legal Risk:** this includes Contract risk; Contractual liability; Frauds; Judicial Risk and Insurance risk.
- j) **Government Policy:** 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:

Five meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance on page no. 77 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 pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulation 2015 a 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.

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. The Company did not have any subsidiaries and hence receipt of remuneration from such companies by directors did not arise.
- iv. 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 work place (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.

On behalf of the Board of Directors

Date: May 3, 2019
Place: Secunderabad

Bhagirat B. Merchant
Chairman

ANNEXURE – 1

Report on CSR activities

for the financial year ended March 31, 2019

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 operate 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: 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: ₹7552.68 lakhs.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹151.05 lakhs.

5. Details of CSR spent during the financial year:
- a) Total amount to be spent for the financial year 2018-19: ₹151.05 Lakhs.

b) Amount unspent, if any: Not Applicable.

c) Manner, in which the amount spent during the financial year is detailed below:

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	Clause I of Schedule VII	Amount contributed / spent on CSR activities in backward districts of Telangana state and in the vicinities of factories of the Company			224.39	Directly by the Company itself
2	Construction of irrigation tanks	Clause X of Schedule VII				282.96	Visaka Charitable Trust
3	Building of class rooms and toilets in schools and colleges	Clause II of Schedule VII					
4	Supply of class room furniture and payment of teacher salaries						
5	Conducting health camps	Clause I of Schedule VII					
6	Sports	Clause VII of Schedule VII					

Note: Actual amount spent by the Company during FY2018-19 was ₹160.39 Lakhs as against prescribed amount of ₹151.05 Lakhs.

6. In case the Company has failed to spend the 2% of the avg. 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 director's report that your company has complied with its CSR policy along with the provisions of the Companies Act and rules made thereunder".

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, 2019

(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, 2019 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, 2019 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:

- (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 ₹151.05 Lakhs and incurred an amount of ₹160.39 Lakhs, out of which ₹122.69 Lakhs was spent by the Company on the activities covered in Schedule VII of Section 135 of the Act, and the balance ₹37.70 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 Investor Education and protection Fund to be filed vide Form No. IEPF 4 could not be uploaded due to technical problem and the same were uploaded after resolution of the technical issues.

For **Tumuluru & Company**
Company Secretaries

B V Saravana Kumar
Partner
ACS. NO.: 26944
C. P. No.: 11727

Place: Hyderabad
Date: 03.05.2019

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

B V Saravana Kumar
Partner
ACS. NO.: 26944
C. P. No.: 11727

Place: Hyderabad
Date: 03.05.2019

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 performane 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;

			Corporate identity	Financial performance	Senior management review	Operational review	Statutory reports	Financial statements and notes	
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 Centra 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 ₹10.00 lacs.						
	52	Visaka Industries Limited		Annual Report 2018-19					
						Annual Report 2018-19		Visaka Industries Limited	53

Corporate identity		Financial performance		Senior management review		Operational review		Statutory reports		Financial statements and notes													
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, non-executive 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 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.					
54		Visaka Industries Limited		Annual Report 2018-19																			

Annual Report 2018-19		Visaka Industries Limited		55	
-----------------------	--	---------------------------	--	----	--

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:	

*NOTE: The details of names, nature of relationship; nature of such contracts / arrangements / transactions is disclosed in Note No. 40 of the Financial Statements.

Transactions like payment of remuneration and Dividend are as per the terms approved by the shareholders.

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 below the rate applicable to 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.

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 5800 KVA to 5650 KVA in the month of May’18.	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. B. Technology absorption: i. Efforts made towards technology absorption and the benefits derived therefrom: 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. The Company has successfully achieved results in reducing the cost of production, 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): - 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 - 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:

Cement Asbestos Division: 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.

Fibre Cement Boards Division: The Company has been experimenting on the different 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.

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

Cement Asbestos Division: The Company has achieved reduction in cost and increase in productivity.

Fibre Cement Division: The Company could develop new value-added designer variants and water repellent board.

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

d. Future course of action:

Asbestos Division: 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.

C. FOREIGN EXCHANGE EARNINGS / OUTGO:

The details of foreign exchange earnings / outgo during the year 2018 - 19 are as follows:

	₹ in Lakhs	
	31.03.2019	31.03.2018
Earnings in Foreign Currency		
Export of Goods (FOB Value)	5563.41	4225.11
CIF value of Imports		
Raw Materials	24222.85	18862.38
Capital Goods	451.45	178.61
Components and Spare Parts	548.15	253.29

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) and Ratio of the remuneration of each director to the median remuneration of the employees of the company during the financial year 2018-19 are as under:		
	Names of Director / KMP	% increase in Remuneration in the financial year 2018-19	Ratio to median remuneration
1	Shri Bhagirat. B.Merchant Non Executive Chairman	33.33	3.86
2	Shri V. Pattabhi Non Executive Director	33.33	3.86
3	Shri Gusti J Noria Non Executive Director	33.33	3.86
4	Shri P. Srikar Reddy Non Executive Director	33.33	3.86
5	Dr. G. Vivekanand Non Executive Vice Chairman	33.33	3.86
6	Smt. G. Saroja Vivekanand Managing Director	-	212.52
7	Shri G Vamsi Krishna Joint Managing Director	13.93	131.97
8	Shri V Vallinath Whole-time Director & C.F.O.	14.25	34.21
9	Shri J.P.Rao Whole-time Director	14.70	32.56
10	Shri I.Srinivas Company Secretary	13.50	-
(ii)	Percentage increase in the median remuneration of employees in the financial year 2018-19 compared to 2017-18		19.40
(iii)	Number of permanent employees on the rolls of the company:		
	As on 31.03.2019		As on 31.03.2018
	2022		1918
(iv)	Average percentile increase in salaries of Employees other than managerial Personnel		19.37
	percentile increase in the managerial remuneration		4.87
	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 31.03.2019
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 Ph. 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. Karvy Fintech Private Limited Karvy Selenium Tower B, Plot No.31-32, Gachibowli Financial District, Nanakramguda Hyderabad - 500 032 Ph : +91 040 6716 1606 Mail id : einward.ris@karvy.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	81
2	Textiles	13114	19

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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6555273	-	6555273	41.28	6620873	-	6620873	41.69	0.41
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	6555273	-	6555273	41.28	6620873	-	6620873	41.69	0.41
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	110000	1072	111072	0.70	43161	1072	44233	0.28	(0.42)
b) Banks / FI	18153	3350	21503	0.14	13089	3350	16439	0.10	(0.04)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	1001235	-	1001235	6.30	489139	-	489139	3.08	(3.22)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1129388	4422	1133810	7.14	545389	4422	549811	3.46	(3.68)
2. Non-Institutions									
a) Bodies Corp.	2182074	13160	2195234	13.82	2133588	2350	2135938	13.45	(0.37)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3568991	335515	3904506	24.59	3998918	293985	4292903	27.03	2.44
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1671805	-	1671805	10.53	1686503	-	1686503	10.62	0.09
c) Others (specify) - NBFCs Registered with RBI	55665	-	55665	0.35	123100	-	123100	0.78	0.43
Non-Resident Indians	222824	1170	223994	1.41	343331	1170	344501	2.17	0.76

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	
Clearing Members	35799	-	35799	0.23	18350	-	18350	0.12	(0.11)
Trusts	5	-	5	-	5	-	5	-	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	
I E P F	104861	-	104861	0.66	108968	-	108968	0.69	0.03
Sub-total (B)(2):-	7842024	349845	8191869	51.58	8412763	297505	8710268	54.86	3.27
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8971412	354267	9325679	58.72	8958152	301927	9260079	58.32	(0.41)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15526685	354267	15880952	100	15579025	301927	15880952	100	-

ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Share holding at the end of the year 31.03.2019			% 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	5776071	36.37	3,00,000	5786071	36.43	21,00,000	0.06
2	Smt. G Saroja Vivekanand	194139	1.22	-	194139	1.22	-	-
3	Shri. G. Vamsi Krishna	8730	0.06	-	12330	0.08	-	0.02
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	200	-	-	36700	0.23	-	0.23
8	S V Family Trust	-	-	-	15500	0.10	-	0.10
		6555273	41.28	1.89	6620873	41.69	13.22	0.41

Corporate identity		Financial performance		Senior management review		Operational review		Statutory reports		Financial statements and notes	
iii) Change in Promoters’ Shareholding (please specify, if there is no change)											
SN	Particulars			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				6555273	41.28					
	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								
		25.06.2018	1700			6556973	41.29				
		11.07.2018	11000			6567973	41.36				
		13.07.2018	4500			6572473	41.39				
		18.07.2018	2548			6575021	41.40				
		19.07.2018	2452			6577473	41.41				
		23.07.2018	5000			6582473	41.45				
		24.08.2018	5000			6587473	41.48				
		05.09.2018	1900			6589373	41.49				
		07.12.2018	10000			6599373	41.55				
		11.02.2019	11500			6610873	41.63				
		12.02.2019	10000			6620873	41.69				
At the end of the year					6620873	41.69	6620873	41.69			

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

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% 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.	1369545	8.62	15.06.2018	33000	Purchase	1402545	8.83
				22.03.2019	33287	Purchase	1435832	9.04
				31.03.2019			1435832	9.04

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
2	AJAY SHIVNARAIN UPADHYAYA	360600	2.27	08.06.2018	(360600)	Transfer	0	0
				19.10.2018	360600	Purchase	360600	2.27
				16.11.2018	261	Purchase	360861	2.27
				31.03.2019			360861	2.27

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% 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					
				31.03.2019			250000	1.57

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
4	SUNDAR IYER	200000	1.26	13.04.2018	10000	Purchase	210000	1.32
				25.05.2018	8000	Purchase	218000	1.37
				08.06.2018	8347	Purchase	226347	1.43
				29.06.2018	17527	Purchase	243874	1.54
				31.03.2019			243874	1.54

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% 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	140849	0.89	05.10.2018	(1834)	Transfer	139015	0.88
				19.10.2018	(2222)	Transfer	136793	0.86
				02.11.2018	(2283)	Transfer	134510	0.85
				23.11.2018	(1388)	Transfer	133122	0.84
				07.12.2018	(1295)	Transfer	131827	0.83
				14.12.2018	(3209)	Transfer	128618	0.81
				15.02.2019	(1733)	Transfer	126885	0.80
				31.03.2019			126885	0.80

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
6	ANIL KUMAR GOEL	127000	0.80					
				31.03.2019			127000	0.80

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
7	IL AND FS SECURITIES SERVICES LIMITED	122953	0.77	06.04.2018	(2280)	Transfer	120673	0.76
				13.04.2018	11468	Purchase	132141	0.83
				13.04.2018	(19102)	Transfer	113039	0.71
				20.04.2018	(10630)	Transfer	102409	0.64
				27.04.2018	(5347)	Transfer	97062	0.61
				04.05.2018	638	Purchase	97700	0.62
				11.05.2018	(35915)	Transfer	61785	0.39
				18.05.2018	2165	Purchase	63950	0.40
				25.05.2018	(1656)	Transfer	62294	0.39
				01.06.2018	2996	Purchase	65290	0.41
				08.06.2018	1008	Purchase	66298	0.42

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
				08.06.2018	(752)	Transfer	65546	0.41
				15.06.2018	2490	Purchase	68036	0.43
				22.06.2018	(335)	Transfer	67701	0.43
				29.06.2018	(390)	Transfer	67311	0.42
				06.07.2018	205	Purchase	67516	0.43
				13.07.2018	3600	Purchase	71116	0.45
				13.07.2018	(4800)	Transfer	66316	0.42
				20.07.2018	8562	Purchase	74878	0.47
				27.07.2018	(3721)	Transfer	71157	0.45
				03.08.2018	(1289)	Transfer	69868	0.44
				10.08.2018	(25971)	Transfer	43897	0.28
				17.08.2018	15544	Purchase	59441	0.37
				17.08.2018	(10556)	Transfer	48885	0.31
				24.08.2018	(3466)	Transfer	45419	0.29
				31.08.2018	(3040)	Transfer	42379	0.27
				07.09.2018	(1475)	Transfer	40904	0.26
				14.09.2018	2940	Purchase	43844	0.28
				14.09.2018	(3690)	Transfer	40154	0.25
				21.09.2018	(2846)	Transfer	37308	0.23
				28.09.2018	(11510)	Transfer	25798	0.16
				29.09.2018	2500	Purchase	28298	0.18
				29.09.2018	(2550)	Transfer	25748	0.16
				05.10.2018	2528	Purchase	28276	0.18
				05.10.2018	(2310)	Transfer	25966	0.16
				12.10.2018	875	Purchase	26841	0.17
				19.10.2018	566	Purchase	27407	0.17
				19.10.2018	(566)	Transfer	26841	0.17
				26.10.2018	710	Transfer	27551	0.17
				02.11.2018	49	Purchase	27600	0.17
				09.11.2018	(2876)	Transfer	24724	0.16
				16.11.2018	1565	Transfer	26289	0.17
				23.11.2018	4	Purchase	26293	0.17
				30.11.2018	(248)	Transfer	26045	0.16
				07.12.2018	(2022)	Transfer	24023	0.15
				14.12.2018	3368	Transfer	27391	0.17
				14.12.2018	(3191)	Transfer	24200	0.15
				21.12.2018	(998)	Transfer	23202	0.15
				28.12.2018	(56)	Transfer	23146	0.15
				31.12.2018	53	Purchase	23199	0.15
				04.01.2019	736	Purchase	23935	0.15
				11.01.2019	1381	Purchase	25316	0.16
				11.01.2019	(1402)	Transfer	23914	0.15
				18.01.2019	1326	Purchase	25240	0.16

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
				25.01.2019	(500)	Transfer	24740	0.16
				01.02.2019	(179)	Transfer	24561	0.15
				08.02.2019	1526	Purchase	26087	0.16
				08.02.2019	(1747)	Transfer	24340	0.15
				15.02.2019	1247	Purchase	25587	0.16
				22.02.2019	146	Purchase	25733	0.16
				08.03.2019	442	Purchase	26175	0.16
				15.03.2019	2690	Purchase	28865	0.18
				15.03.2019	(3332)	Transfer	25533	0.16
				22.03.2019	(1759)	Transfer	23874	0.15
				29.03.2019	(5110)	Transfer	18764	0.12
				31.03.2019			18764	0.12

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
8	DOLLY KHANNA	112554	0.71	13.04.2018	(2000)	Transfer	110554	0.70
				18.05.2018	(1000)	Transfer	109554	0.69
				25.05.2018	(5000)	Transfer	104554	0.66
				08.06.2018	(2000)	Transfer	102554	0.65
				22.06.2018	(1000)	Transfer	101554	0.64
				29.06.2018	(6000)	Transfer	95554	0.60
				13.07.2018	(1432)	Transfer	94122	0.59
				20.07.2018	(6000)	Transfer	88122	0.55
				10.08.2018	(2000)	Transfer	86122	0.54
				31.08.2018	820	Purchase	86942	0.55
				07.09.2018	(4000)	Transfer	82942	0.52
				14.09.2018	(1000)	Transfer	81942	0.52
				05.10.2018	(2000)	Transfer	79942	0.50
				26.10.2018	(2000)	Transfer	77942	0.49
				09.11.2018	(20000)	Transfer	57942	0.36
				23.11.2018	(9000)	Transfer	48942	0.31
				30.11.2018	(13000)	Transfer	35942	0.23
				07.12.2018	(1000)	Transfer	34942	0.22
				14.12.2018	(4000)	Transfer	30942	0.19
				28.12.2018	(3150)	Transfer	27792	0.18
				31.12.2018	(2000)	Transfer	25792	0.16
				04.01.2019	(1000)	Transfer	24792	0.16
				11.01.2019	(1000)	Transfer	23792	0.15
				18.01.2019	(5155)	Transfer	18637	0.12
				25.01.2019	(8500)	Transfer	10137	0.06

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
				01.02.2019	(8000)	Transfer	2137	0.01
				08.02.2019	(2137)	Transfer	0	0
				30.03.2019				

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
9	UNION SMALL AND MIDCAP FUND	110000	0.69	13.04.2018	(89654)	Transfer	20346	0.13
				20.04.2018	(20346)	Transfer	0	0
				31.03.2019			0	0

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
10	Premier Investment Fund Limited	99083	0.62	20.07.2018	9258	Purchase	108341	0.68
				31.03.2019			108341	0.68

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
11	Optimum Securities Private Limited*	75740	0.48	13.04.2018	(230)	Transfer	75510	0.48
				27.04.2018	(500)	Transfer	75010	0.47
				06.07.2018	500	Purchase	75510	0.48
				13.07.2018	100	Purchase	75610	0.48
				27.07.2018	(500)	Transfer	75110	0.47
				15.02.2019	20000	Purchase	95110	0.60
				31.03.2019			95110	0.60

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
12	ASHOKE KUMAR MAJETHIA*	73000	0.46	29.06.2018	50	Purchase	73050	0.46
				06.07.2018	2000	Purchase	75050	0.47
				07.12.2018	1450	Purchase	76500	0.48
				14.12.2018	1400	Purchase	77900	0.49
				31.03.2019			77900	0.49

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
13	Indira Nagam*	54750	0.34	15.02.2019	114750	Purchase	169500	1.07
				15.02.2019	(54750)	Transfer	114750	0.72
				31.03.2019			114750	0.72

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
14	Tanvi Financial Services Private Limited*	21500	0.14	06.07.2018	10000	Purchase	31500	0.20
				20.07.2018	12000	Purchase	43500	0.27
				12.10.2018	44000	Purchase	87500	0.55
				31.03.2019			87500	0.55

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
15	Raju Chandran*	0	0.00	08.06.2018	19900	Purchase	19900	0.13
				15.06.2018	107	Purchase	20007	0.13
				22.06.2018	10693	Purchase	30700	0.19
				13.07.2018	5157	Purchase	35857	0.23
				20.07.2018	93	Purchase	35950	0.23
				17.08.2018	30001	Purchase	65951	0.42
				07.12.2018	3000	Purchase	68951	0.43
				31.03.2019			68951	0.43

SN	Shareholder's Name	Shareholding			Increase / Decrease in Share Holding		Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2018	% of Total Shares of the Company	Date	No. of shares	Reason	No. of Shares	% of total shares of the company
16	Garishma Neeraj Daga*	33090	0.21	20.07.2018	28272	Purchase	61362	0.39
				31.03.2019			61362	0.39

* Not in the top ten shareholders as on 01.04.2018

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	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):	0	0	0	0
	At the end of the year	500	0.003	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: Srikar Reddy P

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: 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			5776071	36.37	5776071	36.37
	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	-	-	5786071	36.43
		07.12.2018	10000				
	At the end of the year			5776071	36.37	5786071	36.43

Key Managerial Personnel

f) 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	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	194139	1.22

g) Joint Managing Director: G Vamsi Krishna

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			8730	0.055	8730	0.055
	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	1700	0.01	10430	0.06
		25.06.2018					
		05.02.2019	Purchased	1 900	0.01	12330	0.06
	At the end of the year			12330	0.07	12330	0.07

h) 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			-	-	-	-

i) 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			-	-	-	-

j) 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 ₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,72,57,08,152	52,35,68,633	52,73,55,652	2,77,66,32,437
ii) Interest accrued but not due	54,97,420	28,24,850	1,17,05,667	2,00,27,937
Total (i+ii)	1,73,12,05,572	52,63,93,483	53,90,61,319	2,79,66,60,374
Change in Indebtedness during the financial year				
* Addition	15,12,66,672	42,41,62,856	2,02,37,062	59,56,66,590
* Reduction	(25,61,73,332)	(25,18,33,278)	(3,95,33,894)	(54,75,40,504)
Net Change	(10,49,06,660)	17,23,29,578	(1,92,96,832)	4,81,26,086
Indebtedness at the end 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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in ₹

SN	Particulars of Remuneration	B B Merchant	Dr. G. Vivekanand	V Pattabhi	Gusti Noria	Srikar Reddy P	Total Amount
		Chairman	Vice Chairman	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	5000000
5	Others, please specify – Sitting Fees paid for attending Board and Committee Meetings	220000	112000	170000	235000	55000	792000
	Total (A)	1220000	1112000	1170000	1235000	1055000	5792000
	Ceiling as per the Act	In terms of provisions of Section 198 of the Companies Act, 2013 Rs.109.67 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.50.00 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.					

A.2. Remuneration to Key Managerial Personnel :

Amount in ₹

SN	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		G Saroja Vivekanand	G Vamsi Krishna	V Vallinath	J.P.Rao	I Srinivas	
		MD	JMD	WTD & CFO	WTD	VP & CS	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9576000	5400000	6693058	6522200	2919062	31110320
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3253169	1247762	2133923	1877789	190453	8703096
	(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...	42000000	27400000	-	-	-	69400000
5	Others, please specify	-	-	-	-	-	-
	Total (A)	54829169	34047762	8826981	8399989	3109515	109213416
	Ceiling as per the Act	Rs. 1096.79 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:

	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					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Corporate Governance

Report for the year 2018-19

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 frame work 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 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 LODR 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 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.

Secretarial auditor Mr.B.V.Saravana Kumar, practising company secretary - Partner M/s. Tumuluru & Company certified that none of the directors on the board of the company have been debarred or disqualified.

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 me/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 my/our opinion and to the best of my/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 me / us by the Company & its officers, I/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, 2019 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	Saroja Vivekanand	Managing Director
4.	00001401	Srikar Reddy Palem	Independent Director
5.	00015561	Gusti Jall Noria	Independent Director
6.	00200157	Vangala Pattabhi	Independent Director
7.	03544943	Gaddam Vamsi Krishna	Joint Managing Director
8.	06947291	Vepa Vallinath	Whole-time Director & CFO
9.	03575950	J P Rao	Whole-time Director

For **Tumuluru & Company**
Company Secretaries

Signature:
B V Saravana Kumar
Partner

ACS No.: 26944
C P No.: 11727

Place: Hyderabad
Date: 03.05.2019

All the recommendations made by the Committees were accepted by the Board

vi) The details of the Board of Directors of the Company as on March 31, 2019 are as under:

Name of the Director Designation / Category	No. of Board Meetings attended during 2018-19	Whether attended AGM held on 12.06.2018	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	4	yes	1	2 *	2*
Shri Gusti J Noria Non – Executive Independent Director	5	yes	Nil	Nil	Nil
Shri P.Srikar Reddy [§] Non-Executive Independent Director	2	No	2	2 [§]	Nil
Dr. G. Vivekanand [#] Vice-Chairman Non – Executive Promoter Director	4	yes	2	Nil	Nil
Smt. G. Saroja Vivekanand Managing Director	5	yes	1	1	Nil
Shri G.Vamsi Krishna Joint Managing Director	5	yes	Nil	Nil	Nil
Shri V.Vallinath Whole-time Director & CFO	5	yes	Nil	Nil	Nil
Shri J.P.Rao Whole-time Director	5	yes	Nil	Nil	Nil

*Shri V.Pattabhi is an independent director of Veljan Denision Limited a listed entity and also the chairman of the Audit Committee and Stakeholders relationship committee.

[§] Shri P.Srikar Reddy is the Managing Director of Sonata Software Limited, a listed entity and a member of Audit Committee and Stakeholders Relationship Committee.

[#]Dr. G. Vivekanand is an independent director of Suryalakshmi Cotton Mills Limited, a listed entity.

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) 5 Board Meetings were held during the year ended March 31, 2019 on 07.05.2018, 12.06.2018, 02.08.2018, 03.11.2018 and 08.02.2019. 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 07.05.2018 and 03.11.2018 inter-alia, discussed on matters pertaining to Company's affairs and reviewed performance of the Chairman, Executive Directors etc.

xii) Knowledge of business (building material & textile), 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, in the context of the company's business apart from governance, finance and taxation functions and in the opinion of the Board, these skills are available with boards

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, 2019, i.e., on 07.05.2018, 02.08.2018, 03.11.2018 and 08.02.2019. 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 and Chief Financial Officer of the Company. Auditors are invitees to the meetings. 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 12, 2018.

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 Remuneration Committee and details of meetings attended by the Directors are given below.

Name	No. of Meetings during the year 2018-19	
	Held	Attended
Shri Gusti J Noria - Chairman	2	2
Shri V. Pattabhi	2	1
Shri Bhagirat B. Merchant	2	2
*Dr. G Vivekanand	2	1

* Inducted as a member effective from 08.02.2019.

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

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, 2019 and particulars of meetings attended by the members are as follows:

Name	No. of Meetings during the year 2018-19	
	Held	Attended
Shri Bhagirat B. Merchant – Chairman	4	4
Shri V. Pattabhi	4	3
Shri Gusti J Noria	4	4
Smt. G. Saroja Vivekanand	4	4

- iv. The Committee during the financial year 2018–19, met on 07.05.2018, and 08.02.2019.
- v. The Chairman of the Nomination and Remuneration Committee has attended last Annual General Meeting of the Company held on June 12, 2018.
- vi. Details of share holdings of the Directors who are holding shares in the Company as on March 31, 2019:

Name	No. of Shares of ₹10/- each
Dr G Vivekanand	5786071
Smt. G. Saroja Vivekanand	194139
V Pattabhi	500
Shri G. Vamsi Krishna	12330

- vii. The details of Remuneration paid to Directors during the year 2018-19 are given below:

(Amount in ₹)

Director	Designation	Salary	Perquisites	Commission	Sitting Fees	Total
Shri Bhagirat B Merchant	Chairman	Nil	Nil	1000000	220000	1220000
Dr. G Vivekanand	Vice – Chairman	Nil	Nil	1000000	112000	1112000
Smt. G Saroja Vivekanand	Managing Director	9576000	3253169	42000000	Nil	54829169
Shri G. Vamsi Krishna	Jt. Managing Director	5400000	1247762	27400000	Nil	34047762
Shri Gusti J Noria	Director	Nil	Nil	1000000	235000	1235000
Shri V. Pattabhi	Director	Nil	Nil	1000000	170000	1170000
Shri P Srikar Reddy	Director	Nil	Nil	1000000	55000	1055000
Shri V Vallinath	Whole-time Director	6693058	2133923	Nil	Nil	8826981
Shri J P Rao	Whole-time Director	6522200	1877789	Nil	Nil	8399989

- 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 issue of duplicate share certificates as well as oversees and reviews all matters connected with the securities transfer, transmission, nomination, dematerialization and re-materialisation 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, 2019 the Committee met 30 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 12, 2018.
- v. Details of complaints received and redressed:

Opening Balance as on 01.04.2018	Received during the period 01.04.2018 to 31.03.2019	Resolved during the period 01.04.2018 to 31.03.2019	Closing Balance as on 31.03.2019
NIL	18	18	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
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, Medak District – 502 300, Telangana	Yes
2015-16	34th AGM	Tuesday 26.07.2016 11.30 A.M	Regd. Office: Survey No. 315, Yelumala village, R.C. Puram Mandal, Medak District – 502 300, Telangana	Yes

- ii. The Company during the financial year ended March 31, 2019 has passed following special resolutions through Postal Ballot
 - a. To appoint Shri Bhagirat B. Merchant (DIN 00375025) as Independent Director of the Company;
 - b. To appoint Shri V Pattabhi (DIN 00200157), as Independent Director of the Company;
 - c. To appoint Shri Gusti J Noria (DIN 00015561), as Independent Director of the Company;
 - d. To increase ceiling of Commission payable to Non-Executive Directors and
 - e. To alter the objects of the Memorandum of Association.
- iii. 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, facilities simultaneously in addition to sending of postal ballot forms, for their voting either by postal ballot or by electronic means on or before March 23, 2019 and accordingly members exercised their votes.
- iv. The Scrutinizer, Mr. B.V.Saravana Kumar, Practising Company Secretary submitted results of the postal ballot as per the following details:

Sl. No.	Item	Type of Resolution	Votes	
			For	Against
1.	To appoint Shri Bhagirat B. Merchant (DIN 00375025) as Independent Director of the Company	Special	96.33	3.67
2.	To appoint Shri V.Pattabhi (DIN 00200157), as Independent Director of the Company	Special	99.98	0.02
3.	To appoint Shri Gusti J. Noria (DIN 00015561), as Independent Director of the Company	Special	99.93	0.07
4.	To increase ceiling of Commission payable to Non-Executive Directors and	Special	99.98	0.02
5.	To alter the objects of the Memorandum of Association	Special	99.93	0.07

7. Disclosures:

- i. During the financial year ended March 31, 2019 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, 2019.

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, 2019.
- 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, 2019.
- 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: 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, 2019.

Date:03.05.2019
Secunderabad

Smt. G. Saroja Vivekanand
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: A 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 32a in page no. 121 of this annual report.

- x. Credit Ratings: Credit rating agency "CARE Ratings" reviewed various credit facilities of the company during the financial year ended 31.03.2019 as per the following details:

Facilities	Rating	Remarks
Long term Bank Facilities	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Upgraded from CARE A+ [Single A Plus]
Short term Bank Facilities	CARE A1 + (A One Plus)	Reaffirmed
Long term / Short term Bank Facilities	CARE AA-; Stable /CARE A1 + (Double A Minus; Outlook: Stable / A One Plus)	Upgraded from CARE A+ / CARE A1+[Single A Plus / A One Plus]
Long term Fixed Deposit	CARE AA- (FD); Stable [Double A Minus (Fixed Deposit); Outlook: Stable]	Upgraded from CARE A+ (FD) [Single A Plus (Fixed Deposit)]

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.

Rating Outlook: The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' 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 'Negative' 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	June 27, 2019
	Time	11.30 A.M.
	Venue	Survey.No.315, Yelulmala Village, R.C.Puram Mandal, Sangareddy District, Telangana 502300
2	Financial Calendar	
	Year ending	March 31, 2019
	Annual General Meeting	June 27, 2019
3	Date of Book Closure	June 22, 2019 to June 27, 2019 (both days inclusive)
4	Dividend Payment Date	July 15, 2019
5	Listing on Stock Exchanges	National Stock Exchange of India Ltd and BSE Limited (The Company has paid the listing fee for 2019-20 to the BSE and NSE)
6	Stock Code / Symbol on NSE / BSE respectively	VISAKAIND / 509055
7	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
8	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, 2019 are as follows:

S. No	Month	Price at BSE		Price at NSE	
		High	Low	High	Low
1	April – 18	804.95	654.00	804.00	649.85
2	May – 18	810.95	645.00	812.90	645.00
3	June – 18	667.90	477.50	668.00	480.00
4	July – 18	607.00	497.30	608.50	495.05
5	August – 18	635.00	572.05	634.90	573.10
6	September – 18	598.40	430.00	580.50	438.50
7	October – 18	500.00	416.10	495.05	417.95
8	November – 18	537.70	431.00	540.00	428.00
9	December – 18	447.95	360.00	448.00	367.20
10	January – 19	462.00	357.55	444.00	355.15
11	February – 19	390.40	326.45	391.00	328.00
12	March – 19	427.00	383.05	417.00	383.00

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

S. No	Month	Visaka's Closing Price (₹)	BSE Sensex Closing
1	April -18	789.70	35160.36
2	May – 18	662.50	35322.38
3	June – 18	512.20	35423.48
4	July – 18	598.30	37606.58
5	August – 18	575.75	38645.07
6	September – 18	445.35	36227.14
7	October – 18	478.90	34442.05
8	November – 18	436.90	36194.30
9	December – 18	430.20	36068.33
10	January – 19	373.25	36256.69
11	February – 19	382.50	35867.44
12	March – 19	413.40	38672.91

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

12. Registrar and Transfer Agents

Name & Address: Karvy Fintech Private Limited

Unit: Visaka Industries Limited

Karvy Selenium Tower B, Plot No. 31 & 32,

Gachibowli, Financial District, Nanakramguda,

Serilingampally, Hyderabad – 500 058

Phone: 040-67161770, E-mail: einward.ris@karvy.com

Website: www.karvy.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, 2019.

14. Shareholding (as on March 31, 2019)

a) Distribution of shareholding as on March 31, 2019:

VISAKA INDUSTRIES LIMITED					
DISTRIBUTION SCHEDULE AS ON 30/03/2019					
S. No	Category	No. of Cases	% of Cases	Total Shares Amount	% of Amount
1	upto 1 - 5000	22161	93.02	21039510	13.25
2	5001 - 10000	852	3.58	6700930	4.22
3	10001 - 20000	426	1.79	6192360	3.90
4	20001 - 30000	137	0.58	3521230	2.22
5	30001 - 40000	53	0.22	1906070	1.20
6	40001 - 50000	47	0.20	2199780	1.39
7	50001 - 100000	63	0.26	4456500	2.81
8	100001 & ABOVE	84	0.36	112793140	71.02
	Total:	23823	100.00	158809520	100.00

b) Categories of Shareholders as on March 31, 2019:

Category	No. of shareholders	No. of shares	Percentage
Indian Promoters	8	6620873	41.69
Foreign Promoters	-	-	-
Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-Government Institutions)	9	16439	0.10
Private Corporate Bodies	392	2303276	14.50
Indian Public	22820	5978906	37.65
NRIs / OCBs	532	833640	5.25
Clearing Members	60	18350	0.12
IEPF	1	108968	0.69
Director (other than Promoter Director)	1	500	-
TOTAL	23823	15880952	

15. Dematerialization of shares and liquidity:

98.10% 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, 2019, the company did not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

17. Manufacturing facility

Plant Locations are given at page no. 136 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 Karvy Fintech Private Limited (Karvy), 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 are welcome to 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, 2019 as stipulated in Regulations 17, 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

N.K. Varadarajan
Partner
Membership Number: 090196
UDIN: 19090196AAAAAD3661

Place: Secunderabad
Date: May 03, 2019

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, 2019, 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, 2019, 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.

Key audit matters

4.

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
Appropriateness of capitalisation of costs as per Ind AS 16 Property, Plant and Equipment	We have performed procedures, including the following, in relation to testing of capitalisation of costs:
• Refer to Note-2 (p) (Significant Accounting Policies) and Note-4.1 (Property, plant and equipment) of the enclosed financial statements.	• Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalisation of various costs incurred in relation to Property Plant and Equipment.
• During the year, the Company capitalised ₹10,373 lakhs as Property, plant and equipment in respect of its plants at Jhajjar and Miryalguda for manufacture of cement boards and solar panels respectively.	• Performed test of details with focus on those items that we considered significant due to their amount or nature and tested a number of items capitalised during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment in this regard.
• Given the significance of the capital expenditure during the year, there is a risk that elements of costs that are ineligible for capitalisation in accordance with the recognition criteria provided in Indian Accounting Standard 16, Property, Plant and Equipment are capitalised.	• Reviewed the other costs tested during the course of our audit and debited to Statement of Profit and Loss Account, to ascertain whether these meet the criteria for capitalization. Our procedures as mentioned above did not identify any costs that had been inappropriately capitalised.

Other Information

5.

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

6.

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.
7.

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

8.

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.
9.

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
- 86
- Visaka Industries Limited
- Annual Report 2018-19
- Annual Report 2018-19
- Visaka Industries Limited
- 87

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.
10. 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.
11. 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.
12. 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

13. 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.
14. As required by Section 143(3) of the Act, we report that:
- 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.
 - 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.
 - 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.

- In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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".
- 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For **Price Waterhouse & Co**
Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K. Varadarajan

Partner

Place: Secunderabad

Date: May 03, 2019

Membership Number: 090196

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(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, 2019.

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, 2019 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, 2019, 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.

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

N.K. Varadarajan
Partner
Place: Secunderabad
Date: May 03, 2019
Membership Number: 090196

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 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, 2019.

- 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 other material statutory dues, as applicable, with the appropriate authorities. Also refer note 38 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise, value added tax, entry tax as at March 31, 2019, 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
Income Tax Act, 1961	Income tax	18.58	Financial year 2015-16	Commissioner (Appeals), Hyderabad

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	Commissioner (Appeals), Bangalore
Customs, Central Excise & Service tax Drawback Rules, 1995	Duty draw back	152.1	July 2009 to March 2011	Joint Secretary, Revisionary Authority, New Delhi.
Central Sales tax Act, 1956	Central Sales tax	9.02	Financial year 2008-09	Telangana VAT Appellate Tribunal, Hyderabad
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

*Net of amount paid under protest – ₹40.61 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. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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

N.K. Varadarajan
Partner
Place: Secunderabad
Date: May 03, 2019

Membership Number: 090196
- 92
- Visaka Industries Limited
- Annual Report 2018-19
- Annual Report 2018-19
- Visaka Industries Limited
- 93

Balance Sheet as at 31 March, 2019

All amounts in ₹ lakhs, unless otherwise stated			
Particulars	Note	31 March 2019	31 March 2018
I. ASSETS			
Non-current Assets			
(a) Property, plant and equipment	4.1	41,826.91	32,080.33
(b) Capital work-in-progress		115.59	6,902.88
(c) Intangible assets	4.2	38.46	77.05
(d) Financial assets			
Investments	5.1	0.00	0.00
Other financial assets	5.2	45.46	50.50
(e) Other non-current assets	6	1,364.84	3,472.35
Current Assets			
(a) Inventories	7	27,243.94	24,179.56
(b) Financial assets			
(i) Trade receivables	8	15,528.60	15,101.44
(ii) Cash and cash equivalents	9	1,662.95	1,992.55
(iii) Other bank balances	10	357.27	299.85
(iv) Loans	11	-	84.00
(v) Other financial assets	12	359.94	396.02
(c) Current tax assets (net)	13	326.26	-
(d) Other current assets	14	3,741.11	3,816.74
TOTAL ASSETS		92,611.33	88,453.27
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,592.07	1,592.07
(b) Other equity	16	48,357.94	42,974.00
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	7,788.14	9,120.21
(ii) Other financial liabilities	18	39.52	41.94
(b) Deferred tax liabilities (net)	19	2,001.70	1,741.63
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	20	14,799.85	11,932.91
(ii) Trade payables	21	7,924.60	9,820.60
(iii) Other financial liabilities	22	6,187.15	7,098.58
(b) Other current liabilities	23	3,718.22	3,354.01
(c) Provisions	24	202.14	278.63
(d) Current Tax Liabilities(net)	13	-	498.69
TOTAL EQUITY AND LIABILITIES		92,611.33	88,453.27

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

Bhagirat B. Merchant
Chairman
DIN: 00375025

Gusti J Noria
Director
DIN: 00015561

V. Pattabhi
Director
DIN: 00200157

Place: Secunderabad
Date: 3rd May, 2019

Dr. G. Vivekanand
Vice - Chairman
DIN: 00011684

G. Vamsi Krishna
Joint Managing Director
DIN: 03544943

V. Vallinath
*Whole-time Director &
Chief Financial Officer*
DIN: 06947291

On behalf of Board of Directors
Smt. G. Saroja Vivekanand
Managing Director
DIN: 00012994

J.P.Rao
Whole-time Director
DIN: 03575950

I. Srinivas
*Company Secretary &
VP (Corporate Affairs)*

Statement of Profit and Loss for the year ended 31 March 2019

All amounts in ₹ lakhs, unless otherwise stated			
Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
I. Revenue from operations	25	1,13,640.70	1,04,323.50
II. Other income	26	1,204.04	457.06
III. Total revenue (I + II)		1,14,844.74	1,04,780.56
IV. Expenses			
Cost of materials consumed	27	58,229.12	50,075.08
Excise duty		-	3,091.32
Purchases of stock-in-trade		125.17	95.76
Changes in inventories of finished goods and work in progress	28	(3,121.85)	(779.40)
Employee benefits expense	29	10,815.87	9,223.52
Finance costs	30	1,995.29	1,825.76
Depreciation and amortization expense	31	3,535.48	3,483.56
Other expenses	32	33,231.16	27,601.03
Total expenses		1,04,810.24	94,616.63
V. Profit before tax (III - IV)		10,034.50	10,163.93
VI. Tax expense:			
(1) Current tax		3,163.64	3,604.60
(2) Deferred tax		260.07	(96.39)
(3) Tax relating to prior years		(129.92)	-
VII. Profit for the period (V-VI)		6,740.71	6,655.72
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
a) Remeasurement of defined employee benefit plans		(25.52)	(305.02)
b) Income tax relating to item (a) above		8.92	105.56
Other comprehensive income (net of tax)		(16.60)	(199.46)
IX. Total comprehensive income for the year		6,724.11	6,456.26
X. Earning per equity share attributable to owners of Visaka Industries Limited:			
(1) Basic	41	42.45	41.91
(2) Diluted		42.45	41.91

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

Bhagirat B. Merchant
Chairman
DIN: 00375025

Gusti J Noria
Director
DIN: 00015561

V. Pattabhi
Director
DIN: 00200157

Place: Secunderabad
Date: 3rd May, 2019

On behalf of Board of Directors
Smt. G. Saroja Vivekanand
Managing Director
DIN: 00012994

J.P.Rao
Whole-time Director
DIN: 03575950

Dr. G. Vivekanand
Vice - Chairman
DIN: 00011684

G. Vamsi Krishna
Joint Managing Director
DIN: 03544943

V. Vallinath
*Whole-time Director &
Chief Financial Officer*
DIN: 06947291

I. Srinivas
*Company Secretary &
VP (Corporate Affairs)*

Cash Flow Statement for the Year ended March 31, 2019

All amounts in ₹ lakhs, unless otherwise stated		
Particulars	31 March 2019	31 March 2018
Cash flow from operating activities		
Profit before tax	10,034.50	10,163.93
Adjustments for:		
Depreciation and amortisation expense	3,535.48	3,483.56
Loss on disposal of property, plant and equipment	25.50	-
Property, plant and equipment written off	-	10.19
Interest income on financial assets carried at amortized cost	(99.27)	(94.49)
Gain on disposal of property, plant and equipment	-	(61.81)
Provision for doubtful debts	30.83	108.14
Bad Debts written off	7.04	11.39
Amortisation of government grants	(269.40)	(229.03)
Finance costs	1,995.29	1,825.76
Remeasurement of defined employee benefit plans	(25.52)	(305.02)
Change in operating assets and liabilities		
(Increase) / Decrease in Trade Receivables	(465.03)	(206.22)
(Increase) / Decrease in financial assets other than trade receivables	118.99	201.91
(Increase) / Decrease in other assets	441.14	(2,371.42)
(Increase) / Decrease in Inventories	(3,064.38)	(4,577.86)
Increase / (Decrease) in Trade payables	(1,896.00)	4,207.32
Increase / (Decrease) in other financial liabilities	217.88	(108.97)
Increase / (Decrease) in provisions	(76.49)	(54.86)
Increase / (Decrease) in other liabilities	364.21	(207.33)
Cash Generated from Operations	10,874.77	11,795.19
Income taxes paid	(3,784.18)	(2,996.35)
Net cash inflow / (outflow) from operating activities	7,090.59	8,798.84
Cash flows from investing activities		
Payments for property plant and equipment	(4,952.26)	(10,636.76)
Interest received	105.41	95.38
Proceeds from sale of property, plant and equipment	50.27	88.70
Movement in other bank balances	(57.42)	(62.04)
Net cash inflow / (outflow) from investing activities	(4,854.00)	(10,514.72)

Cash Flow Statement for the Year ended March 31, 2019

All amounts in ₹ lakhs, unless otherwise stated		
Particulars	31 March 2019	31 March 2018
Cash flow from financing activities		
Proceeds from non current borrowings	-	3629.50
Repayment of non current borrowings	(2,309.64)	(2,139.57)
Proceeds/ (repayment) from current borrowings	3,669.44	600.59
Repayment of loan to related party	(1,570.06)	(1,654.00)
Receipt of loan from related party	767.56	2,401.50
Dividend paid to company's shareholders (Including corporate dividend tax)	(1,324.64)	(1,141.91)
Finance cost	(1,798.85)	(1,580.07)
Net cash inflow / (outflow) from financing activities	(2,566.19)	116.04
Net increase / (Decrease) in cash and cash equivalents	(329.60)	(1,599.84)
Cash and Cash equivalents at the beginning of the financial Year	1,992.55	3,592.39
Cash and Cash equivalents at the end of the Year	1,662.95	1,992.55

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.

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		On behalf of Board of Directors	
N.K.Varadarajan <i>Partner</i> Membership Number: 090196	Bhagirat B. Merchant <i>Chairman</i> DIN: 00375025	Dr. G. Vivekanand <i>Vice - Chairman</i> DIN: 00011684	Smt. G. Saroja Vivekanand <i>Managing Director</i> DIN: 00012994
	Gusti J Noria <i>Director</i> DIN: 00015561	G. Vamsi Krishna <i>Joint Managing Director</i> DIN: 03544943	J.P.Rao <i>Whole-time Director</i> DIN: 03575950
	V. Pattabhi <i>Director</i> DIN: 00200157	V. Vallinath <i>Whole-time Director & Chief Financial Officer</i> DIN: 06947291	I. Srinivas <i>Company Secretary & VP (Corporate Affairs)</i>
Place: Secunderabad Date: 3rd May, 2019			

Statement of Changes in Equity for the Year ended March 31, 2019

a. Equity share capitalAll amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	Equity share capital
As at 01 April 2017	15	1,592.07
Changes in equity share capital		-
As at 31 March 2018		1,592.07
Changes in equity share capital		-
As at 31 March 2019		1,592.07

b. Other equityAll amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	Reserves and Surplus			Total
		Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1 April 2017	16	4,903.45	27,000.00	5,761.13	37,664.58
Profit for the year		-	-	6,655.72	6,655.72
Other comprehensive income		-	-	(199.46)	(199.46)
Dividends (including corporate dividend tax)		-	-	(1,146.84)	(1,146.84)
Balance as at 31 March 2018		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

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	Bhagirat B. Merchant Chairman DIN: 00375025	Dr. G. Vivekanand Vice - Chairman DIN: 00011684	On behalf of Board of Directors Smt. G. Saroja Vivekanand Managing Director DIN: 00012994
N.K.Varadarajan Partner Membership Number: 090196	Gusti J Noria Director DIN: 00015561	G. Vamsi Krishna Joint Managing Director DIN: 03544943	J.P.Rao Whole-time Director DIN: 03575950
Place: Secunderabad Date: 3rd May, 2019	V. Pattabhi Director DIN: 00200157	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 it's 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 2018:

Ind AS 115, Revenue from contracts with customers

Appendix B (Foreign currency transactions and advance consideration) to Ind AS 21, The effects of changes in foreign exchange rates.

Amendment to Ind AS 12, Income Taxes

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.
- 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 Managing Director and Joint Managing Director as chief operating decision maker. Refer note 37 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 profit or loss.

Notes to the financial statements (Contd.)

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 34 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

Notes to the financial statements (Contd.)

- 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 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 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 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.

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.

Notes to the financial statements (Contd.)

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.

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.

Notes to the financial statements (Contd.)

- 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.
- 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**
The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below.

Ind AS issued but not yet effective: 30 March 2019, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April, 2019:
 - The Rules have notified the new lease standard Ind AS 116, Leases. Ind AS 17, Leases has been withdrawn. The Rules also bring in consequential amendments to other Ind AS as a result of notification of Ind AS 116. The Company is assessing the implication of the above change.
 - Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee. The Company is assessing the implication of the above change.
 - New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. This amendment is not applicable to the Company.
 - Amendment to Ind AS 19, Employee Benefits. This amendment requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. This amendment will not impact the financial statements of the Company.

Notes to the financial statements (Contd.)

- Amendment to Ind AS 23, Borrowing Costs to clarify that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. The Company is assessing the implication of the above change.
- Amendment to Ind AS 28, Investments in Associates and Joint Ventures. Investors could have long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture. The amendment clarifies that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28. An illustrative example is also provided in Appendix A of Ind AS 28. This amendment is not applicable to the Company.
- Amendment to Ind AS 109 to enable an entity to measure at amortised cost some prepayable financial assets with negative compensation. This amendment will not impact the financial statements of the Company.
- Amendment has been made to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements to clarify measurement of previously held interest in obtaining control/joint control over a joint operation as follows: (i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is remeasured at fair value at the acquisition date; (ii) A party obtaining joint control of a business that is joint operation should not remeasure its previously held interest in the joint operation. This amendment is not applicable to the Company.

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:
 - Estimation of defined benefit obligation - Refer Note 24
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, unless otherwise stated									
Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2018	Additions	Deletions/ Adjustments	As at 31 March 2019	As at 1 April 2018	For the Year	Deletions/ Adjustments	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

The Company has setup two manufacturing units during the year. One is Solar Roofing panels (ATUM) unit in the premises of the V Board plant at Miryalaguda in Telangana State. The unit commenced commercial production on 28 September 2018.

The other one is Fibre cement boards unit at Jhajjar district, Haryana state. It commenced commercial production on 11 March 2019.

4.1 (b) Property, Plant and Equipment

All amounts in ₹ lakhs, unless otherwise stated									
Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2017	Additions	Deletions/ Adjustments	As at 31 March 2018	As at 1 April 2017	For the Year	Deletions/ Adjustments	As at 31 March 2018	As at 31 March 2018
Owned Assets									
Land	4,773.65	2,141.97	-	6,915.62	-	-	-	-	6,915.62
Buildings	16,006.64	56.13	-	16,062.77	905.65	912.64	-	1,818.29	14,244.48
Plant and Equipment	14,191.45	473.91	274.26	14,391.10	2,258.50	2,314.08	262.99	4,309.59	10,081.51
Furniture and Fixtures	64.24	12.30	0.64	75.90	11.36	11.34	0.63	22.07	53.83
Vehicles	537.59	143.53	77.47	603.65	53.95	86.74	51.67	89.02	514.63
Office Equipment	89.50	27.11	4.29	112.32	32.04	21.70	4.29	49.45	62.87
Data Processing Equipment	186.93	139.26	3.98	322.21	74.19	66.46	3.98	136.67	185.54
Assets taken on Finance Lease									
Data Processing Equipment	80.32	-	-	80.32	26.38	32.09	-	58.47	21.85
TOTAL	35,930.32	2,994.21	360.64	38,563.89	3,362.07	3,445.05	323.56	6,483.56	32,080.33

Notes to the financial statements (Contd.)

4.2 (a) Intangible assets

All amounts in ₹ lakhs, unless otherwise stated									
Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2018	Additions	Deletions/ Adjustments	As at 31 March 2019	As at 1 April 2018	For the Year	Deletions/ Adjustments	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

4.2 (b) Intangible assets

All amounts in ₹ lakhs, unless otherwise stated									
Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2017	Additions	Deletions/ Adjustments	As at 31 March 2018	As at 1 April 2017	For the Year	Deletions/ Adjustments	As at 31 March 2018	As at 31 March 2018
Computer Software	124.94	-	-	124.94	9.38	38.51	-	47.89	77.05
TOTAL	124.94	-	-	124.94	9.38	38.51	-	47.89	77.05

5.1. Investments

All amounts in ₹ lakhs, unless otherwise stated		
Particulars	31 March 2019	31 March 2018
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 (2018 - 2,078,600) shares of ₹10 each		
b) Somerset Entertainment Ventures (Singapore) Pte Ltd	0.00	0.00
131,903 (2018 - 131,903) shares of Singapore \$ 10 each		
c) OPGS Power Gujarat Pvt Ltd		
702,000(2018 - 702,000) shares of ₹0.10 each	0.00	0.00
d) V- Solar Roofings Pvt Ltd		
1,900 (2018 - 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, unless otherwise stated		
Particulars	31 March 2019	31 March 2018
Unsecured, Considered good		
Employee advances	45.46	50.50
TOTAL	45.46	50.50

Notes to the financial statements (Contd.)

6. Other non-current assets

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
i) Capital advances	672.85	2,349.28
ii) Deposits with government and others	691.99	1,123.07
Unsecured, considered doubtful		
Capital advances	40.00	224.00
Less: Provision for doubtful advances	(40.00)	(224.00)
TOTAL	1,364.84	3,472.35

7. Inventories

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
a) Raw material	10,652.07	10,906.44
{including material in transit of ₹896.41 lakhs (2018-₹3,895.42 lakhs)}		
b) Work-in-progress	2,704.81	2,526.70
c) Finished goods	12,947.78	10,004.04
{including material in transit of ₹190.81 lakhs (2018-₹270.13 lakhs)}		
d) Stores and spares	939.28	742.38
TOTAL	27,243.94	24,179.56

8. Trade receivables

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Secured, considered good	2,711.43	2,735.76
Unsecured, considered good	12,817.17	12,365.68
Unsecured, considered doubtful	405.31	374.48
	15,933.91	15,475.92
Less: Allowance for doubtful debts	(405.31)	(374.48)
TOTAL	15,528.60	15,101.44

9. Cash and cash equivalents

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
a) Balances with banks in current accounts	1,351.01	1,520.32
b) Cash on hand	4.08	4.48
c) Cheques in hand	307.86	467.75
TOTAL	1,662.95	1,992.55

Notes to the financial statements (Contd.)

10. Other bank balances

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Earmarked balances with banks		
Unpaid dividend account	88.97	73.44
Reserve towards Public deposit	260.00	217.00
Margin money deposit	8.30	9.41
TOTAL	357.27	299.85

11. Loans (current)

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
Inter corporate deposits	-	84.00
TOTAL	-	84.00

12. Other financial assets (current)

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Interest receivable	182.87	189.01
Employee advances	166.30	170.79
Advances to related parties (Refer note 40)	10.77	36.22
TOTAL	359.94	396.02

13. Current tax assets/ (liabilities) (net)

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Opening balance	(498.69)	4.00
Add: Taxes paid	3,784.18	2,996.35
Less: Current tax expense for the year	(3,154.72)	(3,499.04)
Add: Income tax refund receivable (including interest)	195.49	-
TOTAL	326.26	(498.69)

14. Other current assets

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Rent deposits	44.08	41.58
Prepaid expenses	174.73	151.05
Other receivables	641.25	710.49
Supplier advances	1,461.60	2,041.36
Advances to related parties (Refer note 40)	142.00	-
Cenvat, VAT & GST credit available	1,277.45	872.26
TOTAL	3,741.11	3,816.74

Notes to the financial statements (Contd.)

15. Equity share capital

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
AUTHORIZED:		
30,000,000 (2018- 30,000,000) Equity Shares of ₹10/- each	3,000.00	3,000.00
500,000 (2018- 500,000) 12% Cumulative Redeemable Preference Shares ₹100/- each	500.00	500.00
TOTAL	3,500.00	3,500.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
15,880,952 (2018- 15,880,952) equity shares of ₹10/- each fully paid up	1,588.10	1,588.10
Add: Shares forfeited - 79,408 (2018- 79,408) shares	3.97	3.97
TOTAL	1,592.07	1,592.07

(A) Movement in equity share capital:

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Number of shares	Amount
Balance at April 1, 2017	1,58,80,952	1,592.07
Movement during the year	-	-
Balance at March 31, 2018	1,58,80,952	1,592.07
Movement during the year	-	-
Balance at March 31, 2019	1,58,80,952	1,592.07

(B) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% holding	No. of Shares	% holding
a) Dr. G Vivekanand	57,86,071	36.43	57,76,071	36.37
b) Vigilance Security Services Private Limited	14,35,832	9.04	13,69,545	8.62

(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.

16. Other equity

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Reserves and surplus		
Securities premium reserve	4,903.45	4,903.45
General reserve	27,000.00	27,000.00
Retained earnings	16,454.49	11,070.55
TOTAL	48,357.94	42,974.00

Notes to the financial statements (Contd.)

16. Other equity (Contd.)

(i) Securities Premium Reserve

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
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, unless otherwise stated

Particulars	31 March 2019	31 March 2018
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, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Opening balance	11,070.55	5,761.13
Profit for the year	6,740.71	6,655.72
Dividends	(1,111.67)	(952.86)
Corporate dividend tax	(228.50)	(193.98)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(16.60)	(199.46)
Closing balance	16,454.49	11,070.55

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 provisions of the Companies Act, 2013.

(ii) General Reserve

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

17. Borrowings

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Non- current		
a) Secured loans		
Term loans from banks	3,268.96	4,274.79
Loans from others		
PICUP Loan	2,335.69	2,117.58
Deferred revenue grant - PICUP Loan	1,543.26	1,800.86
b) Unsecured loans		
Deferred payment liabilities- Sales Tax Deferment Loan	18.01	184.29
Deferred revenue grant - Sales Tax Deferment Loan	1.79	21.94
Public deposits	620.43	720.75
TOTAL	7,788.14	9,120.21

Notes to the financial statements (Contd.)

17. Borrowings (Contd.)

- (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 ₹4,274.79 lakhs repayable in 17 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 ₹4,121.21 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) 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 using an effective interest rate of 10.30% p.a. and as at balance sheet date ₹1,543.26 lakhs(2018- ₹1,800.86 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 repayable at ₹200.18 lakhs in the year 2019-20 and ₹21.07 lakhs in the year 2020-21. 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 using an effective interest rate of 10.30% p.a. and as at balance sheet date ₹1.79 lakhs (2018- ₹21.94 lakhs) is shown as Deferred Revenue Grant.
- (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.

18. Other financial liabilities (non-current)

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Interest accrued but not due	39.52	41.94
TOTAL	39.52	41.94

19. Deferred tax liabilities (net)

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
a) Deferred tax assets		
Expenses allowable on payment basis	311.60	274.17
b) Deferred tax liabilities		
Depreciation and amortisation	2,313.30	2,015.80
Deferred tax liabilities (net)	2,001.70	1,741.63

Notes to the financial statements (Contd.)

19. Deferred tax liabilities (net) (Contd.)

Movement in deferred tax liabilities (net)

All amounts in ₹ lakhs, unless otherwise stated

Particulars	WDV of depreciable PPE	Expenses allowable on payment basis	Total
As at 01 April, 2017	2,041.48	(203.46)	1,838.02
Charged/(Credited) to statement of profit and loss	(25.68)	(70.71)	(96.39)
As at 31st March, 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 31st March, 2019	2,313.30	(311.60)	2,001.70

20. Borrowings

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Current		
a) Secured loans		
Working capital loans from banks	8,054.28	6,924.62
b) Unsecured loans		
Short term loans from banks	6,745.57	4,177.79
Loans from related parties	-	412.50
Inter corporate deposits from related parties	-	390.00
Inter corporate deposits from others	-	28.00
TOTAL	14,799.85	11,932.91

20.1 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 8.7%.

20.2 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.

20.3 Net Debt Reconciliation

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Opening balance of borrowings	24,113.66	21,312.37
Add:- Proceeds from non-current borrowings	-	3,629.50
Less:- Repayment of non-current borrowings	(2,309.64)	(2,139.57)
Proceeds/ (repayment) from current borrowings	2,866.94	1,348.09
Fair Value Adjustment	(32.30)	(36.73)
Closing balance of borrowings	24,638.66	24,113.66

Notes to the financial statements (Contd.)

21. Trade payables

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Dues to micro enterprises and small enterprises	-	-
Dues to creditors other than micro enterprises and small enterprises	7,924.60	9,820.60
TOTAL	7,924.60	9,820.60

22. Other financial liabilities (current)

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Current maturities of long term debts	1,199.45	2,139.23
Current maturities of public deposits	851.22	900.15
Current maturities of finance lease obligations	-	21.16
Interest accrued but not due	120.11	158.34
Unpaid dividend	88.97	73.44
Sundry deposits*	3,855.03	3,652.64
Foreign-exchange forward contracts not designated as hedges	-	(15.49)
Capital creditors	72.37	169.11
TOTAL	6,187.15	7,098.58

*Sundry deposits include security deposits from stockists, agents and transporters etc.

23. Other current liabilities

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Advances from customers	458.25	395.04
Statutory liabilities	1,342.45	1,215.28
Employee benefits payable	1,917.52	1,743.69
TOTAL	3,718.22	3,354.01

24. Provisions

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Current		
Provision for employee benefits		
- Leave encashment	162.69	90.02
- Gratuity	39.45	188.61
TOTAL	202.14	278.63

(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

Notes to the financial statements (Contd.)

24. Provisions (Contd.)

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, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Company's Contribution to Provident Fund	546.30	467.92
Company's Contribution to Superannuation Fund	104.06	97.33

(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, unless otherwise stated

Particulars	Present value of obligation	Fair Value of Plan Assets	Net Liability
1 April 2017	1,585.60	1,311.92	273.68
Current service cost	185.99	-	185.99
Interest expense/(income)	115.66	121.19	(5.53)
Total amount recognized in profit or loss	301.65	121.19	180.46
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	3.11	(3.11)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	262.22	-	262.22
Experience (gains)/loss	45.91	-	45.91
Total amount recognized in other comprehensive income	308.13	3.11	305.02
Employer contributions	-	570.55	(570.55)
Benefit payments	(86.94)	(86.94)	-
31 March 2018	2,108.44	1,919.83	188.61

Notes to the financial statements (Contd.)

24. Provisions (Contd.)

All amounts in ₹ lakhs, unless otherwise stated

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			
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

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, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Present value of funded obligations	2,426.34	2,108.44
Fair value of plan assets	2,386.89	1,919.83
Deficit of funded plans	39.45	188.61

Expected contributions to post- employment benefit plans of gratuity for the year ending 31 March 2020 are ₹ 327.61 Lakhs.

iv) Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Key assumptions		Defined benefit obligation					
	31 March 2019	31 March 2018	Increase in assumption by			Decrease in assumption by		
			Rate	31 March 2019	31 March 2018	Rate	31 March 2019	31 March 2018
Discount rate	7.77%	7.58%	1%	2,254.35	1,954.27	1%	2,625.14	2,286.56
Salary growth rate	6.00%	6.00%	1%	2,614.37	2,276.89	1%	2,260.83	1,960.01
Attrition rate	3.00%	3.00%	1%	2,452.18	2,129.03	1%	2,397.10	2,085.13

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.

Notes to the financial statements (Contd.)

24. Provisions (Contd.)

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.

25. Revenue from operations

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	1,12,652.21	1,02,823.78
Other operating revenue		
Export incentives	169.87	133.37
Industrial incentives	677.74	1,231.70
Sale of scrap	140.88	134.65
TOTAL	1,13,640.70	1,04,323.50

26. Other income

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on financial assets carried at amortised cost	99.27	94.49
Insurance claim received	56.16	30.84
Government grants	269.40	229.03
Net gain on disposal of property, plant and equipment	-	61.81
Miscellaneous income	779.21	40.89
TOTAL	1,204.04	457.06

27. Cost of materials consumed

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cost of materials consumed	58,229.12	50,075.08
TOTAL	58,229.12	50,075.08

Notes to the financial statements (Contd.)

28. Changes in inventories of finished goods and work in progress

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening inventory		
Finished goods	10,004.04	8,490.14
Work in progress	2,526.70	3,261.20
(A)	12,530.74	11,751.34
Closing inventory		
Finished goods	12,947.78	10,004.04
Work in progress	2,704.81	2,526.70
(B)	15,652.59	12,530.74
TOTAL	(3,121.85)	(779.40)

29. Employee benefits expense

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	8,853.86	7,426.88
Contribution to provident and other funds	784.83	685.95
Gratuity	209.40	180.46
Leave compensation	245.28	102.44
Staff welfare expenses	722.50	827.79
TOTAL	10,815.87	9,223.52

30. Finance cost

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on borrowings	1,924.68	1,703.48
Other borrowing cost	70.61	77.42
Interest on shortfall in payment of advance tax	-	44.86
TOTAL	1,995.29	1,825.76

31. Depreciation and amortization expense

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	3,496.89	3,445.05
Amortisation of intangible assets	38.59	38.51
TOTAL	3,535.48	3,483.56

Notes to the financial statements (Contd.)

32. Other expenses

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spares	3,505.84	2,735.68
Cost of packing materials consumed	1,029.96	981.79
Power and fuel	4,925.15	4,964.40
Repairs and maintenance		
Buildings	535.47	376.14
Plant and machinery	549.17	539.35
Insurance	248.49	226.54
Rates & taxes	147.11	154.87
Rent	372.92	169.21
Wages - contract labour	3,437.31	2,872.63
Travelling & conveyance	1,103.47	973.17
Commission & discount	354.14	354.78
Freight	11,159.45	9,023.05
Advertisement & sales promotion expenses	2,105.99	1,018.48
Payments to auditors (refer note 32 a)	44.34	44.41
Directors' sitting fee	7.92	4.25
Bad debts written off	7.04	11.39
Foreign exchange (gain)/loss (net)	(341.96)	230.39
Loss on sale of property, plant and equipment (net)	25.50	-
Non whole time directors' commission	50.00	43.75
Excise duty on increase/(decrease) in inventories	-	(1,162.96)
Property, plant and equipment written off	-	10.19
Provision for doubtful debts	30.83	108.14
Corporate social responsibility (CSR) expenditure (refer note 32 b)	160.39	109.42
Contribution to political party	-	100.00
Miscellaneous expenses	3,772.63	3,711.96
TOTAL	33,231.16	27,601.03

32a. Payment to auditor

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) To statutory auditors		
-Statutory audit fee	29.00	27.00
-For other services (including fees for quarterly audits)	4.00	4.00
-Reimbursement of expenses	1.99	1.60
(b) To others		
-Cost audit fee	1.50	1.50
-Tax audit fee	6.00	6.00
-Certification and taxation matters	1.85	4.31
TOTAL	44.34	44.41

Notes to the financial statements (Contd.)

32b. Corporate Social Responsibility expenditure

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Amount required to be spent as per Section 135 of the Act	151.05	105.80
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
2. On purposes other than (1) above**	160.39	109.42

** includes 2019 - ₹37.7 lakhs (2018-₹88.26 lakhs) contributed to Visaka Charitable Trust.

33. Reconciliation of tax expenses and the accounting profit multiplied by tax rate

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before income tax expense	10,034.50	10,163.93
Tax at the Indian tax rate of 34.944% (2018: 34.608%)	3,506.46	3,517.53
Effect of non-deductible expense	80.53	324.02
Effect of allowances for tax purpose	(163.28)	(236.95)
Tax relating to prior years	(129.92)	-
Effect of deferred tax	-	(96.39)
Income tax expense	3,293.79	3,508.21

34. 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, other bank balances and loans 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.

Notes to the financial statements (Contd.)

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Level	31 March 2019		31 March 2018	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost:					
Non-current					
Other financial assets	3	45.46	45.46	50.50	50.50
Current					
Trade receivables	3	15,528.60	15,528.60	15,101.44	15,101.44
Cash and Cash Equivalents	3	1,662.95	1,662.95	1,992.55	1,992.55
Other bank balances	3	357.27	357.27	299.85	299.85
Loans	3	-	-	84.00	84.00
Other financial assets	3	359.94	359.94	396.02	396.02
Measured at fair value through profit and loss					
Non-current					
Investments	3	0.00	0.00	0.00	0.00
Total		17,954.22	17,954.22	17,924.36	17,924.36
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3	7,788.14	7,788.14	9,120.21	9,120.21
Other financial liabilities	3	39.52	39.52	41.94	41.94
Current					
Borrowings	3	14,799.85	14,799.85	11,932.91	11,932.91
Trade Payables	3	7,924.60	7,924.60	9,820.60	9,820.60
Other Financial Liabilities	3	6,187.15	6,187.15	7,114.07	7,114.07
Measured at fair value through profit and loss					
Foreign-exchange forward contracts not designated as hedges (grouped under other current financial liabilities)	2	-	-	(15.49)	(15.49)
Total		36,739.26	36,739.26	38,014.24	38,014.24

*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. In respect of investments as at the transaction date, the Company has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

Notes to the financial statements (Contd.)

35. 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, 2019 and March 31, 2018.

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 2019 and 31 March 2018.

(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 dollars, 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, unless otherwise stated

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Change in USD				
1% increase	(70.57)	0.76	(45.91)	0.50
1% decrease	70.57	(0.76)	45.91	(0.50)
Change in EURO				
1% increase	0.18	1.11	0.12	0.73
1% decrease	(0.18)	(1.11)	(0.12)	(0.73)
Change in GBP				
1% increase	0.15	0.14	0.10	0.09
1% decrease	(0.15)	(0.14)	(0.10)	(0.09)

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.

Notes to the financial statements (Contd.)

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, unless otherwise stated

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Change in interest rate				
increase by 100 basis points	(190.75)	(174.13)	(124.09)	(113.87)
decrease by 100 basis points	190.75	174.13	124.09	113.87

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. 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, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Gross carrying amount	15,933.91	15,475.92
Expected credit losses (Loss allowance provision)	(405.31)	(374.48)
Carrying amount of trade receivables	15,528.60	15,101.44

Notes to the financial statements (Contd.)

Expected credit loss for financial assets where general model is applied

The financial assets which are exposed to credit risk are loans and employee advances.

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default
Gross carrying amount		
Loans	-	84.00
Employee advances	222.53	257.51
	222.53	341.51
Expected credit losses	-	-
Net carrying amount		
Loans	-	84.00
Employee advances	222.53	257.51
Total	222.53	341.51

(ii) Reconciliation of loss allowance provision

Particulars	Trade receivables
Loss allowance as at 1 April 2017	266.34
Changes in loss allowance during the period of 2017-18	108.14
Loss allowance as at 31 March 2018	374.48
Changes in loss allowance during the period of 2018-19	30.83
Loss allowance as at 31 March 2019	405.31

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.

(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, unless otherwise stated

Particulars	As at	
	31 March 2019	31 March 2018
Expiring within one year (bank overdraft and other facilities)	23,627.00	29,184.00

Notes to the financial statements (Contd.)

(ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at :

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019		31 March 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	14,799.85	7,788.14	11,932.91	9,120.21
Trade Payables	7,924.60	-	9,820.60	-
Other Financial Liabilities	6,187.15	39.52	7,098.58	41.94
Total	28,911.60	7,827.66	28,852.09	9,162.15

(iii) Management expects finance cost to be incurred for the year ending 31 March 2020 is ₹1,956.81 Lakhs.

36. 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, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Borrowings		
Current	14,799.85	11,932.91
Non current	7,788.14	9,120.21
Current maturities of non- current borrowings	2,050.67	3,060.54
Debt	24,638.66	24,113.66
Equity		
Equity share capital	1,592.07	1,592.07
Other equity	48,357.94	42,974.00
Total capital	49,950.01	44,566.07
Gearing ratio in % (Debt/capital)	49%	54%

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 2019 and 31 March 2018.

Notes to the financial statements (Contd.)

36. Capital management (Contd.)

B. Dividends

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Dividends recognised		
Final dividend for the year ended 31 March 2018 of INR 7/- (31 March 2017 - INR 6/-) per fully paid share	1,111.67	952.86
For the year ended the directors have recommended the payment of a final dividend of INR 7/- per fully paid equity share (March 31, 2018 - 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	1,111.67

37. 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, unless otherwise stated

Particulars	31 March 2019	31 March 2018
A. Revenue		
Segment revenue		
Building product	91,592.93	87,291.80
Synthetic yarn	22,047.77	17,031.70
Total revenue	1,13,640.70	1,04,323.50

Notes to the financial statements (Contd.)

37. Segment information (Contd.)

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
B. Segment profit		
Building product	12,206.13	13,536.39
Synthetic yarn	2,241.52	801.46
Segment operating profit	14,447.65	14,337.85
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Unallocated corporate expenses	(3,442.30)	(2,586.70)
Unallocated corporate Income	1,024.44	238.54
Operating profit	12,029.79	11,989.69
Finance costs	(1,995.29)	(1,825.76)
Profit before tax	10,034.50	10,163.93
Income tax expense	(3,293.79)	(3,508.21)
Profit after tax	6,740.71	6,655.72

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Segment Assets		
Building product	73,081.00	59,916.44
Synthetic yarn	17,310.33	17,216.51
Unallocated corporate assets	2,220.00	11,320.32
Total assets	92,611.33	88,453.27
Segment liabilities		
Building product	10,406.39	12,188.05
Synthetic yarn	1,308.84	1,140.15
Unallocated corporate liabilities	30,946.09	30,559.00
Total liabilities	42,661.32	43,887.20

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Geographical segment revenue by location of customers		
India	1,07,843.82	99,939.36
Outside India	5,796.88	4,384.14
	1,13,640.70	1,04,323.50

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Geographical segment assets		
India	91,702.22	87,425.76
Outside India	909.11	1,027.51
	92,611.33	88,453.27

Notes to the financial statements (Contd.)

38. Contingent liabilities

The Company has following contingent liabilities as at:

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
(i) Income tax	18.58	6.16
(ii) VAT/CST/Entry tax	225.83	187.76
(iii) Excise duty/Customs duty	229.11	229.11
(iv) Thirty party claims not acknowledged as debts	200.01	-
Total	673.53	423.03

Includes ₹40.61 lakhs (2018 - ₹46.77 lakhs) paid under protest in relation to (ii) and (iii) above.

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of “Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal” and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees’ Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

39. Commitments

(a) 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, unless otherwise stated

Particulars	31 March 2019	31 March 2018
Property, plant and equipment	236.48	1,484.65
Total	236.48	1,484.65

(b) Finance leases

The Company has taken Data Processing Equipments on financial lease as mentioned in Property, Plant and Equipment. The details of the same are as under:

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2019	31 March 2018
a) Outstanding balance of minimum lease payment		
Not later than one year	-	23.21
Later than one year and not later than five years	-	-
Later than five years	-	-
TOTAL	-	23.21
b) Present value of (a) above		
Not later than one year	-	21.16
Later than one year and not later than five years	-	-
Later than five years	-	-
TOTAL	-	21.16
Finance charge	-	2.05

Notes to the financial statements (Contd.)

40. 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. Nagam Krishna Rao (Expired on 25/05/2017)	Director
Mr. Gusti Noria	Director
Mr. V. Pattabhi	Director
Mr. P. Abraham (Resigned w.e.f 11/11/2017)	Director
Mr. P. Srikar Reddy	Director
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
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 roofings Pvt ltd	
g) G Vivekanand family trust	

Notes to the financial statements (Contd.)

40. Related party transactions

Details of transactions during the year where related party relationship existed:

All amounts in ₹ lakhs, unless otherwise stated

Names of the related parties	Nature of Transactions	Year ended 31 March 2019	Year ended 31 March 2018
Mrs. G.Saroja Vivekanand	Remuneration*	548.29	565.52
Mr. G.Vamsi Krishna	Remuneration*	340.48	298.85
Mr. V.Vallinath	Remuneration*	88.27	73.65
Mr. J.Pruthvidhar Rao	Remuneration*	83.99	73.70
Mr. I.Srinivas	Remuneration*	31.09	27.45
Mrs. G.Saroja Vivekanand	Dividend paid	13.59	11.65
Dr. G.Vivekanand	Dividend paid	404.32	346.56
Mr. G.Vamsi Krishna	Dividend paid	0.61	0.52
Mrs. G.Vritika	Dividend paid	0.28	-
Mrs. G.Vaishnavi	Dividend paid	0.28	-
G.Vivekanand Family Trust	Dividend paid	0.01	-
Mr. Bhagirat B. Merchant	Commission and Sitting fees	12.20	8.30
Dr. G.Vivekanand	Commission and Sitting fees	11.12	8.10
Mr. Nagam Krishna Rao	Commission and Sitting fees	-	1.25
Mr. Gusti Noria	Commission and Sitting fees	12.35	8.70
Mr. V. Pattabhi	Commission and Sitting fees	11.70	8.70
Mr. P. Abraham	Commission and Sitting fees	-	5.05
Mr. P. Srikar Reddy	Commission and Sitting fees	10.55	7.90
Mrs. G.Vritika	Interest on Public Deposits	8.25	8.84
Mrs. G.Vaishnavi	Interest on Public Deposits	3.27	2.96
Mr. G.Venkat Krishna	Interest on Public Deposits	6.96	11.43
Mrs. B.L. Sujata	Interest on Public Deposits	1.60	1.45
Mr. Subramanyam Kasinadhuni	Interest on Public Deposits	2.87	0.59
Dr.G.Vivekanand	Loan received	119.56	621.50
	Loan Repaid	147.06	649.00
	Interest paid on Unsecured loan	2.93	16.79
Mrs. G.Saroja Vivekanand	Loan received	648.00	930.00
	Loan Repaid	1,033.00	545.00
	Interest paid on Unsecured loan	19.39	4.02
VIL Media Pvt Ltd	Interest paid on Inter corporate deposits	3.78	27.11
	Inter corporate deposits received	-	850.00
	Inter corporate deposits repaid	390.00	460.00
	Advertising Expenses	314.41	41.30
	Advances paid	141.00	-
V Solar Roofings Pvt Ltd	Advances paid	1.00	-
Visaka Charitable Trust	Contribution towards CSR	37.70	88.26
Ecovav Construction Private Limited	Purchases	218.28	32.60
	sales	7.14	5.58

Notes to the financial statements (Contd.)

All amounts in ₹ lakhs, unless otherwise stated

Names of the related parties	Nature of Transactions	Year ended 31 March 2019	Year ended 31 March 2018
A- Bond Strands Private limited	Handling Charges	10.41	11.38
	Interest on security deposits	1.17	-
	Security deposit received	75.00	-
Mrs. G.Vritika	Public Deposits received	30.00	-
Mrs. G.Vaishnavi	Public Deposits received	2.77	2.51
Mr. G.Venkat Krishna	Public Deposits received	-	6.00
Mrs. B.L. Sujata	Public Deposits received	-	1.27
Mr. Subramanyam Kasinadhuni	Public Deposits received	-	25.00
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.

Details of transactions during the year where related party relationship existed:

All amounts in ₹ lakhs, unless otherwise stated

Names of the related parties	Nature of Balance	Year ended 31 March 2019	Year ended 31 March 2018
Dr. G.Vivekanand	Unsecured Loan Outstanding	-	27.50
Mrs. G.Saroja Vivekanand	Unsecured Loan Outstanding	-	385.00
VIL Media Pvt Ltd	Inter corporate deposits Outstanding	-	390.00
	Advances Outstanding	141.00	-
A- Bond Strands Private limited	Security deposit Outstanding including interest	76.05	-
V Solar Roofings Pvt Ltd	Advances Outstanding	1.00	-
Mrs. G.Vritika	Public Deposits Outstanding	24.34	80.34
Ms. G.Vaishnavi	Public Deposits Outstanding	29.62	26.85
Mr. G.Venkat Krishna	Public Deposits Outstanding	6.00	106.00
Mrs. B.L. Sujata	Public Deposits Outstanding	13.59	13.59
Mr. Subramanyam Kasinadhuni	Public Deposits Outstanding	-	25.00
Mrs. K.Vimala (Nominee of Mr. Subramanyam Kasinadhuni)	Public Deposits Outstanding	25.00	-
Mr. V.Vallinath	Advances Outstanding	1.89	13.26
Mr. J.Pruthvidhar Rao	Advances Outstanding	4.88	14.57
Mr. Srinivas I	Advances Outstanding	4.00	8.39

Notes to the financial statements (Contd.)

41. Earnings per share (EPS)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit after tax ((₹ in lakhs))	6,740.71	6,655.72
Weighted average number of equity shares in calculating Basic and Diluted EPS (Nos in lakhs)	158.81	158.81
Face value per share ₹	10.00	10.00
Basic and Diluted Earnings per Share (EPS) ₹	42.45	41.91

42. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Non-current Assets		
(a) Property, plant and equipment	41,826.91	32,080.33
(b) Capital work-in-progress	115.59	6,902.88
(c) Intangible assets	38.46	77.05
(d) Financial assets		
Investments	0.00	0.00
Other financial assets	45.46	50.50
(e) Other non-current assets	1,364.84	3,472.35
Current Assets		
(a) Inventories	27,243.94	24,179.56
(b) Financial assets		
(i) Trade receivables	15,528.60	15,101.44
(ii) Cash and cash equivalents	1,662.95	1,992.55
(iii) Other bank balances	357.27	299.85
(iv) Loans	-	84.00
(v) Other financial assets	359.94	396.02
(c) Current tax assets (net)	326.26	-
(d) Other current assets	3,741.11	3,816.74
TOTAL	92,611.33	88,453.27

For Price Waterhouse & Co
Chartered Accountants LLP

Firm Registration Number:
304026E/E-300009

N.K.Varadarajan
Partner

Membership Number: 090196

Place: Secunderabad

Date: 3rd May, 2019

Bhagirat B. Merchant

Chairman

DIN: 00375025

Gusti J Noria
Director

DIN: 00015561

V. Pattabhi
Director

DIN: 00200157

Dr. G. Vivekanand

Vice - Chairman

DIN: 00011684

G. Vamsi Krishna
Joint Managing Director

DIN: 03544943

V. Vallinath

Whole-time Director &
Chief Financial Officer

DIN: 06947291

On behalf of Board of Directors

Smt. G. Saroja Vivekanand

Managing Director

DIN: 00012994

J.P.Rao
Whole-time Director

DIN: 03575950

I. Srinivas

Company Secretary &
VP (Corporate Affairs)

CORPORATE INFORMATION

Board of Directors

Shri. Bhagirat B. Merchant

Dr. G. Vivekanand

Shri. V. Pattabhi

Shri. Gusti J Noria

Shri. P. Srikar Reddy

Smt. G. Saroja Vivekanand

Shri. G. Vamsi Krishna

Shri. V. Vallinath

Shri. J. P. Rao

Vice President (Corporate Affairs) and Company Secretary:

Shri. I. Srinivas

Committees of the Board

Audit Committee

Shri. Bhagirat B Merchant

Shri. V Pattabhi

Shri. Gusti J Noria

Smt. G. Saroja Vivekanand

Nomination and Remuneration Committee

Shri. Gusti J Noria

Shri. Bhagirat B Merchant

Shri. V. Pattabhi

Dr. G. Vivekanand

Stakeholders Relationship Committee

Shri. V. Pattabhi

Dr. G. Vivekanand

Smt. G. Saroja Vivekanand

CSR Committee

Shri. Gusti J Noria

Shri. V. Pattabhi

Dr. G. Vivekanand

Smt. G. Saroja Vivekanand

Shri. J. P. Rao

Chairman

Vice Chairman

Director

Director

Director

Managing Director

Joint Managing Director

Whole-time Director and

Chief Financial Officer

Whole-time Director

CIN:L52520TG1981PLC003072

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

'Anasuya', C-66, Durgabhai Deshmukh Colony,

Ahobil Mutt Road, Hyderabad – 500 007.

Bankers:

State Bank of India - Industrial Finance Branch,
Hyderabad.

HDFC Bank - Begumpet Branch, Hyderabad.

IDBI Bank - Specialised Corporate Branch, Chennai

Plants Addresses

1. A.C. Division – Plant 1
Survey No.315, Yelumala Village, R. C. Puram Mandal, Sangareddy District - 502 300, Telangana

2. A.C. Division – Plant 2
Behind Supa Gas, Manickanatham Village, Paramathi, Velur Taluq, Namakkal District, Tamil Nadu - 637 207

3. A.C. Division – Plant 3
Changsole Mouza, Bankibund, G.P.No.4, Salboni Block, Midnapore West, West Bengal – 721 147

4. A.C. Division – Plant 4
Survey No. 27/1, G. Nagenahalli Village, Kora Hobli, Tumkur Taluk & District, Karnataka

5. A.C. Division – Plant 5
Village Kannawan, P.S. Bacharawan, Tehsil: Maharaj Ganj, Raibareli District, Uttar Pradesh – 229 301

6. A.C. Division – Plant 6
Survey No. 385 and 386, Near Kanchikacharla, Jujjuru (Village), Veerula Padu Mandal, Krishna District, Andhra Pradesh – 521 181

7. A.C. Division – Plant 7
Plot No. 2006, 1994, Khata No. 450, At- Paramanapur, Manejwan, Navamunda Village, Sambalpur District, Odisha – 768 200
8. A.C. 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. V-Boards and V-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. V-Boards Division– 2
Gatt No. 262, Delwadi Village, Daund Taluq, District Pune, Maharashtra

12. V-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



VISAKA INDUSTRIES LIMITED

CIN L52520TG1981PLC003072
Registered Office: Survey No. 315, Yelumala Village, R.C. Puram Mandal, Sangareddy Dist. - 502 300, Telangana
Telephone No. 040 – 27813833; email: vil@viska.in; website: www.visaka.co

NOTICE

Notice is hereby given that the 37th Annual General Meeting of **VISAKA INDUSTRIES LIMITED** will be held at the Registered Office of the Company at Survey No.315, Yelumala Village, Ramachandrapuram Mandal, Sangareddy District – 502 300, Telangana at 11.30 A. M. on Thursday, the 27th day of June 2019 to transact the following business:

ORDINARY BUSINESS

1. To adopt the Financial Statement of the Company for the Financial Year Ended March 31, 2019 and reports of Board of Directors of the Company and the Statutory Auditors’ thereon as on that date.

2. To declare Dividend for the Financial Year ended March 31, 2019.

3. To appoint a Director in place of Shri G. Vamsi Krishna (DIN: 03544943) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modifications(s) the following resolution as a Special Resolution.

“**RESOLVED THAT** pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the terms and conditions relating to the payment of remuneration to Smt. G. Saroja Vivekanand, Managing Director as approved by the members at the 32nd Annual General Meeting of the company (previous meeting) be and are hereby ratified and confirmed and for the period from 01.04.2019 to 23.10.2019 Smt. G. Saroja Vivekanand shall be paid remuneration as per the same terms and conditions approved at the previous meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and are hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in

connection therewith or incidental thereto, to give effect to the aforesaid Resolution.”

5. To consider and if thought fit, to pass, with or without modifications(s) the following resolution as a Special Resolution.

“**RESOLVED THAT** pursuant to Sections 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment(s) thereof) read with Schedule V and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendment regulations 2018 thereof, for the time being in force, thereto and subject to such other approvals or permissions as may be necessary, consent of the members of the Company be and is hereby accorded for appointment of Smt. G. Saroja Vivekanand as a Managing Director of the Company effective from October 24, 2019 i.e., from the expiry of her present term of office to October 23, 2024 on the following terms and conditions:

- A) Basic Salary per Month: Smt. G. Saroja Vivekanand shall be paid a basic salary of ₹7,50,000/- (Rupees Seven Lakhs and Fifty Thousand Only) per Month in the scale of ₹7,50,000/- to ₹12,00,000/-.

B) Perquisites & Allowances: In addition to the aforesaid salary, Smt. G. Saroja Vivekanand shall also be entitled to the following perquisites and allowances.

i. Housing: Furnished / unfurnished residential accommodation or House Rent Allowance upto 50% of the salary in lieu thereof. The expenditure incurred on Gas, Electricity, Water and Furnishings, if any will be paid on actual basis by the Company and shall be evaluated as per Income Tax Rules, 1962 or any modification thereof.

ii. Medical Reimbursement/Allowance: Expenses incurred for self and family subject to a ceiling

- of one-month salary in a year or 3 month's salary over a period of three years.
- iii. Leave Travel Concession: For self and family once in a year in accordance with the rules of the Company.
- iv. Club Fees: Fees payable subject to a maximum of two clubs.
- v. Use of Car with Driver: The Company shall provide a car with driver for business use.
- vi. Communication facilities: The Company will provide all communication facilities like Telephone/Internet/Mobiles/Fax at residence of the Managing Director and will pay the bills on actual basis.
- C) Other benefits:
- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not exceeding 27% of Salary.
- ii. Gratuity payable as per the rules of the Company.
- iii. Encashment of Leave at the end of tenure shall be allowed as per the Company Rules.
- D) Commission: In addition to the above, commission be paid to the Managing Director subject to the condition that the total remuneration for each year shall not exceed the overall limit as provided under Section 197 of the Companies Act, 2013 read with schedule V of the Companies Act, 2013.
- RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Smt. G. Saroja Vivekanand, the Company has no profits, or its profits are inadequate, the Company will pay remuneration as per Schedule V of the Companies Act, 2013.
- RESOLVED FURTHER THAT** the Board of Directors or its duly constituted committee be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration including annual increments effective from first day of April in respect of each financial year based on the performance appraisal, provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto."
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, 2020, 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."
7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution/s as Special Resolution:
- "RESOLVED THAT** pursuant to provisions of Section 13 and other applicable provisions, if any of the Act, 2013:
- a) Clause III(A) of the Memorandum of Association of the Company be amended by inserting the following new clause:
- "16. To carry on the business of storage, warehousing, transportation, logistics, handling of all kinds of cargo and other allied supply chain management activities including industrial storage and warehousing, logistic parks and for that purpose, in India or abroad to own, hire, take on lease, setup, construct, establish, develop, acquire, deal-in, lease out any storage or warehousing or logistics infrastructure including industrial warehouses, industrial park(s), logistics park(s), multi modal logistics park(s), infrastructure park(s) and such other related or similar warehousing or logistic facilities and to provide in India or abroad, integrated logistic services as importers, exporters, merchants, wholesalers, distributors, agents, commission agents assemblers, brokers, traders and dealers or otherwise of all kinds of products, goods, articles, merchandise and commodities."
- b) The word "Company" occurring in the existing clause 6 of III(B) of the Memorandum of Association of the company, be substituted with "Company's business"

RESOLVED FURTHER THAT the Board of Directors of the Company or any of its duly constituted committee be and is hereby authorised to do all acts, deeds, matters and things as may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns, etc., as may be necessary, proper, desirable or expedient.

RESOLVED FURTHER THAT the Board of Directors of the Company or any of its duly constituted committee be

and is hereby authorised, to accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other Authority."

By order of the Board
For **VISAKA INDUSTRIES LIMITED**

I SRINIVAS

Date: May 3, 2019 Vice President (Corporate Affairs)
Place: Hyderabad & Company Secretary

NOTES:

1. 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.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty-eight hours before the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Register of members and share transfer Books of the Company will be closed from June 22, 2019 to June 27, 2019 (both days inclusive).
4. The members are requested to –
- a) Intimate changes if any, in their registered addresses at an early date to the Company or its Registrar and Transfer Agents, Karvy Fintech Pvt. Ltd., 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.
- c) Intimate to their respective Depository Participant about changes in bank particulars registered if any, in case members are holding shares in electronic form. The Company or its Registrar and Transfer Agents, Karvy Fintech Pvt. Ltd., cannot act on any request

received directly from such members for any change of bank particulars or bank mandates.

- d) Bring the copy of the Annual Report and attendance slip with them to the Annual General Meeting.

5. If the dividend on shares as recommended by the Directors is passed at the meeting, payment of such dividend will be made to those shareholders or their mandate(s) whose names appear in the Company's register of members as on June 21, 2019.

6. 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 at the meeting.

7. In terms of provisions of Section 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with Notification No. GSR 1267(E) dated 13.10.2017 and circular dated 16.10.2017 of Ministry of Corporate Affairs, New Delhi:

- i. The company has transferred 1,08,968 equity shares to the IEPF authority in respect of which no claim for dividend from the shareholders has been made consecutively for the seven preceding years upto the financial year ended 31.03.2011.
- ii. Details of the aforesaid shares is made available on the website of the Company;
- iii. The aforesaid rules also prescribe procedure for claiming back of the said shares from IEPF Authority.
- iv. Amounts lying in the Unclaimed Dividend account together with shares, if any in respect of Final Dividend for the Year 2011–12 as well as 1st and 2nd Interim Dividends of 2012-13 will be transferred to Investor Education and Protection Fund on or before August

- 8, 2019, September 11, 2019 and December 5, 2019 respectively.
- Accordingly, shareholders who have not claimed Dividend in respect of Final Dividend for the year 2011-12 as well as 1st and 2nd Interim Dividend of 2012-13 accounts are requested to claim the same on or before August 8, 2019, September 9, 2019 and December 5, 2019 respectively.
8. 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.
 9. The business as set out in the Notice will also be transacted through electronic voting system (e-voting facility) and as required the Company is providing the said e-voting facility to all its members. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members along with physical copy of the Notice, those who have not registered their e-mail IDs with the Company / their respective Depository Participants. Those members who have registered their e-mail IDs with the Company/their login ID and password for e-voting along with process, manner and instructions will be sent by an e-mail.
 10. 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.
 11. The Company has engaged the services of Karvy Fintech Private Limited ("Karvy") as the Agency to provide e-voting facility. The e-voting facility will be available at the link <https://evoting.karvy.com> during the voting period as mentioned at point no. 17(x) below.
 12. The members are requested to note that apart from aforesaid e-voting facility, ballot or polling paper will also be made available at the meeting to enable them to exercise their voting rights at the meeting.
 13. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.
 14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested

to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.

15. 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 Karvy, 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.

16. Brief profile of Shri G. Vamsi Krishna, Joint Managing Director liable to retire by rotation and being liable offers himself for reappointment in ensuing annual general meeting of the company, is provided hereunder:

Shri. G.Vamsi Krishna has done his Bachelor of Science from Purdue University, IN, USA and joined the Company as Management Trainee in June 2011. Considering his active role in development of Boards' Division he was appointed as Whole-time Director of the Company, effective from June 1, 2014. He made valuable contributions in increasing the scope of the business of Board's Division in a short span and under his able leadership, the division is contributing significantly to the revenues of the company, pursuant to which, he is re-designated as Joint Managing Director of the Company effective from May 6, 2017. He is holding 12330 shares of the Company. He does not hold any directorships in any other public limited companies.

None of the Directors, Key Managerial Personnel and their relatives except Shri.G.Vamsi Krishna, Smt.G.Saroja Vivekanand, Managing Director and Dr.G.Vivekanand, Vice Chairman of the Company are interested or concerned financially or otherwise, in the resolution.

17. Information and other instructions relating to e-voting are as under:
 - i. As required under the provisions of the Companies Act and listing regulations, the Company is extending facility of voting by electronic means (e-voting facility) to its members enabling 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 of the Meeting ('remote e-voting') or at the venue of the meeting (insta-poll). The insta-poll facility is made available at 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. May 24, 2019 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 dematerialisation 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. May 24, 2019, is requested to contact Karvy to get the details relating to his/her user-id and password. Members may call the Karvy's toll free number 1800-3454-001 or send an email request to e-voting@karvy.com or vil_evoting2019agm@visaka.in
- vi. The Board of Directors of the Company has appointed Mr. B.V.Saravana Kumar, Practicing Company Secretary, Hyderabad as scrutinizer to scrutinize the insta-poll and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed as such.
- 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.co and on the website of Karvy <https://evoting.karvy.com>. The results will simultaneously be communicated to the Stock Exchanges also.
- 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. June 27, 2019.
- ix. Members are requested to note that the remote e-voting will open at 09.00 A.M. (IST) on June 23, 2019 and shall remain open till 05.00 P.M. (IST) on June 26, 2019 and the remote e-voting module will be disabled by Karvy after 05.00 P.M. on June 26, 2019.
- x. The procedure and instructions for remote e-voting are as follows:
 - a. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
 - b. Enter the login credentials (i.e. User ID & Password) provided to you as mentioned at point No.9 supra.

- c. Please contact Karvy's toll free No. 1800-3454-001 for any further clarifications.
- d. After entering these details appropriately, click on "LOGIN".
- e. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through Karvy Fintech Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID, etc., on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. You need to login again with the new credentials.
- g. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- h. If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and cast your vote earlier for any company, then your existing login id and password may be used.
- i. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder does not want to cast his vote, select 'ABSTAIN'.
- j. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- k. Once you 'CONFIRM' your vote on each of the resolutions, you will not be allowed to modify your vote.

l. During the voting period, members can login any number of times till they have voted on the Resolution(s).

m. Corporate/Institutional Members (Corporate/FIs/ FIs/Trust/Mutual Funds/Banks, etc.) are required to send a scanned (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to vil_evoting2019agm@visaka.in with copy to evoting@karvy.com. The file scanned image of

the Board Resolution should be in the naming format "Corporate Name_ Event no."

n. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

o. Voting should be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

p. Once the vote(s) on a resolution(s) casted by a member, the member shall not be allowed to change it subsequently or cast the vote again.

ANNEXURE TO THE NOTICE

STATEMENT AS REQUIRED UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 4 and 5:
Smt. G. Saroja Vivekanand is a promoter and has been on the Board of the company since January 2003. She has been the Managing Director of the company since October 24, 2009.

In 32nd Annual General Meeting of the Company, she was appointed as the Managing Director for the present term i.e., October 24, 2014 to October 23, 2019, the terms and conditions of which were approved by the members through an ordinary resolution passed thereat. As per the said terms and conditions, she is entitled to a commission in addition to fixed monthly salary, subject to the condition that the total remuneration for each year shall not exceed the overall limit as provided under Section 197 of the companies act read with Schedule V thereto, which is currently 5% of the net profits of the company.

During her stint as the Managing Director of the company near about a decade, Smt. G. Saroja Vivekanand dealt with various key operations and her wide exposure encompassing entire spectrum of functioning of the company in all facets, enabled the company to grow continuously scaling new heights. Keeping in view her contributions over the years, the Board of Directors, based on the recommendations of Nomination and Remuneration Committee, are proposing to appoint her as the Managing Director of the Company for a period of five years effective from October 24, 2019, i.e., from the expiry of the present term of office, up to October 23, 2024.

Smt. G. Saroja Vivekanand, aged about 53 years holds a Bachelor's Degree in Arts. She also worked as the chairperson for the INDIAN WOMAN NETWORK (IWN) for the combined

states of Telangana and Andhra Pradesh for the period between 2014-2016. IWN is the woman wing of CII (Confederation of Indian Industries) which is a non-government, not-for-profit, industry-led and industry-managed organization.

Smt. Saroja Vivekanand is one of the founder trustees of Visaka Charitable Trust which was started in the year 2000 with two verticals i.e. provision of water for irrigation and education in the rural areas. The trust has taken several initiatives to help the underprivileged in the area of education and also provides irrigation facilities in rural villages.

She is a Director on the Board of Visaka Thermal Power Limited and also hold directorships of other private companies. She holds 194139 equity shares in the Company and is relative of Dr. G.Vivekanand, Vice Chairman and Shri. G.Vamsi Krishna, Joint Managing Director.

In terms of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (SEBI Amendment Regulations), effective from 01.04.2019, the aggregate annual remuneration payable to executive directors who are promoters or members of the promoter group, requires the approval of the shareholders by way of special resolution, in case such remuneration exceeds 5% of the net profits of the company.

The terms and conditions of present term of appointment relating to Smt. G. Saroja Vivekanand, Managing Director and Shri G. Vamsi Krishna, Joint Managing Director, as approved by the members of the company, contemplates to pay the aggregate annual remuneration exceeding 5% of the net profits

of the company to them. While, the terms and conditions that of Joint Managing Director are approved by the members by way of special resolution in 35th Annual General Meeting, that of Smt. G. Saroja Vivekanand, as already stated above, are approved by way of an ordinary resolution as per the provisions of Companies Act. In order to enable the company to meet the requirements of the said SEBI Amendment Regulations as to passing of special resolution effective from April 1, 2019, it is proposed to ratify the earlier approved terms and conditions of her appointment for the period from 01.04.2019 to 23.10.2019, by passing a special resolution as set out at item No.4 of the Notice.

In terms of provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V thereto and SEBI Amendment Regulations, appointment of Smt. G. Saroja Vivekanand as Managing Director for a period of 5 years from October 24, 2019 to October 23, 2024, in accordance with the terms mentioned in the resolution as set out at item no.5 of the Notice requires the approval of Members by way passing special resolution. The appointment shall be subject to the superintendence, guidance and control of the Board of Directors.

None of the Directors, Key Managerial Personnel and their relatives except Smt. G. Saroja Vivekanand, Dr. G. Vivekanand, Vice Chairman and Shri. G. Vamsi Krishna, Joint Managing Director of the Company are interested in the resolutions 4 and 5 as set out in the Notice.

The Board of Directors in the interest of the Company, commends the aforesaid resolutions for approval of the members.

Item No. 6
As per 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, in its meeting held on May 3, 2019 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 ₹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, 2020.

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.

Item No.7
The company is presently engaged in the business of manufacture and distribution of building products i.e., AC Sheets, Fibre Cement Boards and panels, ATUM and spun yarn. With a view to enable the company to tap the potentiality of vacant lands situated in and around various manufacturing units, it is proposed to venture into activities like setting-up of storage, warehousing and logistics related infrastructure and undertaking business related thereto.

The business activities as proposed in the amended objects clauses can be undertaken conveniently and advantageously with the resources available with the company like land, etc., and to enable the company to undertake the said business, it is proposed to amend the objects clause of the memorandum of association of the company.

In terms of section 13 of the companies act, 2013 read with first proviso to Rule 16 of the companies (Management and Administration) Rules, 2014; the amendment of object clause as set out at Item No. 7 of the Notice (hereinafter 'resolution') requires the approval of members by way of special resolution.

None of the directors, key managerial personnel of the company is deemed to be concerned or interested in the aforesaid resolution.

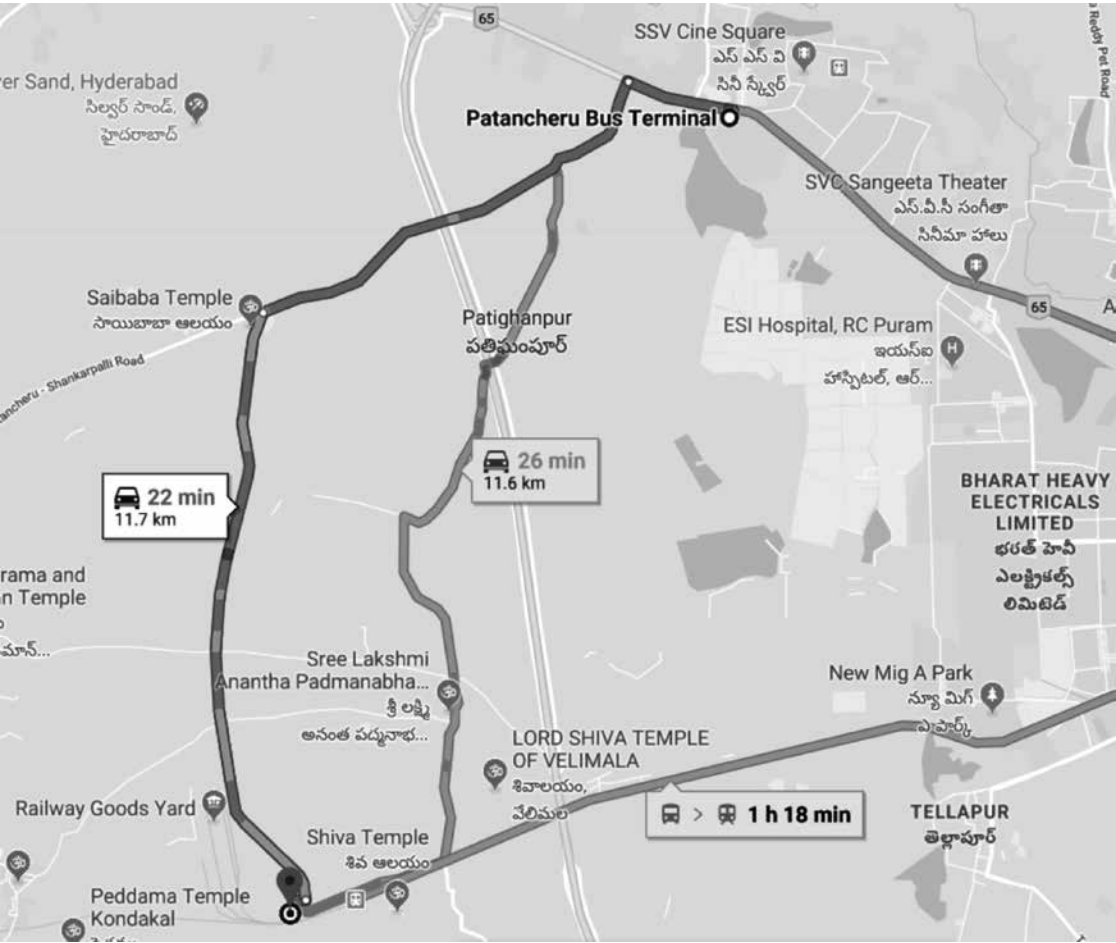
The Board of Directors in the interest of the Company, commends the resolution for approval of the members.

By order of the Board
For **VISAKA INDUSTRIES LIMITED**

Date: May 3, 2019
Place: Hyderabad

I SRINIVAS
Vice President (Corporate Affairs)
& Company Secretary

Route Map





www.visaka.co

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