



Perseverance

VISAKA INDUSTRIES LIMITED®
ANNUAL REPORT 2013-14



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 realised, although we believe we have been prudent in our 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.

CONTENT

02	Corporate identity	04	Our performance	07	Our competitiveness
08	Managing Director's review	10	Divisional analysis	18	Risk management
19	Directors' Report	27	Corporate Governance Report	34	Financial statement
64	Corporate Information	66	Notice		

WHERE PEOPLE SEE CHALLENGES, VISAKA PREFERS TO PERCEIVE OPPORTUNITIES.

WHILE PEOPLE WAIT FOR THINGS TO GET BETTER, VISAKA WOULD RATHER PROACTIVELY INVEST IN REINFORCING ITS BUSINESS.

SO EVEN AS REALISATIONS REMAINED LOW AND DEMAND STAYED SUBDUED DURING A CHALLENGING FY14, VISAKA SELECTED TO MAKE THREE TIMELY INVESTMENTS.

ONE, TOWARDS ENHANCING CONSUMER AWARENESS ABOUT CEMENT ASBESTOS PRODUCTS. ANOTHER IN A 72,000 TPA FIBRE CEMENT PLANT. AND FINALLY, IN A 2.5 MW SOLAR POWER PLANT.

THESE INVESTMENTS WERE DONE WITH THE OBJECTIVE TO BE IN THE RIGHT PLACE WITH THE RIGHT CAPACITY AT THE RIGHT TIME WHEN DEMAND REBOUNDS.

ONE COMPANY. TWO BUSINESSES.

OVER THE YEARS, VISAKA INDUSTRIES HAS INVESTED IN TWO DIVERSE SECTORS - BUILDING PRODUCTS AND TEXTILES.

WITHIN THE BUILDING PRODUCTS SEGMENT, THE COMPANY HAS INVESTED IN A VARIETY OF PRODUCTS.

WITHIN THE TEXTILE SEGMENT, THE COMPANY DELIVERS A RANGE OF SYNTHETIC YARNS.

WITH THE OBJECTIVE TO REMAIN COMPETITIVE AT ALL TIMES.

ABOUT US

Visaka Industries Limited (established 1985) is engaged in two businesses – building products (cement asbestos products and fibre cement flat products like V-Boards and V-Panels) and textiles.

LISTING

The equity shares of Visaka Industries Limited are listed on the Bombay and National Stock Exchanges.

The Company enjoyed a market capitalisation of ₹115.60 crore (March 31, 2014). The promoters held 37.65% of the Company's equity share capital.

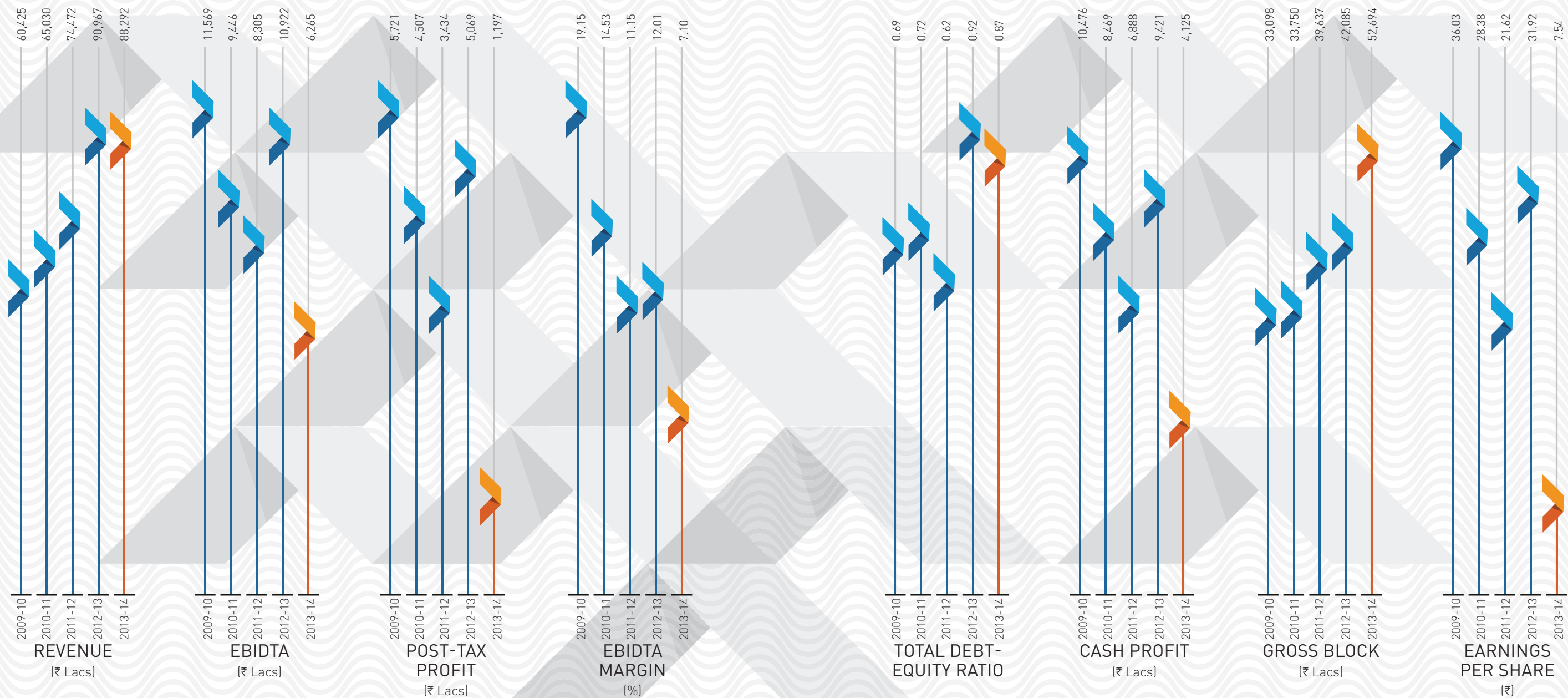
PRESENCE

The Company's corporate office is located in Hyderabad. Its manufacturing facilities are spread across 11 locations supported by nine marketing offices.

PRODUCTS

Products	Manufacturing facility	Cumulative installed capacity (March 31, 2014)
Cement asbestos products	Patancheru (Andhra Pradesh)	7,52,000 MT
	Vijayawada (Andhra Pradesh)	
	Paramathi (Tamil Nadu)	
	Tumkur (Karnataka)	
	Midnapur (West Bengal)	
	Rae Bareli (Uttar Pradesh)	
	Pune (Maharashtra)	
	Sambalpur (Odisha)	
Fibre cement flat board products	Miryalguda (Andhra Pradesh)	1,29,750 MT
	Daund (Maharashtra)	
Textiles	Nagpur (Maharashtra)	31 MTS M/CS

OUR PERFORMANCE



FINANCIAL HIGHLIGHTS, 2013-14

REVENUES

BUILDING PRODUCTS DIVISION

This segment reported revenues worth ₹705 crore and contributed 80% (82% in 2012-13) to the Company's overall revenues.

TEXTILE DIVISION

This segment reported revenues worth ₹178 crore and contributed 20% (18% in 2012-13) to the Company's overall revenues.

PRODUCTION

BUILDING PRODUCTS DIVISION

- Production declined 19.5% for the cement asbestos segment with a capacity utilisation of 80% (99% in 2012-13).
- Production of V-Boards and V-Panels grew by 23%.

TEXTILE DIVISION

Yarn production grew 9% to 8,614 tonnes (7,897 tonnes in 2012-13) with a capacity utilisation of 96% (95% in 2012-13).

SALES

BUILDING PRODUCTS DIVISION

- Sales volume declined by 6% for the cement asbestos segment.
- Sales volume for V-Boards and V-Panels grew by 21% and 26% respectively. Exports of fibre cement grew by 16%.

TEXTILE DIVISION

Domestic sales grew by 12% to 6,913 tonnes of yarn (6,158 tonnes in 2012-13) while exports stood at 1,609 tonnes (2,094 tonnes in 2012-13).

OUR COMPETITIVENESS

DIVERSIFIED PRODUCT LINES

By definition, a corporate that focuses on a narrow range of products will only have access to a limited number of customers. Keeping this in mind, Visaka established its presence along multiple products and service lines (building products and synthetic blended yarn).

WIDESPREAD MARKET PRESENCE

The Company addresses a range of customers - from rural Indians who buy cement asbestos sheets to global institutional customers who buy yarn to individual-cum-institutional customers who buy fibre cement flat products (V-Board and V-Panels).

CAPITAL COST PER TONNE

The Company has invested in production capacities in markets with incipient demand and aims to capitalise on attractive equipment prices. The result is that the Company possesses one of the most competitive cement asbestos capacities in India (expressed in one of the lowest capital costs per tonne within its sector).

RICH MANAGEMENT BANDWIDTH

The Company's management possesses a unique combination of experience and stability. Moreover, a majority of the senior managerial personnel has been with the Company for more than 15 years. With a keen emphasis on entrepreneurship, the senior management chalks out annual business plans, sets targets (revenues and profits) and defines employee responsibilities.

CUTTING-EDGE TECHNOLOGICAL PLATFORM

The Company has reconciled global technology with unskilled labour across each of its businesses. Its fibre cement plants are fully-automated; its yarn manufacturing units use state-of-the-art twin air jet spinning technology (Murata).

VALUE-ADDED

The Company has ventured into the manufacture of value-added customised yarn varieties that are relatively insulated from price-based competition. The efficacy of this strategy has been vindicated through enduring customer relationships.

MANAGING DIRECTOR'S REVIEW

“DURING A CHALLENGING YEAR, WE INVESTED IN OUR BUSINESS TO CAPITALISE ON THE INDUSTRY REBOUND.”

Dear shareholders,

The year 2013-14 proved challenging for the Indian economy with GDP growth staying below 5% for the second successive year.

This weak growth was marked by high food inflation, low industrial investments, weak consumer sentiment and a volatile rupee.

The result was that rural consumers – the principal market for the Company's cement asbestos products, its largest revenue source – possessed lower disposable incomes with little purchasing power. With more than 78 million rural homes still not electrified and around 33% of the population (268 million) living on less than \$1 per day, demand was bound to be adversely affected.

As an extension of these realities, the Company's performance was affected. Visaka reported a 3 per cent decline in its topline of ₹892.10 crore in FY 14 (₹915.60 crore in FY13) and a lower profit after tax of ₹11.96 crore (₹50.68 crore in the previous year).

COUNTERING CHALLENGES

The cement asbestos business, which contributed 75% to the Company's revenues in 2012-13, reported sluggish demand leading to a nationwide oversupply. This brought

down realisations by 4 per cent from their erstwhile peak levels. Moreover, as the rupee weakened and increased the landed cost of raw materials, which could not be passed on to the end-customers. The Company reported a decline in average capacity utilisation from 99% to 80%. Eight cement asbestos plants in the industry were compelled to cease production.

Besides, India's cement asbestos industry encountered a growing threat from the increased offtake of meta-colour roofing sheets. These coloured sheets were preferred by customers on account of their aesthetics, which carved out a sizeable chunk of the market, which was earlier occupied by cement asbestos sheets.

The country's cement asbestos sector is gearing to respond to this reality and expects to reverse this trend by projecting the relative disadvantages of steel sheets, thereby proving that cement asbestos sheets continue to be the most functionally efficient and economically apt rural roofing solution.

STRENGTHENING THE BUSINESS

Over the last few years, Visaka Industries has utilised every industry downtrend as an opportunity to strengthen its business. The last

financial year was no exception; the Company selected to commission a new plant for the manufacture of 72,000 MT of non-asbestos flat boards. Besides, the Company integrated backwards by setting up a 2.5 MW solar power plant with the aim of curtailing its energy costs and strengthening its competitiveness.

Commissioning of a new unit:

The Company's first non-asbestos boards plant at Miryalguda reported a profit for the first time since being commissioned two years ago. This was a result of rising product awareness and operational streamlining on the part of Visaka. The Company is buoyant regarding the prospects of this business as non-asbestos flat boards (V-Boards) and sandwich panels (V-Panels) find growing acceptance in India in line with trends visible in other countries.

In view of this optimism, the Company commissioned a new non-asbestos fibre cement flat sheet plant in Daund (Pune) in October 2013. This expansion made Visaka the second largest player (capacity) in India. The ₹95 crore project was funded through bank borrowings (₹68.70 crore) and accruals (₹26.30 crore). The production and sale from this unit is yet to scale up, even as the Company proactively absorbed a high depreciation and interest costs for this unit during 2013-14.

Solar power plant: The Company established a 2.5 MW solar power plant at its first non-asbestos boards plant in Miryalguda at a cost of ₹22 crore, which was funded through accruals. This unit is expected to address 40% of the power requirements of the Miryalguda and Vijayawada plants (cement asbestos plant), helping the units tide over power outages and countering the cost of alternate power during such shutdowns. This plant is expected to start operations from May 2014 and is expected to generate 40 lac units annually with a projected eight year payback.

Cost-effective: The Company embarked on a number of initiatives to cut operational expenditure. As a means to this end, the Company widened its business without any manpower accretion and moderated its cement asbestos sheet inventory to moderate holding costs.

Strengthening spinning performance:

The Company's spinning division strengthened its competitiveness, growing revenues by 8% following a favourable industry scenario, which is expected to continue in 2014-15.

WAY AHEAD

The management of Visaka Industries wishes to assure all its stakeholders that it has been through such

demand declines in the past and has lived to fight another day.

The cement asbestos division is expected to perform better in the face of a stronger rupee. Besides, cement and fly ash prices (raw materials) are expected to remain flat. Freight costs are expected to remain stable. The increase in power costs would be offset by the Company's solar power plant.

The performance of the Company's non-asbestos division is also expected to revive. Exports accounted for 25% of this division's production and this is expected to grow too. The Company is investing in educating carpenters, architects, interior designers, project consultants, dealers and distributors with the expectation of enhancing offtake and turning this division around by 2015-16.

In view of these initiatives, the Company is optimistic of capitalising on the sectoral rebound over the foreseeable future.

Sincerely
Smt. G. Saroja Vivekanand
Managing Director

1

DIVISIONAL ANALYSIS

BUILDING PRODUCTS
DIVISIONSEGMENTAL
COMPETITIVENESS

High rank: The Company was the seventh largest cement asbestos product manufacturer in India in 1996; it is the second largest today.

Shopfloor efficiency: The Company's shopfloor efficiency ensured that the products met the stringent ISI guidelines. Moreover, the Company's manufacturing plants consumed the lowest electricity per tonne.

Organised distribution: The Company possessed a strong distribution network comprising over 6,000 retailers (rural and the semi-urban markets). It derived 85 % of its sales from these markets while the rest was derived from institutional sales, governmental agencies, industries and poultry farms. The Company leveraged its superior marketplace knowledge by distributing directly to retailers as opposed to the conventional distributor-retailer model.

Market share: The Company's Visaka and Shakti brands enjoyed favourable recall across India's organised cement asbestos market.

Fabrication capability: The Company's rich engineering

competence was reflected in its ability to design and fabricate cement asbestos manufacturing equipment for six of its eight plants, helping keep capital costs considerably below the industry benchmark and by reducing project commissioning time.

Pervasive presence: The Company's cement asbestos product manufacturing facilities are dispersed nationally - four in Southern India, one in Northern India, two in Eastern India and one in Western India - thereby ensuring that regional needs are adequately addressed.

De-risked product mix: The Company's building products division comprises fibre cement boards (non-asbestos) used in urban and semi-urban interiors, giving us the opportunity to expand our customer base and grow the business.

Advanced technology: Visaka's fibre cement plant with cutting-edge automation ensures qualitative consistency.

Superior quality: The Company's fibre cement plant was certified by ISI. The V-Board division was invested with state-of-the-art HPSC technology conforming with ISO 14862-2000 compliances.

INSTALLED CAPACITY

CEMENT ASBESTOS
PRODUCTS
7,52,000 TPA

FIBRE CEMENT
SHEETS-V-BOARDS
1,20,000 TPA

FIBRE CEMENT
SHEETS-V-PANELS
9,750 TPA

80%

Revenue contribution,
2013-14

CEMENT ASBESTOS PRODUCTS



The Company's building products segment was dominated by cement asbestos products (89% of the segmental revenue). The other segmental products comprised flat products like V-Boards and V-Panels.

The Company possessed 7,52,000 TPA of installed capacity for cement asbestos products. The Company retained its position as the second largest cement asbestos product manufacturer in India with a 17% market share.

The Company delivered superior load-bearing capacity which was higher when compared with the recommended standards. It bolstered its outdoor advertising campaign, influenced decision-makers, marketed the 'perfect shelter' concept and ensured that retailers were



71%

Revenue contribution, 2013-14

7,52,000 TPA

Capacity installed



adequately stocked. The division engaged in periodic dialogues with customers, architects, government engineers and farmers to access feedback and generate awareness.

HIGHLIGHTS, 2013-14

- The division's revenue stood at ₹62,901 lac against ₹68,420 lac in 2012-13.
- Capacity utilisation was 80% (99% in the previous year) owing to sluggish product offtake.
- The Company highlighted superior product attributes to customers.

OPPORTUNITIES

In India, the offtake of cement asbestos products is largely influenced by rural incomes and how competitively priced the product is compared to alternative materials.

Cement asbestos products represent a convenient intermediate roofing product in rural and semi-urban India. The product's scope is

highlighted by the fact that nearly half the country's rural population lives in kutcha or semi-pucca dwellings, which would need to be graduated to organised homes when disposable incomes increase. The sector's attractiveness is indicated by its size: 68% of India's population is rural, translating into a market of around 83 crore consumers, with a huge rural housing shortage. As per the 2011 census, 59.7% of the houses in India were classified as pucca, 28.06% as semi-pucca and 12.24% as kutcha. Among pucca houses, less than half used RCC slabs; the rest used ready-house roofing products (fibre cement roofing and metal roofing). Interestingly, the cost of a pucca roof using fibre cement roofing was only a third of the cost of a RCC ceiling slab.

OUTLOOK

Following focused communication, the Company expects to revive the demand for this product.

ADVANTAGES OF CEMENT ASBESTOS SHEETS

Durability: Asbestos fibre when mixed with cement increases product longevity. For example, asbestos cement roof sheets last an average of 50 years, longer than other sheeting materials (wood and plastic).

Inexpensive: Cement is fairly inexpensive construction material. The real cost lies in the additive material known to increase the strength of the concrete, which leads to a cheaper construction piece (wall sheet or pipe) but with the same durability.

Fireproof: Asbestos fibres are resistant to fire and chemical damage. Asbestos doesn't burn, so using asbestos cement in areas prone to fire (electrical components or in commercial buildings with high heat sources) is considered safe.

FIBRE CEMENT SHEETS (NON-ASBESTOS) – V-BOARDS AND V-PANELS



The Company's building products division manufactures flat products like V-Boards and V-Panels.

The Company possesses an installed capacity of 1,20,000 MT of V-Boards (Fibre cement flat sheets) and 9,750 MT of V-Panels. The Company proactively commissioned a 72,000 TPA plant at Daund (Pune) during the year under review to address growing product demand. As a result, the Company possesses the second largest fibre cement sheet capacity in the country.

In the last few years, the use of flat products (V-Boards and V-Panels) increased on account of a superior price-value proposition over alternatives. A shift in application



9%

Revenue contribution, 2013-14

1,29,750_{TPA}

Capacity installed

25%

Sales increase, 2013-14



from plywood, particle boards and MDF boards to cement fibre sheets could catalyse demand leading to increased onward use in interiors, partitions, panelling, door panels and mezzanine flooring, among others.

V-BOARDS

The Company established its V-Board business in May 2008. The products are buoyed with HPSC technology conforming to ISO 14862-2000 norms. The offtake of cement bonded boards grew following enhanced product awareness, shift from timber products (due to advantages of fire, water and termite resistance over plywood and particle boards), higher affordability, low maintenance

costs, low erection cost, greater functionality, easy transportability (rather than having to be mixed on-site) and safety in seismic zones.

HIGHLIGHTS, 2013-14

- Revenue grew from ₹5,318 lac in 2012-13 to ₹6,619 lac.
- The Company's second unit was commissioned in October 2013, reinforcing the Company's position as a sectoral leader.

V-PANELS

Visaka possesses an installed capacity of 9,750 TPA. The Company's customers for V-Panels comprise GMR Group, Punj Loyd,



Shapoorji Pallonji, Soma Enterprises, TCS, Gujarat Ambuja port, Eenadu Group, Coastal Projects, Uranium Corporation and Larsen & Toubro, among others.

The product is increasingly preferred for the following reasons:

- This non-asbestos product is ideal in interiors (created using cement, fly ash and polystyrene beads).
- The product is positioned as a dry wall substitute and ideal in disaster-prone areas, low on maintenance, space-efficient and ideal wherever real estate is expensive.
- The product is lighter than bricks, quicker to erect, matches wall

strength and axial load. The product is preferred on account of its superior size-weight ratio and dry wall concept.

- The product is labour-efficient and can be erected by few individuals and reused across locations.

HIGHLIGHTS, 2013-14

- Increased production from 7,514 MT in 2012-13 to 9,176 MT in 2013-14.
- Increased sales from 6,875 MT in 2012-13 to 8638 MT in 2013-14.
- Grew revenues from ₹990 lac in 2012-13 to ₹1,247 lac; EBITDA stood at ₹94 lac in 2013-14 against ₹61 lac in 2012-13.

2

DIVISIONAL ANALYSIS

TEXTILE DIVISION

Visaka Industries diversified into the manufacture of synthetic yarn in 1992. Its textile division manufactures yarns using state-of-the-art twin air jet spinning machines (Murata, Japan) with 31 MTS machines (equivalent to 55,000 ring spindles) where yarn quality is superior to conventional ring frame yarn.

MANUFACTURING CAPABILITIES

Visaka invested in the world's largest double yarn manufacturing plant based on twin air jet spinning. The unit developed mélange yarns, grindle yarns, high twist yarns and specialty yarns with different blend styles.

The unit is the largest global facility using Murata equipment, reporting one of the highest efficiencies. A strong procedural control translated into Visaka being bestowed with an ISO certification as early as in 1995 and Star Export House status in 2008. Visaka's yarns are environment-friendly and are certified as per the demanding OEKO-TEX standards.

The Company's air-jet yarns are marked by low pilling, no singeing, excellent dye pick-up, low picks per inch, low weaving cost, low value loss/ fresher piece length, perspiration absorption, low shrinkage and

smooth appearance value.

SEGMENT COMPETITIVENESS

Value-added: The Company manufactures value-added yarn, enjoying some of the highest margins in its segment.

Engineering excellence: The Company produced dyed yarns at a speed higher than the equipment manufacturer's recommendation.

Large scale: The Company enjoys attractive scale; it possesses the single largest twin airjet equipment installation in India and one of the biggest such installations in the world.

Best-in-class quality: The Company's products figure in the top five percentile of Uster-standards in the world.

Niche presence: The Company selected to specialise in the niche segment of a commodity business (polyester spun yarns as well as products from 30s to 76s counts - double yarn) to cater to discerning customers.

Benchmarked productivity: The Company's twin airjet productivity is identified as a benchmark by machinery manufacturers (Murata, Japan).

TWIN AIRJET SPINNING
POSITIONS
CAPACITY INSTALLED
2,032

SALES INCREASE,
2013-14
8%

20%

Revenue contribution,
2013-14



Reputed clientele: The Company's domestic textile clients comprise brand-enhancing names like Grasim Industries, Siyaram Silk, S. Kumar Nationwide, Shreekar Polyester, Puneet Syntex, Anand Silk Mills, G.M. Knitting Industries, D. C. Textiles, Kalpesh Synthetics and Raj Rajendra Industries, among others.

Environment-friendly processes: Visaka's yarns are environment-friendly and OEKO-TEX-certified. The Company's stringent adherence with quality processes resulted in it receiving the ISO certification.

HIGHLIGHTS, 2013-14

- Revenues grew from ₹16,493 lac in 2012-13 to ₹17,813 lac while EBIDTA stood at ₹2,833 lac in 2013-14 (₹2,219 lac in 2012-13).

- Average realisations increased from ₹200 per kg in 2012-13 to ₹209 per kg in 2013-14.

- Over 19% of the division's production was exported to value-added fabric makers (used in sun umbrellas, venetian blinds, table linen and automotive fabrics).

OUTLOOK

The Company expects to maintain stable growth, enhancing the production of specialty and value-added yarns.

The global textile and apparel industry is undergoing sweeping changes resulting in a growing usage of textiles in diverse areas. As per the *Global Textile and Apparel Industry: Vision 2015*, the world textile and

apparel trade is expected to grow from 24 MMT to 105 MMT by 2020; polyester is expected to comprise 68% of the global demand growth.

The Indian textile and apparel sector is expected to attain a market size of US\$ 220 billion by 2020 with an annual growth rate of 11%. As per the Federation of Indian Chamber of Commerce and Industry (FICCI), India's textile exports are expected to rise from US\$ 21 billion in 2012 to US\$ 145.6 billion by 2023.

India stands to improve its share of the global textile and apparel trade from 4.5% to 8% and in doing so, reach a US\$ 80 billion size by 2020. The country is poised to enhance its share of the global polyester market from 8% to 10%.

PROTECTING OUR BUSINESS AND MANAGING OUR RISKS



Building products

1 CREATING AWARENESS

Against the general perception that cement asbestos products are harmful, the Company has created a brand around safety. In India, the quantum of fibre used in asbestos is only 8%, which is not harmful. Besides, the Company uses white fibre in place of the banned carcinogenic blue fibre. Moreover, the free-floating asbestos used by the Company is well below the 0.1 fibres/ml of air mark fixed by the Ministry of Environment. The Company's ongoing audit ensures a safe workplace for employees.

2 ENSURING REGULAR SUPPLY

Erratic fibre supply can affect production. Based on its production plan, the Company enters into annual contracts leading to predictable supply. The Company addresses its requirement through imports from three countries (Russia, Brazil and Canada), reducing risk of a singular dependence on any one country.



Textile business

1 VALUE-ADDITION

The Company targeted niche value-added products accounting for 12% of textile revenues.

2 COST REDUCTION

The Company altered inputs, reduced costs, strengthened realisations and enhanced product

3 CLOSER TO THE CUSTOMERS

The Company believes in servicing consumers within a radius of 500 kms from its manufacturing plants. The greater the distance between the production plant and distribution centre, the higher the freight and possibility of trans-shipment breakage. The Company commissioned plants in regions with inadequate supplies. Each of the Company's plants covered exclusive marketing zones to maximise national coverage.

4 MANAGING CURRENCY FLUCTUATIONS

An in-house committee proactively handled hedging policy as the fibre requirements were met through imports, thereby managing the Company's exposure to forex volatility. The Company enjoyed a natural import hedge as much of its yarn and part of its V-Boards output was exported.

quality to counter a probable increase in input prices.

3 CASH-RICH

While several textile businesses are high on debt, the Company invested accruals towards growing its textiles business.



DIRECTORS' REPORT

(Section 134 of the Companies Act, 2013 is notified effective from 01.04.2014 which deals with the Boards' Report. However, pursuant to issue of General Circular No.8/2014 dated April 4, 2014 by the Ministry of Corporate Affairs, disclosures under this report are made as per provisions of Section 217 and other relevant rules applicable under the Companies Act, 1956.)

To,
The Members,
Visaka Industries Limited

Your Directors are pleased to present the 32nd Annual Report of the Company with Audited Financial Statement. The financial highlights are as follows:

Particulars	(₹ in lakhs)	
	2013 - 2014	2012 - 2013
Total Revenue	89746	91816
Profit for the year before taxation	1880	7464
Provision for taxation	683	2395
Profit for the year after taxation	1197	5069
Balance brought forward from previous year	1040	1083
Profit available for appropriation	2237	6152
Dividend on Equity Share Capital	397	953
Corporate Dividend Tax	68	159
Transfer to General Reserve	600	4000
Balance carried to Balance Sheet	1172	1040

DIVIDEND

Your Directors recommend payment of Dividend of ₹2.50 (i.e. 25 %) Per Share of ₹10/- each for the Financial Year ended on 31st March, 2014. The Company is absorbing Corporate Dividend Tax of ₹67.48 lakhs on the Equity Dividend and the Dividend declared and paid this year is not taxable in the hands of Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company is in the Business of Manufacture and Sale of Cement asbestos Sheets, V – Boards (Fiber Cement Sheets), Panels and Spinning Yarn.

A. BUILDING PRODUCTS

i. Cement Asbestos Business:

Industry Structure and Developments:

This industry exist in India for the last 80 years.

Cement Asbestos Products continue to be in demand because of the efforts made in making inroads into rural markets for the product, its affordability, and other qualities such as corrosion resistance, weather and fire proof nature.

Currently there are about 20 entities in the Industry with about 68 manufacturing plants throughout the Country. The products are marketed under their respective brand names mainly through dealers for the retail segment and directly for projects and government departments.

Opportunities and Threats:

Cement asbestos Sheets are mainly used as roofing materials in rural and semi-urban housing and by industries and poultry sector.

Cement asbestos Sheets are popular as they are inexpensive; need no maintenance and last long when compared to competing products such as thatched roofs, tiled roofs and



galvanized iron sheets.

According to the information gathered by us, almost 75 - 80% of rural people use thatched roof/tiles for the shelter. Thatched roof need regular replacement and tiled roof needs continued maintenance. Therefore, whenever the economic conditions improve, the first choice of the rural poor to replace the roof over their head is the affordable and relatively durable product Cement asbestos Sheets. Therefore, we see increased potential for usage of Cement asbestos Sheets in rural areas.

Presence of increased alternative products in the recent past has created some impact on the sales volumes of this product.

Risks and Concerns:

Lack of entry barriers: Lack of entry barriers is attracting new entrants into this line of business. Closure of Canadian and Zimbabwe asbestos mines are matter of concern.

Increase in input costs: The continuous increase in cost of inputs is a matter of concern.

Activities of Ban Asbestos Lobby: The activities of the Ban Asbestos Lobby instigated by the manufacturers of substitute products continue to be a matter of concern.

Production and sales Volumes:

As against a production of 743624 tonnes during the previous year, the production during the Financial Year ended 31st March, 2014 was 599011 tonnes. The sales during the Financial Year Ended on 31st March, 2014 was 640184 tonnes as against 683008 tonnes sold during the Financial Year 2012 – 2013 recording a decrease of 6%.

Financial Performance:

The net turnover of Cement asbestos Division during the year was ₹629 crores as compared to ₹684 crores during the previous year, due to overall economic slowdown and availability of alternative products at competitive price.

Outlook:

Due to slow down of economy, market has not improved and alternate products have made some inroad in to the market. However, news that is coming suggest that bottoming out of economic slow-down is taking place. Hence, we may expect improved performance in the near future.

ii. Boards:

Industry Structure and Developments:

The Capacity of the Industries producing same or similar product is 396000 Metric Tonnes per Annum with totally 8 players.

Opportunities and Threats:

The product is environmental friendly, saves time and cost effective as well as a good substitute for wood and helps in reducing deforestation. It has aesthetics appeal and can take paint of choice. It can be used both internally and externally. It is also durable and can stand for over 25 years or more with proper maintenance. Further, it has Triple advantage of Fireproof, Water resistant and termite resistant. It is being widely accepted in residential Segment, especially wet areas. It is also finding good acceptance in Hotels, Hospitals and Colleges due to its fire rating and acoustic properties.

On the negative side, Cellulose pulp has to be imported. Compared to wood/plywood workability is a matter of concern. Further, initial handling is comparatively difficult. While the consumers are preferring this product, the applicators like Carpenters would not find convenient due to difficulty in working on this product compared to Plywood. We are in the process of educating the applicators to ensure acceptance.

Risks and Concerns:

Lack of entry barriers: Import of Cement board materials from Philippines/Thailand / China and Malaysia is a matter of concern.

Production and sales Volumes:

The total production for the year ended 31st March, 2014 was 56249 Metric tonnes as against production for the year ended 31st March, 2013 of 45810 Metric Tonnes, and sales for the year ended on 31st March, 2014 was 48892 Metric Tonnes (including export of 12568 Metric Tonnes) as against 40365 (including export of 11062) Metric Tonnes for the previous year.

Financial Performance:

The net turnover from this division during the year was ₹ 66 crores as compared to ₹53 crores during the previous year. During the later part of the year the Board unit at Daund, Pune has commenced its commercial operations, which is expected to result in increased production and turnover.

Outlook

The industry is growing at an average rate of 13% to 15% annually. Export opportunities in African and GCC countries is encouraging. Australian / Sri Lankan and Maldives markets are also opening up. New applications such as Tile Underlay and Kitchen cabinets are gaining popularity. In areas of Acoustics like Theatres and Hospitals, use of Cement boards is increasing.

iii. Panels

Sandwiched Panels are in demand in the market, for use as Partition Material. The 'Reinforced Building Board Sandwiched

Panels' are made of two fibre-reinforced cement sheets enclosing a lightweight core. These panels are fully cured at factory and are ready for installation. These panels are cheaper compared to masonry partitions / wood partitions and are also easy to fix and takes comparatively less time for installation.

The production during the year was 9176 metric tonnes as against 7514 during the previous year. Sales was 8638 metric tonnes as against 6875 metric tonnes during the previous year.

The net turnover was ₹12.47 crores as against ₹9.90 crores during the previous year.

B. SYNTHETIC YARN BUSINESS:

Industry structure and development

The demand for textiles and clothing in our country is on a steady upward trend resulting from increased disposable income. This growth and our efforts to increase our presence in the niche markets helped our company to command a premium in the market place, thus improving the profits. Weak Indian Rupee helped us gain better margins from the export earnings. In the first half of the year, there had been good amount of cotton yarn export to China. The power shortage situation in Tamil Nadu still continues. These factors also have helped us maintain the sales without undue seasonal fluctuations. The addition of 10% capacity and effective energy management have helped us reigning the costs. We have been certified for ISO 50001 for energy management.

Opportunities and Threats

Our country's growing economy with expected GDP growth of 6 to 7% will create new avenues of demand for textiles and clothing.

The power shortage in the Country is expected to continue and may keep the yarn supply position tight. If the export of cotton yarn to China is revived, it will bring an opportunity to improve yarn prices in general.

The strengthening of Indian Rupee against USDollar may reduce our export margins in the months ahead.

Many spinning mill projects have been initiated in Maharashtra and Gujarat. Once these mills start the production in full swing, there could be an imbalance of supply demand position.

Risks and Concerns

The strengthening of Indian Rupee against US Dollar may reduce our export margins in the months ahead.

Production and Sales Volumes:

The production in the spinning unit during the year 2013-14

was 8614 metric tonnes as compared to 7897 metric tonnes during the previous year. The sales were 8522 metric tonnes of yarn (including export of 1609 metric tonnes) during the year 2013 - 2014 as compared to 8252 metric tonnes (including export of 2094 metric tonnes) in the previous year.

Financial Performance:

The net turnover of this division during the current year was ₹178 crores compared to ₹165 crores during the previous year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable Financial and Operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies. The Company has a well defined delegation of power with authority limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down to ensure adequacy of the control system, adherence to the management instructions and legal compliances. The Company uses ERP (Enterprise Resource Planning) system to record data for accounting and connects to different locations for efficient exchange of information. This process ensures that all transaction controls are continually reviewed and risks of inaccurate Financial Reporting, if any, are dealt with immediately.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

The Company believes that Human Resource is its most valuable resource, which has to be nurtured well and equipped to meet the challenges posed by the dynamics of Business Developments. The Company has a policy of continuous training of its employees both in-house as well as through reputed Institutes. The staff is highly motivated due to good work culture, training, remuneration packages and the values, which the company maintains.

The total number of people employed in the company as on 31.03.2014, is 4119. Your Directors would like to record their appreciation of the efficient and loyal service rendered by the Company's employees.



FIXED DEPOSITS:

Your Company has been inviting and accepting deposits from the public and shareholders. The amount of deposits outstanding as on March 31, 2014 was ₹7.37 Crores.

Due to change of procedure for accepting public deposits under new Companies Act, 2013; effective from 01.04.2014, your company is not accepting nor renewing deposits. Further as provided under the new Act, the aforesaid outstanding deposits, which were raised under the provisions of previous Act will be repaid as per the terms of each deposit. Further, your Company has already sought your approval under Postal Ballot mode for accepting the deposits as per the provisions of the new Act and once the said approval is obtained, your Company would be initiating steps for accepting the public deposits.

There are no unclaimed deposits, which are transferable to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.

UNCLAIMED DIVIDEND:

As per the provisions of Section 205C of the Companies Act, 1956, Unclaimed Dividend amount of ₹4,95,033/- in respect of the year 2005 – 2006 has been transferred to Investor Education and Protection Fund on 4.07.2013 upon expiry of the mandatory 7 years period.

BANKS AND FINANCIAL INSTITUTIONS:

The Company has been prompt in making the payment of interest and repayment of loans to the Financial Institutions and interest on working capital to the banks. Banks and Financial Institutions continue to give their unstinted support. The Board records its appreciation for the same.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company, as a responsible Corporate Citizen established in the year 2000, a Charitable Trust in the name and style of Visaka Charitable Trust as a non-profit entity, to support initiatives that benefit the society at large. The Trust supports programs devoted to the cause of destitute, rural poor and providing the basic necessities of life to the rural poor. This has helped to enhance the image of the Company.

Main area of activity of the Trust is to provide 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, supply of class room furniture and conducting of health camps.

Further, as required under the new Companies Act, 2013; commencing from financial year 2014-15, your Company, each year, has to spend at least 2% of its average profits during three immediately preceding financial years towards Corporate Social Responsibility (CSR) Policy. Your Board of Directors have constituted CSR Committee to formulate and recommend CSR Policy and to comply with other requirements as mandated under the new Companies Act.

DIRECTORS:

In terms of the provisions of the new Companies Act, 2013; your Company need to have at least one-third of the total number of directors as independent directors, who shall hold the office for term up to 5 consecutive years. Section 149 of the new Act further provides that any tenure of Independent Director on the date of commencement of the Companies Act, 2013 i.e. 01.04.2014 shall not be counted as term for aforesaid period of 5 years and also lays down additional criteria apart from the criteria specified under clause 49 of listing agreement with stock exchanges for becoming an Independent Directors of the Company.

Shri. Bhagirat B Merchant, Shri. Gusti J Noria, Shri. P Abraham, Shri. Nagam Krishna Rao and Shri. V. Pattabhi were earlier appointed as Director liable to retire by rotation under erstwhile Companies Act, 1956 and holds office as Independent Director of the Company under clause 49 of the listing agreement with stock exchanges. They have held the positions as such for more than 5 years.

Shri. Bhagirat B Merchant, Shri. P. Abraham, Shri. V. Pattabhi and Shri. Gusti J Noria have furnished declarations under Section 149(7) of the new Act to the effect that they meet the criteria of independent Directors and in the opinion of the Board of Directors, the said independent Directors fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder and they are independent of the Management. In view of the same, they are eligible for appointment as Independent Directors of the company to hold office as such for a period upto 5 years effective from 01.04.2014; so long as their appointment is in compliance with provisions of subsections (6) to (8) of Section 149 read with Schedule IV.

The Company has received notices in writing from members along with the deposit of requisite amount under Section

160 of the Act, proposing the candidatures of Shri. Bhagirat B Merchant, Shri. Gusti J Noria, Shri. V. Pattabhi and Shri. P Abraham respectively for the office of Independent Directors of the Company for a period of 5 consecutive years effective from 01.04.2014.

Effective from 01.04.2014, pursuant to new criteria under the new Companies Act, 2013; Shri. Nagam Krishna Rao had become non-Independent non-executive Director, whose office is liable to retire by rotation. Shri. Nagam Krishna Rao is retiring at the ensuing Annual General Meeting and is eligible for reappointment.

Smt. G. Saroja Vivekanand is proposed to be reappointed as Managing Director of the Company for a period of 5 years effective from 24.10.2014.

Shri. M. P. V. Rao, is re-appointed as Whole-time Director of the Company to hold office from 01.04.2014 to 31.07.2014.

Further, Mr. G. Vamsi Krishna is appointed as Whole-time Director of the Company effective from 01.06.2014 for a period of 5 years.

The aforesaid appointment/reappointment of Independent Directors, Managing Director and Whole-time directors are subject to your approval.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors' Responsibility Statement is appended hereto and forms part of this Report.

CORPORATE GOVERNANCE:

A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report.

AUDITORS:

M/s. M. Anandam & Co., Chartered Accountants, retire as Auditors in this Annual General Meeting and are eligible for reappointment.

Your Company would comply with the requirement of Rotation of Auditors within 3 years as permitted under the new Companies Act, 2013.



COST AUDITORS:

In terms of Cost Audit Orders issued by Ministry of Corporate Affairs in 2012, M/s. Sagar & Associates, Cost Accountants were appointed as cost auditors of the Company for conducting cost audit of Synthetic Yarn Division as well as Building Products Division of the Company for the financial year 2013 -14 at a remuneration of ₹1,50,000/- exclusive of out of pocket expenses and applicable taxes. The Cost Auditor is expected to give his report by end of September, 2014.

As regards the Cost Audit for the financial year 2014-15; your company awaits the rules to be issued in this connection under the new Companies Act, 2013 and your Directors undertake to comply with the same in due course. The remuneration to be payable in that connection to the cost auditors would be placed before the shareholders in the ensuing Annual General Meeting for ratification, to comply with the requirements of Companies Act, 2013.

GENERAL:

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings / outgo is appended hereto and forms part of this Report.

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975, as amended, forms part of this Report.

On behalf of the Board of Directors

Date: 24.05.2014
Place: Secunderabad

BHAGIRAT B. MERCHANT
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE REPORT OF BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2014.

1. FORM A

(a). Power and Fuel consumption in respect of Asbestos Division:

Disclosure of information under this heading is not applicable to cement asbestos Industry.

(b) Power and Fuel consumption in respect of Textile Division:

	2013 – 2014	2012 – 2013
I. ELECTRICITY		
Purchase in Kwh	37134300	36694920
Amount (₹)	215387952	228131770
Average Rate (₹/Unit)	5.80	6.22
II. OWN GENERATION		
Units Generated (KWH)	2464	4668
Units Per Liter of Diesel Oil (KWH)	2.68	1.89
Average Cost (₹/Unit)	21.78	25.89

(c) Consumption per Unit of Production

	2013 – 2014	2012 – 2013
Yarn production in (Kgs)	8613539	7897011
Electricity Units / kg of yarn	4.31	4.65

FORM B

RESEARCH & DEVELOPMENT:

1. Specific areas in which R&D carried out by the Company:

Asbestos Division:

In respect of the 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.

Spinning Division:

In respect of the Spinning Division, we have tried various new counts and combination of blends and have been successful in making certain new blends and new products. We have increased the speeds of the machines while maintaining the quality.

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

Asbestos Division:

In respect of the Asbestos Division, we could not achieve much further improvements during the period under review.

However, efforts are going on.

Spinning Division:

In respect of the Spinning Division, the new blends have helped us to improve our presence in the domestic and export markets. The Productivity and Quality could be increased leading to better profitability.

3. Future course of action:

Asbestos Division:

In respect of the Asbestos Division, use of substitute fibers is being continuously experimented.

Spinning Division:

In respect of the Spinning Division, we are continuously experimenting with new blends and shades and higher speeds.

4. 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.

FOREIGN EXCHANGE EARNINGS / OUTGO:

Our foreign exchange earnings / outgo during the year 2013 -

2014 are as follows:

Total foreign exchange used and earned:

	(₹ in lakhs)	
	31.03.2014	31.03.2013
Earnings in Foreign Currency		
Export of Goods (FOB Value)	4794.96	5107.30
CIF value of Imports		
Raw Materials	19534.82	31980.70
Components and Spare Parts	329.41	141.67
Capital Goods	11.65	192.19

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans:

We have been continuously developing new varieties of yarn to meet the requirement of the export market so that, we can increase the export. We are continuously exploring new markets, in various countries and making the market broad based. We have taken initiatives to export V – Boards and have already met with fair amount of success.

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

Sl. No	Name and Qualifications	Age in years	Designation	Remuneration (₹ Lakhs)	Experience	Date of Commencement of Employment	Last Employment (Position held)	Shareholding %
1	Smt. G. Saroja Vivekanand, B.A.	49	Managing Director	96.79	10 years	24.06.2009	Director of Visaka Industries Limited	1.33%
2	Mr. M P V Rao, Dip. In Electrical Engineering	66	Whole-time Director	62.17	46 years	07.07.1986	Plant Engineer, Shree Digvijay Cement Company Limited	Nil





THE DIRECTORS’ RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956 (INSERTED BY THE COMPANIES AMENDMENT ACT, 2000) AND FORMING PART OF THE DIRECTORS’ REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

The Financial Statements are prepared in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to the Company, on the historical Cost Convention, as a going concern and on the Accrual Basis. There are no material departures from prescribed Accounting Standards in the adoption of the Accounting Standards. The Accounting Policies used in the preparation of the Financial Statements have been consistently applied, except where otherwise stated in the notes on accounts.

The Board of Directors and the Management of Visaka Industries Limited accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements have been made on a prudent and reasonable basis, in order that the Financial Statements reflect in a True and Fair manner, the form and substance of transactions, and reasonably present the Company’s State of Affairs and profits for the year. To ensure this, the Company has taken proper and sufficient care in installing a system of Internal Control and maintenance of adequate accounting

records in accordance with provisions of Companies Act, for safeguarding assets, and, for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. Our Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounts.

The Statutory Auditors M/s M. Anandam & Co., Chartered Accountants, have audited the Financial Statements.

The Audit Committee at Visaka Industries Limited meets periodically with the auditors to review the manner in which the auditors are performing their responsibilities, and to discuss Auditing, Internal Control and Financial Reporting issues. To ensure complete independence, the statutory auditors and the internal auditors have full and free access to the members of the audit committee to discuss any matter of substance.



CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

1. A brief statement on company’s philosophy on code of governance:

Visaka Industries Limited (herein after “Company”) as an institution believes in the premise that good corporate governance is one of the vital tools, in directing and controlling the affairs of the Company in an efficient manner and thereby in achieving the goal of maximizing value for all Company’s stakeholders. Transparency, Integrity, Honesty and Accountability are recognized as core values in discharging the responsibilities towards this end.

The Company’s Corporate Governance code stipulates proper Quality, Customer Satisfaction, prompt Payment to Suppliers, Good Employee-Employer relationship, Legal Compliance, Proper Debt Servicing, Maximize value to Equity Shareholders and responsibility to the nation by timely payment of taxes and as a premier Exporter as frame work to enforce above core values.

2. Board of Directors:

i) The Board of Visaka Industries Limited consists of Managing

Director, Whole-time Director and Six eminent persons with professional expertise from different fields such as technical, marketing, Medicine, Finance and civil administration, as non-Executive Directors. The Chairman is non-executive Independent Director and the Board consists of four independent Directors as stipulated under Companies Act, 2013 and listing agreement.

- ii) The Board provides leadership, strategic guidance, objective and independent view to the Company’s management. The Board of the Company meets at regular intervals for planning, assessing and evaluating all important business.
- iii) None of the Directors on the Board is a member on more than 10 committees or Chairman of more than 5 committees as specified in clause 49, across all the Companies in which he is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.
- iv) The details of the Board of Directors of the Company as on March 31, 2014 were as under:

Name of the Director	Designation / Category	No. of Board Meetings attended during 2013-14	Whether attended AGM held on 29.06.2013	Number of Directorships held in other Public limited companies	Number of Board Committee memberships held in other companies	Number of Chairmanships of Board Committees held in other companies
Shri. Bhagirat B. Merchant	Non –Executive Independent Chairman	5	yes	1	-	1
Dr. G. Vivekanand	Non – Executive Director Vice Chairman	5	yes	2	Nil	Nil
Smt. G. Saroja Vivekanand	Managing Director	5	yes	1	Nil	Nil
Shri. M.P.V. Rao	Whole Time Director	4	no	Nil	Nil	Nil
*Shri. Nagam Krishna Rao	Non –Executive Non-Independent Director	1	no	Nil	Nil	Nil
Shri. Gusti J Noria	Non –Executive Independent Director	6	yes	Nil	Nil	Nil
Shri. V. Pattabhi	Non –Executive Independent Director	6	yes	2	Nil	Nil
Shri. P. Abraham	Non –Executive Independent Director	3	yes	11	7	Nil

* Effective from 1.4.2014, became non-Independent Director, consequent to Companies Act, 2013 laid down additional criteria for becoming an Independent Director of the Company.



- v) As per the information available with the Company, except Dr. G. Vivekanand and Smt. G. Saroja Vivekanand, none of the Directors are related interse.
- vi) None of the non-Executive Independent Directors have any material pecuniary relationship or transaction with the Company effecting their independence.
- vii) Necessary information as mentioned in Annexure 1A to clause 49 of the listing agreement has been placed before the Board for their consideration.
- viii) 6 Board Meetings were held during the year ended March 31, 2014 and the gap between any two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:
20.05.2013, 29.06.2013, 09.08.2013, 24.09.2013, 06.11.2013 and 08.02.2014.

3. Audit Committee:

- i. The Chairman is a fellow member of the Institute of Chartered Accountants of India and all of the members of the committee are financially literate. Accordingly, the Composition of the Audit Committee is in conformity with Clause 49 of the listing agreement entered with Stock Exchanges.
- ii. 4 Audit Committee Meetings were held during the year ended March 31, 2014 and the gap between any two meetings did not exceed four months. The dates on which the Audit Committee Meetings were held on: 20.05.2013, 09.08.2013, 06.11.2013 and 08.02.2014 respectively. The necessary quorum was present at all meetings.
- iii. The terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement & section 292A of the Companies Act, 1956.
- iv. The Audit Committee meetings are usually held at the corporate office of the Company and are attended by President (Finance) and Chief Financial Officer of the Company. Auditors are invitees to the meeting. The Company Secretary acts as the Secretary of the Audit Committee.
- v. The last Annual General Meeting of the Company was held on June 29, 2013 and the Chairman of the Audit Committee

has attended the same.

- vi. The composition of the Audit Committee as on March 31, 2014 and particulars of meetings attended by the members are as follows:

Name	No. of Meetings during the year 2013-14	
	Held	Attended
Shri Bhagirat B. Merchant	4	4
Shri V.Pattabhi	4	4
Shri Gusti J Noria	4	4
Smt.G.Saroja Vivekanand	4	4

4. Remuneration Committee:

- i. The Remuneration Committee of the Company consists of three directors, all of whom are independent Directors.
- ii. The broad terms of reference of the remuneration Committee are as under:
- a. To review the remuneration and commission / other incentives payable to the Managing and Executive Directors for each financial year and
- b. Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.
- iii. During the year, Remuneration Committee meeting was held for revision of Shri. M.P.V.Rao's salary on 09.08.2013.
- iv. The Composition of the Remuneration Committee and details of meeting attended by the Directors are given below.

Name	No. of Meetings during the year 2013-14	
	Held	Attended
Shri Bhagirat B. Merchant	1	1
Shri V.Pattabhi	1	1
Shri Gusti J Noria	1	1

Effective from 22.01.2014, the above committee is renamed as Nomination and Remuneration Committee as required under Companies Act, 2013.



- v. Share holdings of the Directors in the Company as on March 31, 2014.

Name	No. of Shares of ₹10/- each
Dr G Vivekanand	5768116
Smt. G. Saroja Vivekanand	211139
Shri Nagam Krishna Rao	118450
Shri V Pattabhi	500
Shri P Abraham	450

5. Shareholders/Investors Grievance Committee:

- i. The Company formed a Shareholders'/Investors' Grievance Committee to perform all the functions relating to share transfers/transmissions and handling of shareholders' grievances. The Committee inter-alia approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressing of shareholder's complaints like non-transfer of shares, loss of share certificates, non-receipt of notices/annual reports etc.
- ii. The shareholders/Investors Grievance Committee of the Company consists of four directors.
- iii. The Composition of the shareholder/ investors Grievance Committee and the number of meetings attended by its members is given below.

Name	No. of Meetings during the year 2013-14	
	Held	Attended
Shri V.Pattabhi	18	18
Dr.G.Vivekanand	18	18
Shri M.P.V.Rao	18	18
Smt.G.Saroja Vivekanand	18	18

Effective from 22.01.2014, the above committee is renamed as Stakeholders Relationship Committee as required under Companies Act, 2013.

- iv. Eighteen Shareholders/Investors Grievance Committee Meetings were held during the year ended March 31, 2014 i.e. 08.04.2013, 10.04.2013, 08.05.2013, 10.05.2013, 30.05.2013, 10.06.2013, 25.06.2013, 08.08.2013, 30.08.2013, 20.09.2013, 10.10.2013, 30.10.2013,

20.11.2013, 02.12.2013, 10.12.2013, 07.01.2014, 10.02.2014, 28.02.2014.

- v. The necessary quorum was present at all meetings.
- vi. Company Secretary is the Compliance Officer.
- vii. Details of complaints received and redressed:

Opening Balance as on 01.04.2013	Received during the period 01.04.2013 to 31.03.2014	Resolved during the period 01.04.2013 to 31.03.2014	Closing Balance as on 31.03.2014
Nil	11	11	Nil

REMUNERATION POLICY:

The Company's remuneration policy is driven by the success and performance of the individual employee as well as his expertise in critical areas of operations of the Company. The Company follows a compensation of fixed pay. Performance of the individuals is measured through the annual appraisal process.

a) Managing / Whole-time Directors:

The Company pays remuneration by way of salary, perquisites and allowance (fixed component) to its Managing/Whole-time Directors. Besides the above, the Managing Director is eligible for Commission, however that the total remuneration payable not to exceed 5% of the net profit of a year as determined under provisions of Sections 349 and 350 of the Companies Act' 1956.

b) Non- Executive Directors:

The Non-Executive Directors (NEDs) are paid sitting fee for attending either Board or its Committee meetings.

Non-executive directors contribute immensely during the deliberations of the Board and Committee meetings for the success of the Company. Therefore, as a token of appreciation for the immense contribution made by these non-whole-time directors and more so in view of the greater responsibilities they are expected to shoulder in the interest of higher level of excellence in corporate governance, a commission of 1% of the net profits of the Company for all directors put together is being paid. However, the non-executive directors have voluntarily agreed for an upper ceiling of ₹7.50 lacs per director.



The details of Remuneration paid to Directors during the year 2013-14 are given below:

						Amount in ₹
Director	Designation	Salary	Perquisites	Commission	Sitting Fees	Total
Shri. Bhagirat B. Merchant	Chairman	Nil	Nil	316666	50000	366666
Dr. G. Vivekanand	Vice – Chairman	Nil	3616346*	316666	Nil	3933012
Smt. G. Saroja Vivekanand	Managing Director	2400000	2779181	4500000	Nil	9679181
Shri. M.P.V.Rao	Whole Time Director	3105000	3112103	Nil	Nil	6217103
Shri. Nagam Krishna Rao	Director	Nil	Nil	316666	5000	321666
Shri. Gusti Noria	Director	Nil	Nil	316666	55000	371666
Shri. V. Pattabhi	Director	Nil	Nil	316666	55000	371666
Shri. P. Abraham	Director	Nil	Nil	316666	15000	331666

* Paid in the form of Gratuity as per the rules of the Company for tenure he worked as Managing Director of the Company until 26.10.2009

II. General Body Meetings

Year	Particulars of the AGM	Day, Date & Time	Venue	Special Resolutions Passed, if any
2012-13	29.06.2013	11.00 A.M	Regd. Office: Survey No. 315, Yelumala village, R.C. Puram Mandal, Medak District – 502 300, Andhra Pradesh	No
2011-12	05.07.2012	10.30 A.M.	Regd. Office: Survey No. 315, Yelumala village, R.C. Puram Mandal, Medak District – 502 300, Andhra Pradesh	Special resolution passed under section 314(1B) of the Companies Act, 1956.
2010-11	25.07.2011	10.30A.M	Regd. Office: Survey No. 315, Yelumala village, R.C. Puram Mandal, Medak District – 502 300, Andhra Pradesh	Special resolution passed under section 309 of the Companies Act, 1956.

Special Resolutions passed through Postal Ballot: The Company has passed the following resolutions through Postal Ballot during the year 2012 – 2013.

1. Altered its object clause of Memorandum of Association, whereby a new sub-clause is added in order to reflect the main business activity carried on by the company, and
2. Authority to create security on the properties of the Company.

The company has complied with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

Shri. P.V.Ramana Kumar, Chartered Accountant was appointed as scrutinizer for conducting the postal ballot process.

6. Disclosures:

- i. There are no materially significant related party transactions of the Company with Promoters, Directors or the Management or their relatives, which have potential

conflict with the interest of Company at large. Transactions with related parties as per requirements of Accounting Standards – (AS-18) - “Related Party Disclosures” issued by the Institute of Chartered Accountants of India for the financial year ended March 31, 2014 are disclosed in Note 32 of Financial Statements.

- 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 year March 31, 2014.
- iii. **Code of conduct:** The code of conduct as adopted by the Board of Directors is applicable to all directors and senior management. 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 to the laid down ethical standards. The code is available on the Company's website: www.visaka.in.



Declaration as required under Clause 49 of the Listing Agreement:

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, 2014.

24.05.2014
Hyderabad

Smt. G. Saroja Vivekanand
Managing Director

- iv. **Compliance:** At every Board meeting, a statement of Compliance with all laws and regulations as certified by the Managing Director is placed before the Board for its review. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.
- v. **Risk Management:** The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.
- vi. **CEO & CFO certificate:** The Managing Director and Chief Financial Officer have given a Certificate as contemplated in Clause 49 of the listing agreement.

- vii. **Secretarial 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.

7. Means of Communication:

Quarterly results of the Company are published in Business Standard or Economic Times or Financial Express (English edition) and Surya / Namaste Telangana / Praja Shakti (Regional edition) newspapers respectively. Annual results of the Company are displayed on the Company's website – “www.visaka.in”. The website also displays information about the Company and its products. The Management Discussion and Analysis Report forms part of the Directors' Report.

III. General Shareholder information

1 Annual General Meeting	
Date	25th July 2014
Time	11.00 A.M.
Venue	Survey No.315, Yelumala Village,R.C.Puram Mandal, Medak Dist – 502300, Telangana
2 Financial Calendar	
Year ending	March 31, 2014
AGM	25th July, 2014
3 Date of Book Closure	18.07.2014 to 25.07.2014 (Both days inclusive)
4 Listing on Stock Exchanges	National Stock Exchange of India Ltd and Bombay Stock Exchange Limited (The Company has paid the listing fee for 2013-14 to the BSE and NSE)
5 Stock Code / Symbol on NSE / BSE respectively	VISAKAIND / 509055
6 International Securities Identification Number (ISIN) allotted to the Company's Shares	INE392A01013.



7. Market Price Data: High, Low (Based on the closing prices) prices of Visaka scrip during each month in the financial year ended March 31, 2014 on the Bombay Stock Exchange Limited, Mumbai are provided hereunder:

Sl. No	Month	Price (₹)	
		High	Low
1	April	108.70	98.00
2	May	106.75	97.00
3	June	100.00	84.50
4	July	89.60	68.10
5	August	89.95	66.20
6	September	85.00	72.45
7	October	91.50	75.45
8	November	96.00	73.00
9	December	89.85	73.00
10	January	86.95	75.30
11	February	79.50	67.80
12	March	74.30	67.20

8. Performance of share price of the Company in comparison to BSE Sensex is as follows:

Month	Visaka's Closing Price (₹)	BSE Sensex Closing
Apr-13	101.85	19504
May-13	97.00	19760
June-13	86.45	19396

11. Shareholding (as on March 31, 2014):

a) Distribution of shareholding as on March 31, 2014

Distribution Schedule - Consolidated as on 31/03/2013

Category	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	12260	87.80	1766885	17668850	11.13
5001 - 10000	887	6.35	716166	7161660	4.51
10001 - 20000	415	2.97	630141	6301410	3.97
20001 - 30000	120	0.86	309905	3099050	1.95
30001 - 40000	64	0.46	233936	2339360	1.47
40001 - 50000	48	0.34	225923	2259230	1.42
50001 - 100000	88	0.63	659591	6595910	4.15
100001 & Above	82	0.59	11338405	113384050	71.40
TOTAL	13946	100.00	15880952	158809520	100.00

Month	Visaka's Closing Price (₹)	BSE Sensex Closing
July-13	71.00	19346
August-13	75.00	18620
September-13	76.10	19380
October-13	80.95	21165
November-13	88.80	20792
December-13	85.00	21171
January-14	76.50	20514
February-14	68.60	21120
March-14	72.85	22386

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

9 Registrar and Transfer Agents:

Karvy Computershare Private Limited

Unit: Visaka Industries Limited

Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad 500 081

Tel: 91 - 40 - 23420818 & 23420828

Fax: 91 - 40 - 23420814

E-mail: einward.ris@karvy.com

Website: www.karvy.com

Toll Free No: 1-800-3454001

10. 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 share work. The shares lodged for transfer at the registrar are processed and returned to shareholders within the stipulated time.



b) Categories of Shareholders as on March 31, 2014

Category	No. of shareholders	No. of shares	Percentage (%)
Indian Promoters	2	5979255	37.65
Foreign Promoters	-	-	-
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	9	199921	1.26
Private Corporate Bodies	410	3736821	23.53
Indian Public	13388	5446172	34.29
NRIs / OCBs	120	504558	3.18
Clearing Members	35	14225	0.09
TOTAL	13964	15880952	100.00

12. Dematerialization of shares and liquidity:

As on 31.03.2014, 96.43% of the paid up share capital of the Company has been dematerialized.

13. As on March 31, 2014; the company did not have any outstanding GDRs / ADRs / Warrants or any convertible instruments

14. Manufacturing facility : Plant Locations are given elsewhere in the annual report

15. Address for Correspondence : Enquiries, if any relating to shareholder records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, receipt of dividend warrants, loss of share certificates etc., should be addressed either to:

M/s. Karvy Computershare Private Limited

Plot No. 17-24, Vittal Rao Nagar,

Madhapur, Hyderabad – 500 081

Tel: +91 40 4465 5000

Fax: +91 40 2343 1551

Email Id: einward.ris@karvy.com

Web Site: http://www.karvycomputershare.com

Toll Free No: 1-800-3454001

(OR) directly to the Company to:

The Company Secretary

Visaka Industries Limited

Visaka Towers, 1-8-303/69/3

S.P. Road, Secunderabad.

Pin: 500 003.

Tel Nos: 091 - 040 – 27813833, 27813835 / 27892190 To 92

Fax Nos: 091 - 040 – 27813837

16. Investor Grievances

The shareholders are also welcome to register grievances, if any, in the matter of shares of the company, its transfers, transmissions, remat, dividend payable etc., with the below mentioned Email-ID exclusively designated for this purpose:

E-mail ID for registering of investor complaints : investorrelations.vil@visaka.in

Compliance Officer : I. SRINIVAS

Asst.Vice President (Corp) &Company Secretary.

To know more about the Company, you are welcome to visit us at: www.visaka.in



FINANCIAL STATEMENT



INDEPENDENT AUDITORS' REPORT

To
The Members of
Visaka Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Visaka Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), read with general circular 8/2014, dated 4th April, 2014 issued by Ministry Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give

a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with general circular 8/2014, dated 4th April, 2014 issued by Ministry Corporate Affairs.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M. Anandam& Co.,
Chartered Accountants
(Firm Regn.No.000125S)

A.V.Sadasiva
Partner

Place: Secunderabad
Date: 24th May, 2014

M.No.018404



Annexure

Re: Visaka Industries Limited

Referred to in Paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date

- i. a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such physical verification.
- c. The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- ii. a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. a. The Company has not granted any loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- b. The Company has taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹140.16 Lakhs and the year-end balance of loans taken is ₹9.16 Lakhs.
- c. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the Company.

d. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

- v. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, where applicable have been complied with. We are informed that 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.

- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- viii. In our opinion and according to the information and explanations given to us, the Company has made and maintained accounts and records prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.

- ix. a. According to the information and explanations given to us and the records of the company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees’ state insurance, income-tax, wealth-tax, service tax, sales tax, custom duty, excise duty, cess and other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the

financial year concerned for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and records of the Company examined by us, the particulars of sales tax, income tax, customs duty, excise duty, service tax and wealth tax, as at 31st March, 2014 which have not been deposited on account of dispute pending, are as under:

Name of the Statute	Nature of the Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	9.72	2009-10	Income Tax Appellate Tribunal, Hyderabad
Central Excise Act, 1944	Excise Duty	873.85	2003-04 & 2004-05	CESTAT, Chennai
Central Excise Act, 1944	Penalty	1323.85	2003-04 & 2004-05	CESTAT, Chennai
Central Sales Tax Act, 1956	Central Sales Tax	3.23	2008-09	Appellate Deputy Commissioner (CT), Hyderabad
Central Sales Tax Act, 1956	Central Sales Tax	8.80	2008-09	Additional Commissioner of Commercial Taxes(Appeal),Lucknow
Central Sales Tax Act, 1956	Central Sales Tax/ Penalty	1.76	2006-07, 2007-08 and 2009-11	Additional Commissioner of Sales Tax, Bhubaneswar
Bihar VAT Act, 2005	VAT/Interest	3.77	2005-06	Joint Commissioner (Appeals)
Bihar VAT Act, 2005	VAT/Interest	0.84	2006-07	Joint Commissioner of Commercial Taxes (Patna)
Orissa VAT Act, 2004	VAT/Penalty	4.02	April 2005 to September 2009	Additional Commissioner of Sales Tax, Bhubaneswar
Orissa VAT Act, 2004	VAT/Penalty	55.30	October 2009 to March 2011	Additional Commissioner of Sales Tax, Bhubaneswar
Service Tax (Finance Act, 1994)	Service Tax	1.76	January 2005 To September 2005	High Court, Nagpur
Service Tax (Finance Act, 1994)	Service Tax	1.67	October 2005 to March 2006	High Court, Nagpur
Service Tax (Finance Act, 1994)	Service Tax	2.09	April 2006 to September 2006	Bhandara Division, Nagpur
Service Tax (Finance Act, 1994)	Service Tax	1.64	October 2006 to February 2007	Bhandara Division, Nagpur
Customs, Central Excise & Service Tax Drawback Rules, 1995	Duty Draw Back	152.10	July 2009 to March 2011	Joint Secretary, Revisionary Authority, New Delhi
Orissa Entry Tax Act 1999	Entry Tax/Penalty	16.38	October 2009 to March 2011	Additional Commissioner of Sales Tax, Bhubaneswar





- x. The company has no accumulated losses and it has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- xii. According to information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Accordingly the provisions of clause 4(xiii) if the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xvi. In our opinion and according to the information and explanation given to us, the term loans have been applied

for the purpose for which they were raised other than amounts temporarily invested pending utilization of the funds for the intended use.

- xvii. In our opinion and according to the information and explanation to us, and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments.
- xviii. The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any funds on public issue and hence disclosure on the end use of money raised by the public issue is not applicable to the Company.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For M. Anandam & Co.,
Chartered Accountants
(Firm Regn.No.000125S)

A.V.Sadasiva
Partner
Place: Secunderabad
Date: 24th May, 2014
M.No.018404



AUDITORS' REPORT ON 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 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination 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 above-mentioned listing Agreement.

We state that in respect of investor grievances received during

the year ended 31st March, 2014, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further 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 M. Anandam & Co.,
Chartered Accountants
(Firm Regn.No.000125S)

Place: Secunderabad
Date: 24th May, 2014

A.V.Sadasiva
Partner
M.No.018404



Balance Sheet As at 31st March, 2014

(₹ in Lacs)			
Particulars	Note	31st March, 2014	31st March, 2013
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2	1,592.07	1,592.07
(b) Reserves and surplus	3	31,744.81	31,012.56
		33,336.88	32,604.63
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	7,250.03	2,972.77
(b) Deferred tax liabilities (net)	5	2,968.64	2,636.23
(c) Other Long term liabilities	6	2,363.48	2,120.41
		12,582.15	7,729.41
(3) Current Liabilities			
(a) Short-term borrowings	7	17,366.26	24,058.76
(b) Trade payables	8	5,099.89	5,564.20
(c) Other current liabilities	9	3,904.91	3,235.10
(d) Short-term provisions	10	551.82	790.14
		26,922.88	33,648.20
TOTAL		72,841.91	73,982.24
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	33,444.65	24,986.99
(ii) Capital work-in-progress		2,098.90	1,643.98
		35,543.55	26,630.97
(b) Non-current investments	12	1,507.37	1,507.37
(c) Long term loans and advances	13	1,726.70	3,948.20
		3,234.07	5,455.57
(2) Current assets			
(a) Inventories	14	18,753.71	27,310.95
(b) Trade receivables	15	9,725.11	8,627.16
(c) Cash and bank balances	16	2,610.61	3,358.75
(d) Short-term loans and advances	17	2,974.86	2,598.84
		34,064.29	41,895.70
TOTAL		72,841.91	73,982.24
Significant Accounting Policies	1		

As per our report of even date

For **M.Anandam & Co.,**
Chartered Accountants

A.V.Sadasiva
Partner
M.No.018404

Place: Secunderabad
Date: 24th May, 2014

For and on behalf of the Board of Directors

Bhagirat B. Merchant
Chairman

Gusti J Noria
Director

M.P.V.Rao
Whole Time Director

Dr. G. Vivekanand
Vice - Chairman

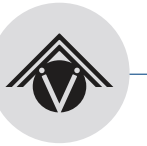
V. Pattabhi
Director

V .Vallinath
President(Finance) & CFO

Smt. G. Saroja Vivekanand
Managing Director

P. Abraham
Director

I. Srinivas
Company Secretary &
AVP (Corporate Affairs)



Statement of Profit and Loss For the year ended 31st March, 2014

(₹ in Lacs)			
Particulars	Note	31st March, 2014	31st March, 2013
I. Revenue from Operations	18	89,210.30	91,560.30
II. Other Income	19	535.87	255.60
III. Total Revenue (I + II)		89,746.17	91,815.90
IV. EXPENSES:			
Cost of materials consumed	20	52,498.65	58,248.05
Purchase of stock-in-trade		101.28	63.96
Changes in inventories	21	3,413.04	(5,230.54)
Employee benefits expense	22	5,200.23	4,701.11
Finance cost	23	2,139.91	1,501.02
Other expenses	24	22,267.90	23,111.14
Depreciation & Amortisation	11	2,245.63	1,957.59
Total Expenses		87,866.64	84,352.33
V. Profit before tax (III - IV)		1,879.53	7,463.57
VI. Tax expense:			
(1) Current tax		442.17	2302.42
Less MAT credit entitlement		(91.80)	-
Net current tax		350.37	2,302.42
(2) Deferred tax		332.41	92.37
VII. Profit for the year (V-VI)		1,196.75	5,068.78
VIII. Earning per equity share:	26		
(1) Basic		7.54	31.92
(2) Diluted		7.54	31.92
Significant Accounting Policies	1		

As per our report of even date

For **M.Anandam & Co.,**
Chartered Accountants

A.V.Sadasiva
Partner
M.No.018404

Place: Secunderabad
Date: 24th May, 2014

For and on behalf of the Board of Directors

Bhagirat B. Merchant
Chairman

Gusti J Noria
Director

M.P.V.Rao
Whole Time Director

Dr. G. Vivekanand
Vice - Chairman

V. Pattabhi
Director

V .Vallinath
President(Finance) & CFO

Smt. G. Saroja Vivekanand
Managing Director

P. Abraham
Director

I. Srinivas
Company Secretary &
AVP (Corporate Affairs)



Cash Flow Statement for the year ended 31st March 2014

(₹ in Lacs)

Particulars	31st March, 2014		31st March, 2013	
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax and extra-ordinary items		1879.53		7463.57
Adjustments for:				
Depreciation/ Amortisation	2245.63		1957.59	
Loss on Sale of Fixed Assets	10.70		13.50	
Fixed Assets Written Off	19.16		10.31	
Finance cost	2139.91	4415.40	1501.02	3482.42
Operating Profit before working capital changes		6294.93		10945.99
Working Capital Changes:				
(Increase) / Decrease in Trade and Other Receivables	(1058.33)		(2883.36)	
(Increase) / Decrease in Inventories	8557.24		(11756.03)	
Increase / (Decrease) in Trade & Other Payables	(990.47)	6508.44	864.13	(13775.26)
Cash Generated from Operations		12803.37		(2829.27)
Direct Taxes paid		(671.00)		(2537.62)
Cash Flow from Operating Activities		12132.37		(5366.89)
B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (Including Capital Work In Progress)	(9086.64)		(5967.67)	
Proceeds on sale /Adjustments to Fixed Assets	25.06		22.22	
Investments/Advances towards Share Capital	-		(1.52)	
Cash Flow from Investing Activities		(9061.58)		(5946.97)
C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term borrowings	5870.00		2523.75	
Repayment of Term Loans	(343.50)		(188.62)	
Increase / (Decrease) in Short Term borrowings	(6533.91)		10030.58	
Increase / (Decrease) in Other Secured & Unsecured Loans	(0.76)		(174.65)	
Dividend paid Including Corporate Dividend Tax	(648.23)		(1370.83)	
Finance cost	(2162.53)		(1535.60)	
Cash Flow from Financing Activities		(3818.93)		9284.63
Net increase/(Decrease) in Cash and Cash equivalents		(748.14)		(2029.23)
Cash and Cash equivalent at the Beginning of the Year		3358.75		5387.98
Cash and Cash equivalent at the End of the Year		2610.61		3358.75

"Note: The Cash Flow Statement has been prepared as per indirect method as set out in Accounting Standard-3 ""Cash Flow Statement"" issued by the Institute of Chartered Accountants of India."

As per our report of even date

For and on behalf of the Board of Directors

For **M.Anandam & Co.,**
Chartered Accountants

Bhagirat B. Merchant
Chairman

Dr. G. Vivekanand
Vice - Chairman

Smt. G. Saroja Vivekanand
Managing Director

A.V.Sadasiva
Partner
M.No.018404

Gusti J Noria
Director

V. Pattabhi
Director

P. Abraham
Director

Place: Secunderabad
Date: 24th May, 2014

M.P.V.Rao
Whole Time Director

V .Vallinath
President(Finance) & CFO

I. Srinivas
Company Secretary &
AVP (Corporate Affairs)



Notes to the Financial Statements

Note 1 Significant Accounting Policies

i) Basis of Accounting:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 4th April, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

ii) Revenue Recognition:

Revenue is recognized on accrual basis. Revenue from sale of goods is recognised when the significant risks and rewards are transferred to the customers, usually on delivery of the goods. Gross revenue is stated inclusive of excise duty.

iii) Fixed Assets:

Tangible and Intangible

Fixed Assets are stated at cost (Net of Cenvat, wherever applicable) less depreciation. Cost includes freight, duties and taxes and other expenses related to acquisition and installation. Pre-operative expenses incurred during the construction period in case of major acquisitions and installations are capitalized.

Cost of computer software is capitalized as intangible Assets

iv) Depreciation/Amortization:

Depreciation on fixed assets has been provided on the straight line method and at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Computer Software is amortized on straight line basis over a period of three years.

v) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

vi) Investments:

Investments are classified as long term and current investments. Long Term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost or fair value.

vii) Inventories:

a) Consumables, Stores and Spares are valued at lower of cost or net realizable value on weighted average basis.

b) Raw Materials are valued at cost on weighted average basis, work-in-process are valued at cost and finished goods are valued at the lower of cost or net realizable value.

viii) Foreign Currency Transactions:

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

b) Monetary items denominated in foreign currencies at the year- end are translated at the year-end rates, the resultant gain or loss will be recognized in the statement of profit and loss account.



Notes to the Financial Statements *(contd.)*

- c) Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the statement of profit and loss account.

ix) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

x) Leases:

Assets acquired under financial leases are recognized at the lower of the fair value of the leased asset at inception and the present value of minimum lease payment. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

xi) Employee Benefits:

- a) Retirement benefits in the form of Provident Fund and Superannuation Fund are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contribution to the respective funds are due. The Company has created an approved Superannuation Fund and accounts for the contribution made to LIC against an insurance policy taken with them. There are no other obligations other than the contribution payable to the funds.
- b) Gratuity and Leave Encashment liabilities are defined benefit obligations and provided on the basis of independent actuarial valuation on projected unit credit method made at the end of the year. The company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. Also the company has created a fund with LIC for leave encashment of employees for future payment.

xii) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent Liabilities are disclosed when the Company has possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.



Notes to the Financial Statements *(contd.)*

Note 2 Share Capital

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
AUTHORIZED CAPITAL:		
3,00,00,000 Equity Shares of ₹10/- each	3,000.00	3,000.00
5,00,000 12% Cumulative Redeemable Preference Shares ₹100/- each	500.00	500.00
TOTAL	3,500.00	3,500.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
1,58,80,952 Equity Shares of ₹10/- each fully paid up	1,588.10	1,588.10
Add: Shares forfeited - 79408 shares	3.97	3.97
TOTAL	1,592.07	1,592.07

Note 2.1 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.

During the year ended, the amount of dividend per share recognised as distributions to equity shareholders was ₹2.50/- (Previous Year ₹6/- including interim dividend of ₹2.50).

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.

Note 2.2 The details of shareholders holding more than 5% shares

Name of the shareholder	31st March, 2014		31st March, 2013	
	No. of Shares	% holding	No. of Shares	% holding
a) Dr.G Vivekanand	57,68,116	36.32	57,68,116	36.32
b) Vigilance Security Services Private Limited	14,11,836	8.89	14,11,836	8.89

Note 2.3 The reconciliation of the number of shares as at 31st March 2014 is set out below :

	31st March, 2014	31st March, 2013
Number of shares at the beginning of the year	1,58,80,952	1,58,80,952
Add: Shares issued during the year	-	-
Number of shares as at the end of the year	1,58,80,952	1,58,80,952



Notes to the Financial Statements (contd.)

Note 3 Reserves & Surplus

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
Capital reserve	169.29	169.29
Securities premium reserve	4,903.45	4,903.45
General reserve		
i) Opening balance	24,900.00	20,900.00
ii) Transferred from Surplus	600.00	4,000.00
	25,500.00	24,900.00
Surplus		
i) Opening balance	1,039.82	1,082.76
Add : Net profit transferred from Statement of Profit & Loss	1,196.75	5,068.78
Less Appropriations:		
a) Interim dividend	-	397.02
b) Final dividend	397.02	555.83
c) Corporate dividend tax	67.48	158.87
d) Transferred to general reserve	600.00	4,000.00
	1,064.50	5,111.72
Surplus - Closing balance	1,172.07	1,039.82
TOTAL	31,744.81	31,012.56

Note 4 Long term borrowings

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
a) Secured loans		
Term loans from banks	5,152.50	950.00
Loans from others	1,626.65	1,626.65
b) Unsecured loans		
Deferred payment liabilities	221.25	221.25
Public deposits	249.63	158.65
Long term maturities of finance lease obligations	-	16.22
TOTAL	7,250.03	2,972.77

Note 4.1

Term loans from banks represent loan taken from HDFC Bank Limited for the fibre cement boards project near Daund Taluk, Pune District in Maharashtra. The loan sanctioned is ₹6,870.00 lacs in the year 2012-13, drawn ₹1,000.00 lacs in 2012-13 and ₹5,870.00 lacs in 2013-14, which is repayable in 20 quarterly installments commencing from Jan'14. The current rate of interest is 11% as at the balance sheet date. 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 Vice-chairman Dr. G. Vivekanand of the Company. During the year 2013-14, the company has repaid an amount of ₹343.50 lacs and ₹1,374 lacs is repayable each year from the financial year 2014-15 to 2018-19 (upto December, 2018).



Notes to the Financial Statements (contd.)

Note 4.2

- (i) Loans from others include ₹102.90 lacs obtained from Life Insurance Corporation of India against key man insurance policy at 9% which matures on 28-03-2018. This loan has no specific terms of repayment.
- (ii) The company has availed an interest free loan of ₹1,523.74 lacs in the financial year 2012-13 from The Pradeshia Industrial & Investment Corporation of U.P. Ltd 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 the entire fixed assets of the Company both present and future, by way of first pari-passu charge with all the secured lenders of the Company. The loan is repayable (each installment drawn) after 10 years from the date of disbursement. The outstanding amount is repayable in the financial year 2022-23.

Note 4.3

Deferred payment liabilities represent sales tax deferment relating to Cement Asbestos Unit at Patancheru, Medak District in Andhra Pradesh. This loan is interest free and repayable at ₹200.18 lacs in the year 2019-20 and ₹21.07 lacs in the year 2020-21.

Note 4.4

Public deposits represent deposits accepted from public carrying interest varying from 11% to 12% . The maturity of these deposits fall on different dates depending on the date of each deposit. There are no deposits matured and remained unpaid as on the balance sheet date.

Note 4.5

The company has obtained data process equipments on finance lease which is payable in quarterly installments. The rate of interest varies from 10% to 13% per annum.

Note 5 Deferred tax liability (Net)

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
a) Deferred tax Asset		
a) Doubtful debts	22.36	13.56
b) Others	35.07	42.34
	57.43	55.90
b) Deferred tax Liability		
Depreciation	3,026.07	2,692.13
	3,026.07	2,692.13
Deferred tax Liability (Net)	2,968.64	2,636.23



Notes to the Financial Statements *(contd.)*

Note 6 Other Long term liabilities

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
a) Security deposits	2,344.28	2,101.21
b) Rent Deposit	19.20	19.20
TOTAL	2,363.48	2,120.41

Note 6.1

Security deposits include deposits received from stockists (i.e Dealers) ₹2,267.58 lacs (P.Y. ₹2,032.56 lacs), transporters ₹26.34 lacs (P.Y. ₹27.09 lacs), sales agents ₹50.36 lacs (P.Y. ₹41.55 lacs) as collateral at the time of agreement/contract. These have no specific maturity date and are not repayable as long as they continue business with the company. These deposits carry interest at the rate of 9% per annum.

Note 7 Short term borrowings

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
a) Secured loans		
From Banks		
Working capital loans	8,241.22	10,552.33
b) Unsecured loans		
From Banks		
Short term loans	9,040.91	13,263.71
From Others		
Inter corporate deposits from related parties	9.16	133.39
Inter corporate deposits from others	74.97	109.33
TOTAL	17,366.26	24,058.76

Note 7.1

Working capital Loans from State Bank of India and State Bank of Hyderabad (under consortium arrangement) are repayable on demand which are secured on pari-passu basis by hypothecation of the Company's entire movable assets including stocks, all raw materials, work-in-process, stores & spares, finished goods and book debts, present and future, and personal guarantee of the Vice-chairman Dr. G. Vivekanand of the Company.

Note 7.2

Unsecured short term loans from banks include buyers credit availed from a) Kotak Mahindra Bank Limited of ₹670.88 lacs (P.Y. ₹3,087.99 lacs), b) HDFC Bank Limited of ₹2,466.86 lacs (P.Y. ₹3,925.69 lacs), c) Yes Bank Limited of ₹903.17 lacs (P.Y. ₹1,250.02 lacs) and d) short term loan of ₹5,000 lacs (P.Y. 5000 lacs) from ICICI Bank Ltd. These loans are backed by the personal guarantee of Vice-Chairman Dr. G. Vivekanand of the Company. All these buyers credit loans are repayable within six months from the date of availment. The short term loan taken from ICICI is repayable in June'14.



Notes to the Financial Statements *(contd.)*

Note 8 Trade Payables

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
a) Trade Payables		
Dues to micro and small enterprises	-	-
Other suppliers	1,678.01	2,589.59
b) Others		
Advance from customers	458.52	447.18
Expenses payable	2,963.36	2,527.43
TOTAL	5,099.89	5,564.20

Note 8.1

Expense payable represents amount payable to various parties like transporters, advertising, security and other contractors. These also include provisions for current salaries, wages and other employee benefits.

Note 9 Other Current Liabilities

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
a) Current maturities of long term debts (Refer Note 4.1)	1,374.00	50.00
b) Current maturities of finance lease obligations (Refer Note 4.5)	16.22	36.28
c) Current maturities of Public deposits (Refer Note.4.4)	487.48	627.42
d) Interest accrued but not due	62.71	85.33
e) Unpaid dividend	67.90	65.83
f) Statutory liabilities	1,896.60	2,370.24
TOTAL	3,904.91	3,235.10

Note 9.1

Statutory liabilities include liabilities accounted towards sales tax, service tax, excise duty and TDS.

Note 10 Short Term Provisions

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
a) Provision for Employee benefits		
- Leave encashment	27.94	19.65
- Gratuity	59.38	120.19
b) Proposed dividend & Corporate dividend tax	464.50	650.30
TOTAL	551.82	790.14



Notes to the Financial Statements (contd.)

Note 11 Fixed Assets

(₹ in Lacs)										
Name of the Asset	Gross Block				Depreciation				Net Block	
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
Land	3,419.59	198.47	15.79	3,602.27	-	-	-	-	3,602.27	3,419.59
Buildings	12,562.82	5,504.20	-	18,067.02	2,228.47	363.05	-	2,591.52	15,475.50	10,334.35
Plant & Equipment	24,335.04	4,613.85	60.90	28,887.99	14,071.60	1,654.58	38.85	15,687.33	13,200.66	10,263.44
Furniture & Fixtures	275.62	18.56	0.95	293.23	185.54	13.11	0.45	198.20	95.03	90.08
Office Equipment	263.93	25.15	2.84	286.24	105.92	12.22	0.77	117.37	168.87	158.01
Vehicles	542.61	77.90	69.43	551.08	173.86	51.42	54.92	170.36	380.72	368.75
Data Processing Equipment	570.83	120.77	-	691.60	309.35	75.63	-	384.98	306.62	261.48
Assets taken on Finance Lease										
Data Processing Equipment	114.99	-	-	114.99	23.70	18.64	-	42.34	72.65	91.29
Intangible Assets										
Computer Software		199.31	-	199.31	-	56.98	-	56.98	142.33	-
TOTAL	42,085.43	10,758.21	149.91	52,693.73	17,098.44	2,245.63	94.99	19,249.08	33,444.65	24,986.99
Previous Year	39,636.49	2,546.09	97.15	42,085.43	15,191.98	1,957.59	51.13	17,098.44	24,986.99	24,444.51

Note 12 Non-current investments

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Non Trade at cost		
Long term - Unquoted		
a) Investments in Equity Instruments		
Visaka Thermal Power Limited (Associate)	255.85	255.85
25,58,468 (P.Y. 25,58,468) shares of ₹10 each		
Percentage of holding 22.22% (P.Y. 22.22%)		
Somerset Entertainment Ventures (Singapore) Pte Ltd	1,250.00	1,250.00
1,31,903 (P.Y. 1,31,903) shares of Singapore \$ of 10 each		
b) Advance against share capital	1.52	1.52
	1,507.37	1,507.37
TOTAL	1,507.37	1,507.37



Notes to the Financial Statements (contd.)

Note 13 Long term loans & advances

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Unsecured Considered good		
a) Capital Advances	692.44	2,818.93
b) Deposits with Government and Others	584.26	679.27
c) Deposit with Central Excise (Refer Note No.38)	450.00	450.00
Unsecured Considered doubtful		
a) Capital Advances	224.00	388.00
Less: Provision for doubtful advances	(224.00)	(388.00)
TOTAL	1,726.70	3,948.20

Note 14 Inventories

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
(Valued at lower of cost or net realizable value)		
a) Raw Material	8,052.63	13,376.87
{including material in transit of ₹178.84 lacs (P.Y. of ₹350.57 lacs)}		
b) Work-in-progress	2,618.09	2,801.07
c) Finished goods	7,413.86	10,549.35
{including goods in transit of ₹192.39 lacs (P.Y. of ₹52.38 lacs)}		
d) Stores and spares	669.13	583.66
TOTAL	18,753.71	27,310.95

Note 15 Trade Receivables

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
a) Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	30.41	20.69
Unsecured, considered good	75.13	26.74
Doubtful	68.05	42.15
Less: Allowance for bad and doubtful debts	(68.05)	(42.15)
b) Others		
Secured, considered good	1,506.98	1,364.36
Unsecured, considered good	8,112.59	7,215.37
TOTAL	9,725.11	8,627.16



Notes to the Financial Statements *(contd.)*

Note 16 Cash and Bank Balances

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
a) Balances with banks in current and deposit accounts	2,454.26	3,266.59
b) Cash on hand	156.35	92.16
TOTAL	2,610.61	3,358.75
Balance with banks includes -		
Unpaid dividend account	67.90	65.83
Margin money deposits against Bank Guarantee	-	0.90

Note 17 Short term loans & advances

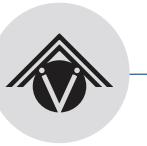
	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
Unsecured Considered good		
Inter corporate deposits	550.00	-
Supplier Advances	894.04	1,777.44
Employee Advances	227.62	153.79
Interest Receivable	65.00	31.20
Prepaid expenses & Other receivables	113.51	134.27
Advance Income tax (Net of Provision for Income tax)	253.18	24.35
MAT credit entitlement	91.80	-
Cenvat & Vat credit available	779.71	477.79
TOTAL	2,974.86	2,598.84

Note 18 Revenue from Operations

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
Sale of products	97,032.64	100,191.15
Other operating revenue		
Export incentives	321.56	359.02
Provision for Doubtful debts written back	-	7.29
Sales tax incentive	460.82	80.00
Sale of scrap	135.77	146.54
Revenue from operations (Gross)	97,950.79	100,784.00
Less: Excise Duty	8,740.49	9,223.70
Revenue from operations (Net)	89,210.30	91,560.30

Details of products sold

1. Cement Asbestos	70,995.97	77,159.32
2. Textile Yarn	17,812.85	16,493.29
3. Boards	6,831.79	5,438.77
4. Panels	1,392.03	1,099.77
TOTAL	97,032.64	100,191.15



Notes to the Financial Statements *(contd.)*

Note 19 Other Income

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
Interest	131.05	100.39
Insurance Income	61.25	44.77
Provision for doubtful advances written back	145.51	-
Miscellaneous Income	198.06	110.44
TOTAL	535.87	255.60

Note 19.1

Interest income represents Interest on electricity deposits, bank deposits and on overdue bills from the customers.

Note 20 Cost of raw materials consumed

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
Cement Asbestos		
- Asbestos Fibre/ Wood Pulp	25,417.40	29,850.27
- Cement	10,441.30	13,245.64
- Others	3,297.56	3,893.25
TOTAL	39,156.26	46,989.16
Textile Yarn		
- Polyester Staple Fibre	9,460.50	7,929.67
- Viscose Staple Fibre	715.82	951.38
- Others	10.96	10.26
TOTAL	10,187.28	8,891.31
Fibre Cement Boards		
- Woodpulp	1,056.49	836.19
- Cement	700.95	516.17
- Others	924.73	655.90
TOTAL	2,682.17	2,008.26
Panels		
- Cement	149.26	112.71
- Others	323.68	246.61
TOTAL	472.94	359.32
GRAND TOTAL	52,498.65	58,248.05

Note: During the year Boards costing ₹288.28 lacs have been used in Panels Division (Previous year ₹254.56 lacs)



Notes to the Financial Statements *(contd.)*

Note 21 Changes in inventories

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Finished Goods		
Closing Inventory	7,413.86	10,549.35
Opening Inventory	10,549.35	5,515.59
Trial Run Production	94.57	-
(A)	(3,230.06)	5,033.76
Work in Progress		
Closing Inventory	2,618.09	2,801.07
Opening Inventory	2,801.07	2,604.29
(B)	(182.98)	196.78
Changes in Inventories (A+B)	(3,413.04)	5,230.54

Details of Closing Inventory

Finished goods		
a) Cement Asbestos	4,960.59	8,908.66
b) Textile yarn	1,158.61	920.60
c) Boards	1,114.23	530.43
d) Panels	180.43	189.66
TOTAL	7,413.86	10,549.35
Work-in-progress		
a) Cement Asbestos	2,206.19	2,504.36
b) Textile yarn	411.90	296.71
TOTAL	2,618.09	2,801.07

Details of Opening inventory

Finished goods		
a) Cement Asbestos	8,908.66	3,636.50
b) Textile yarn	920.60	1404.22
c) Boards	530.43	343.27
d) Panels	189.66	131.60
TOTAL	10,549.35	5,515.59
Work-in-progress		
a) Cement Abestos	2,504.36	2,326.37
b) Textile yarn	296.71	277.92
TOTAL	2801.07	2604.29

Note 22 Employee benefits expense

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Salaries, Wages and Bonus	4,278.29	3,837.62
Contribution to Provident & Other Funds	488.35	504.42
Staff Welfare Expenses	433.59	359.07
TOTAL	5,200.23	4,701.11



Notes to the Financial Statements *(contd.)*

Note 23 Finance Cost

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Interest expense	2,087.59	1,421.76
Other borrowing cost	52.32	76.31
Interest on shortfall in payment of advance tax	-	2.95
TOTAL	2,139.91	1,501.02

Note 24 Other Expenses

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Consumption of stores & spare parts	2,640.13	2,710.29
Cost of packing materials consumed	618.17	603.82
Power and fuel	4,775.27	5,099.46
Rent	118.35	100.78
Repairs to Buildings	302.13	330.63
Repairs to Machinery	497.20	588.60
Insurance	189.81	143.86
Rates & Taxes	93.59	94.73
Wages - Contract Labour	1,598.02	1,499.82
Travelling & Conveyance	743.93	655.30
Commission & Discount	442.51	424.57
Freight	5,856.81	5,607.07
Advertisement & Sales Promotion Expenses	1,156.10	863.33
Auditors' Remuneration	21.98	21.47
Directors' Sitting Fee	1.80	1.46
Bad Debts Written off	0.45	8.67
Foreign Exchange Loss (Net)	436.39	341.56
Loss on Sale of Fixed Assets (Net)	10.70	13.50
Non whole time Directors' Commission	19.00	37.50
Excise duty on Increase/(Decrease) in Inventories	(529.30)	916.73
Fixed Assets written off	19.16	10.31
Provision for Doubtful debts	25.90	-
Miscellaneous Expenses	3,229.80	3,037.68
TOTAL	22,267.90	23,111.14



Notes to the Financial Statements *(contd.)*

Note 25 Payment to Auditor

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
As Auditor		
For Statutory Audit	12.00	12.00
For Tax Audit	3.00	3.00
For Quarterly Audit	1.80	1.80
For Cost Audit	0.75	-
For other services		
For Certification, Taxation matters, Other services etc.	2.46	3.27
Out of Pocket expenses	1.97	1.40
TOTAL	21.98	21.47

Note 26 Earnings per share (EPS)

Particulars	31st March, 2014	31st March, 2013
Profit after tax	1,196.75	5,068.78
Weighted average number of equity shares in calculating Basic and Diluted EPS (Nos)	158.81	158.81
Basic and Diluted Earnings per Share (EPS) ₹	7.54	31.92

Note 27 Employee Benefits:

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are as follows:

Note 27.1 Defined Contribution plans:

	31st March, 2014	31st March, 2013
Company's Contribution to Provident Fund	290.39	252.69
Company's Contribution to Superannuation Fund	73.08	64.55

Note 27.2 Defined Benefit plans:

The company operates post retirement gratuity plan with LIC. 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. The obligation of leave encashment is recognised in the same manner as gratuity.



Notes to the Financial Statements *(contd.)*

a) Gratuity - Disclosures as per AS 15:

	(₹ in Lacs)	
	31st March, 2014	31st March, 2013
1 Changes in the Present Value of Obligation		
Present value of obligations as at beginning of the year	820.87	640.12
Interest cost	63.84	49.24
Current Service cost	50.24	48.85
Benefits paid	(45.82)	(49.06)
Actuarial (gain)/loss on obligations	27.26	131.72
Present value of obligations as at end of year	916.39	820.87
2 Changes in Fair value of plan assets		
Fair value of plan assets at beginning of the year	700.68	567.67
Expected return on plan assets	70.10	57.07
Contributions	131.23	120.77
Benefits paid	(45.82)	(49.06)
Actuarial gain/(loss) on plan assets	0.82	4.23
Fair value of plan assets at the end of year	857.01	700.68
3 Assets recognized in the Balance Sheet		
Present value of obligations as at the end of the year	916.39	820.87
Fair value of plan assets as at the end of the year	857.01	700.68
Funded status	(59.38)	(120.19)
Net asset/(liability) recognized in balance sheet	(59.38)	(120.19)
4 Expenses recognized in the Statement of Profit & Loss		
Current service cost	50.24	48.85
Interest cost	63.84	49.24
Expected return on plan assets	(70.10)	(57.07)
Net Actuarial (gain)/loss recognized in the year	26.44	127.48
Expenses recognized in statement of profit and loss	70.42	168.50
5 Assumptions		
Discount Rate	8%	8%
Salary Escalation	4%	4%

(b) Leave Encashment - Disclosures as per AS 15:

	(₹ in Lacs)	
	31st March, 2014	31st March, 2013
1 Changes in the Present Value of Obligation		
Present value of obligations as at beginning of year	260.38	172.67
Interest cost	20.52	13.81
Current Service cost	39.65	34.81
Benefits paid	(7.76)	-
Actuarial (gain)/loss on obligations	27.04	39.09
Present value of obligations as at end of year	339.83	260.38



Notes to the Financial Statements *(contd.)*

(b) Leave Encashment - Disclosures as per AS 15:

	(₹ in Lacs)	
	31st March, 2014	31st March, 2013
2 Changes in Fair value of plan assets		
Fair value of plan assets at beginning of year	240.74	121.93
Expected return on plan assets	24.86	16.32
Contributions	53.17	99.08
Benefits paid	(7.76)	-
Actuarial gain/(loss) on plan assets	0.88	3.41
Fair value of plan assets at the end of year	311.89	240.74
3 Assets recognized in the Balance Sheet		
Present value of obligations as at the end of year	339.83	260.38
Fair value of plan assets as at the end of the year	311.89	240.74
Funded status	(27.94)	(19.64)
Net asset/(liability) recognized in balance sheet	(27.94)	(19.64)
4 Expenses recognized in the Statement of Profit & Loss		
Current service cost	39.65	34.81
Interest cost	20.52	13.81
Expected return on plan assets	(24.86)	(16.32)
Net Actuarial (gain)/loss recognized in the year	26.15	35.68
Expenses recognized in statement of profit and loss	61.46	67.98
5 Assumptions		
Discount Rate	8%	8%
Salary Escalation	4%	4%

Note 28 Finance lease (Disclosures as per AS -19)

The company has taken Data Processing Equipments on financial lease as mentioned in Fixed Assets - Tangible. The details as per AS-19 are as under:

	(₹ in Lacs)	
Particulars	31st March, 2014	31st March, 2013
a) Outstanding balance of minimum lease payment		
Not later than one year	16.99	40.44
Later than one year and not later than five years	-	16.99
Total	16.99	57.43
b) Present value of (a) above		
Not later than one year	16.22	36.27
Later than one year and not later than five years	-	16.22
Total	16.22	52.49
Finance charge	0.77	4.94

Note 29

During the year the Company has set up a new fibre cement sheet (Non-Asbestos) plant near Pune. The plant has commenced commercial production from 4th October, 2013. The Cost of fixed assets including pre-operative expenditure has been capitalized.



Notes to the Financial Statements *(contd.)*

Note 30

Capital work in progress includes ₹2029.80 lacs incurred for Solar Photovoltaic (SPV) Power Plant of 2.5 MV at Miryalguda, Nalgonda District in Andhra Pradesh.

Note 31

We have recorded all known liabilities in the financial statements. The Company has not received any intimations from suppliers regarding their status under the micro, small and medium enterprises development act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid or payable as required under the said Act have not been given.

Note 32 Related Party Disclosures

i) Key management personnel:

Mrs. G. Saroja Vivekanand	- Managing Director
Mr. M. P. Venkateswara Rao	- Whole time Director

ii) Relatives of key management personnel:

Dr. G. Vivekanand	- Vice Chairman (Spouse of Mrs. Saroja Vivekanand)
Mr. G. Vamsi Krishna (Son of Mrs. Saroja Vivekanand)	

iii) Enterprise in which key management personnel and their relatives have control:

- a) Aslesha Constructions Private Limited

iv) Associate Company:

- a) Visaka Thermal Power Limited

v) Aggregated Related Party Disclosures:

Nature of Transaction	Associate	Key Management Personnel	Relatives of key Management personnel	Enterprises Controlled By relatives of key management personnel	Total
Remuneration		158.96 (393.81)	11.89 (8.46)		170.85 (402.27)
Gratuity, Commission			39.32 (Nil)		39.32 (Nil)
Dividend paid		7.38 (15.83)	201.88 (432.60)		209.26 (448.43)
ICDs Received	6.52 (50.00)			0.25 (5.00)	6.77 (55.00)
ICDs Repaid	131.00 (540.00)			Nil (Nil)	131.00 (540.00)
Interest on ICDs	4.10 (21.48)			0.55 (0.27)	4.65 (21.75)

Figures in brackets represent previous year.



Notes to the Financial Statements *(contd.)*

Note 33 Expenditure in Foreign Currency

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Travel	30.03	48.89
Commission on Export Sales	45.48	67.62
Royalty	0.00	6.14
Interest	86.32	122.16
Others	3.97	-
Total	165.80	244.81

Note 34 Earnings in Foreign Currency

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Export of Goods (FOB Value)	4794.96	5107.30

Note 35 CIF Value of Imports

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Raw Materials	19534.82	31980.70
Components, stores and spare Parts	329.41	141.67
Capital Goods	11.65	192.19

Note 36 Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date.

Particulars	Currency	31st March, 2014	31st March, 2013
Sundry Creditors	USD	307732	1182017
Sundry Debtors	USD	1037178	496876
	GBP	16240	16741
	EUR	150130	140180
Others			
a) Buyers credit	USD	-	5055
b) Royalty	AUD	-	34676
c) Commission	GBP	984	1720
	USD	28914	32452



Notes to the Financial Statements *(contd.)*

Note 37 Consumption of Raw Materials and other materials

Particulars	31st March, 2014		31st March, 2013	
	(₹ in Lacs)	%	(₹ in Lacs)	%
a) Raw Materials				
i) Imported	26,708.33	51	31,015.78	53
ii) Indigenous	25,790.32	49	27,232.27	47
TOTAL	52,498.65	100	58,248.05	100
b) Components, Spares, Consumables & Packing Materials				
i) Imported	170.37	5	102.65	3
ii) Indigenous	3,087.93	95	3,211.46	97
TOTAL	3,258.30	100	3,314.11	100

Note 38 Provisions, Contingent Liabilities and Contingent Assets

Disclosures required by AS-29 "Provisions, Contingent Liabilities & Contingent Assets"

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Contingent Liabilities:		
Income tax	72.61	97.61
VAT/CST	93.26	52.41
Excise duty/Service Tax*	2,806.96	2,806.96
Total	2,972.83	2,956.98

* Includes ₹2,647.70 lacs (P.Y. ₹2,647.70 lacs) disputed excise duty including penalty for purported under utilization of fly-ash in the product to be eligible for concessional rate of duty. This is in appeal against which a pre -deposit of ₹450 lacs (P.Y. ₹450 lacs) has been made.

Note 39 Commitments

(₹ in Lacs)		
Particulars	31st March, 2014	31st March, 2013
Estimated amount of contracts remaining to be executed on capital account	239.08	3,165.31
TOTAL	239.08	3,165.31



Notes to the Financial Statements *(contd.)*

Note 40 Segment information for the year ended 31st March, 2014

I) Information about Primary business segments

	31st March, 2014			31st March, 2013		
	Building Products	Synthetic Yarn	Consolidated	Building Products	Synthetic Yarn	Consolidated
REVENUE						
External Sales(Net)	70,479.30	17,812.85	88,292.15	74,474.16	16,493.29	90,967.45
Inter Segment Sales	-	-	-	-	-	-
Total Revenue	70,479.30	17,812.85	88,292.15	74,474.16	16,493.29	90,967.45
Segment Result	2,446.42	2,686.24	5,132.66	7,795.92	2,043.26	9,839.18
Unallocated Corporate expenses			(1,188.58)			(988.71)
Operating Profit			3,944.08			8,850.47
Interest Expense			(2,139.91)			(1,501.02)
Rental & Other Income			75.36			114.12
Income tax			(682.78)			(2,394.79)
Profit from ordinary activities			1,196.75			5,068.78
Net Profit			1,196.75			5,068.78
Other information						
Segment Assets	58,811.00	8,058.58	66,869.58	59,948.90	6,585.99	66,534.89
Unallocated Corporate Assets			5,972.33			7,447.35
Total Assets			72,841.91			73,982.24
Segment Liabilities	6,264.22	699.47	6,963.69	7,226.10	708.10	7,934.20
Unallocated Corporate liabilities			32,541.34			33,443.41
Total Liabilities			39,505.03			41,377.61
Capital Expenditure	9,450.93	1,057.57	10,508.50	1,987.30	380.90	2,368.20
Unallocated Capital Expenditure			249.71			177.89
Total Capital Expenditure			10,758.21			2,546.09
Depreciation	1,823.58	391.74	2,215.32	1,589.64	340.30	1,929.94
Unallocated Depreciation			30.31			27.65
Total Depreciation			2,245.63			1,957.59

II) Information about secondary business segments .

	31st March, 2014			31st March, 2013		
	India	Outside India	Total	India	Outside India	Total
External	83,028.18	5,263.97	88,292.15	85,325.53	5,641.92	90,967.45
Total	83,028.18	5,263.97	88,292.15	85,325.53	5,641.92	90,967.45
Carrying Amount of Segment Assets	72,841.91	-	72,841.91	73,982.24	-	73,982.24
Additions to Fixed Assets	10,758.21	-	10,758.21	2,546.09	-	2,546.09



Notes to the Financial Statements *(contd.)*

Notes:

Business Segments:

The Company's activities are organized into two operating segments namely, Building Products and Textile Synthetic Yarn. The segments are the basis on which the company reports its primary segment information. The Building Products division produces asbestos sheets, accessories used mostly as roofing material and non asbestos flat sheets and sandwich panels used as interiors. Synthetic Yarn division manufactures Yarn out of blends of polyester, viscose, other materials which go into the weaving of fabric. Segment result includes the respective other income.

Financial Information about business segments is presented as above.

Geographical Segments:

The Sales of the above segments are classified as per the geographical segments of the company as Domestic and Exports.

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 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. However, during the year there are no such transactions.

Note 41

Figures for the previous year are reclassified /regrouped and rearranged wherever necessary.

As per our report of even date

For M.Anandam & Co.,
Chartered Accountants

A.V.Sadasiva
Partner
M.No.018404

Place: Secunderabad
Date: 24th May, 2014

For and on behalf of the Board of Directors

Bhagirat B. Merchant
Chairman

Gusti J Noria
Director

M.P.V.Rao
Whole Time Director

Dr. G. Vivekanand
Vice - Chairman

V. Pattabhi
Director

V .Vallinath
President(Finance) & CFO

Smt. G. Saroja Vivekanand
Managing Director

P. Abraham
Director

I. Srinivas
Company Secretary &
AVP (Corporate Affairs)



CORPORATE INFORMATION

Board of Directors

Shri. Bhagirat B. Merchant	- Chairman
Dr. G. Vivekanand	- Vice Chairman
Shri. P. Abraham, I.A.S. (Retired)	- Director
Shri. V. Patabhi	- Director
Shri. Nagam Krishna Rao	- Director
Shri. Gusti J Noria	- Director
Smt. G. Saroja Vivekanand	- Managing Director
Shri. M.P.V. Rao	- Whole Time Director

Chief Financial Officer

Shri. V. Vallinath

Company Secretary

Shri. I Srinivas

Committees of the Board

Audit Committee

Shri. Bhagirat B. Merchant	- Chairman
Shri. V. Patabhi	- Member
Shri. Gusti J Noria	- Member
Smt. G. Saroja Vivekanand	- Member

Nomination and Remuneration Committee

Shri. Bhagirat B. Merchant	- Chairman
Shri. V. Patabhi	- Member
Shri. Gusti J Noria	- Member

Stakeholders Relationship Committee

Shri. V. Patabhi	- Chairman
Dr. G. Vivekanand	- Member
Smt. G. Saroja Vivekanand	- Member
Shri. M.P.V. Rao	- Member

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,
Medak District – 502 300, Telangana.

Auditors:

M/s. M. Anandam & Co.
Chartered Accountants
7 ‘A’, Surya Towers
S.P. Road, Secunderabad – 500 003.

Cost Auditors:

M/s. Sagar & Associates
206, Raghava Ratna Towers,
Chirag Ali Lane, Abids, Hyderabad – 500 001.

Bankers:

State Bank of India - Corporate Accounts Group Branch,
Hyderabad.
State Bank of Hyderabad – Industrial Finance Branch,
Hyderabad.
HDFC Bank – Begumpet Branch, Hyderabad.

Plant Address

1.

A.C. Division – Plant 1
Survey No.315, Yelumala Village, R.C.Puram Mandal,
Medak 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 (Taluq), 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,
Maharastra





VISAKA INDUSTRIES LIMITED®

CIN L52520AP1981PLC003072

Registered Office: Survey No. 315, Yelumala Village, R.C. Puram Mandal, Medak Dist - 502 300, Telangana

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of VISAKA INDUSTRIES LIMITED will be held at its Registered Office at Survey No.315, Yelumala Village, Ramachandrapuram Mandal, Medak District – 502 300, Telangana at 11.00 A.M. on the Friday, 25th day of July 2014 to transact the following business:

ORDINARY BUSINESS

1. To adopt the Financial Statement of the Company for the Financial Year ended 31st March, 2014 and the reports of the Directors' and Auditors' thereon.
2. To declare Dividend for the Financial Year ended 31st March, 2014.
3. To appoint a Director in place of Shri. Nagam Krishna Rao (DIN: 00015367), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company.

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 139 (9) read with Second proviso to Section 139 (2) of the Companies Act, 2013 and the rules made thereunder, M/s M. Anandam & Co.,(Firm Registration No. 000125S) Chartered Accountants, 7'A' Surya Towers, S.P. Road, Secunderabad - 500 003, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 4th consecutive Annual General Meeting (subject to ratification by the members at every Annual General Meeting) and that the Board of Directors be and is hereby authorized to fix their remuneration for the period”.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Sections

149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV thereto; Shri. Bhagirat B Merchant (DIN: 00375025), who was appointed as Director liable to retire by rotation under erstwhile Companies Act, 1956 and holds office as Independent Director of the Company under clause 49 of the listing agreement with stock exchanges and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years up to 31st March 2019 and that he shall not liable to retire by rotation.”

6. To consider and if thought fit, to pass, with or without modifications(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV thereto; Shri. Gusti J Noria (DIN: 00015561), who was appointed as Director liable to retire by rotation under erstwhile Companies Act, 1956 and holds office as Independent Director of the Company under clause 49 of the listing agreement with stock exchanges and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years up to 31st March 2019 and that he shall not liable to retire by rotation.”

7. To consider and if thought fit, to pass, with or without modifications(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV thereto; Shri. P Abraham (DIN: 00280426), was appointed as Director liable to retire by rotation under erstwhile Companies Act, 1956 and holds office as Independent Director of the Company under clause 49 of the listing agreement with stock exchanges and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years up to 31st March 2019 and that he shall not liable to retire by rotation.”

8. 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 Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV thereto; Shri. V Pattabhi, (DIN: 00200157), who was appointed as Director liable to retire by rotation under erstwhile Companies Act, 1956 and holds office as Independent Director of the Company under clause 49 of the listing agreement with stock exchanges and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years up to 31st March, 2019 and that he shall not liable to retire by rotation.”

9. To consider and if thought fit, to pass, with or without modifications(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Schedule V 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 (DIN: 00012994), as the Managing Director of the Company for a period of 5 years with effect from 24th October, 2014

(i.e., from 24th October, 2014 to 23rd October, 2019) on the following terms and conditions:

- A. Basic Salary per month: ₹3,00,000/- in the scale of ₹300,000/- to ₹600000/-
- B. Perquisites & Allowances: In addition to the aforesaid salary, Smt. G. Saroja Vivekanand shall also be entitled to the following perquisites and allowances.

1. 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.
2. 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.
3. Leave Travel Concession: For self and family once in a year in accordance with the rules of the Company.
4. Club Fees: Fees payable subject to a maximum of two clubs.
5. Use of Car with Driver: The Company shall provide a car with driver for business use.
6. 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:

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not exceeding 27% of Salary.
2. Gratuity payable as per the rules of the Company.
3. 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.

E. Increments:

Increments may be given subject to the overall limits specified under Section 197 read with 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 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.”

10. To consider and if thought fit, to pass, with or without modifications(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Schedule V 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 Shri. M.P.V. Rao (DIN: 02305807), as a Whole-time Director of the Company with effect from 1st April 2014 to 31st July 2014 on the following term and conditions

A. Basic Salary: ₹258750/- (Rupees Two Lakhs Fifty Eight Thousand Seven Hundred and Fifty Only) Per Month

B. Perquisites:

- 1) HRA 50% of Basic Salary per month
- 2) Helper allowance ₹10,000/- (Rupees Ten Thousand only) per month
- 3) Children Education allowance ₹100/- (Rupees One Hundred only) per month
- 4) Other Allowances being books & Periodicals and Dress allowance amounting to ₹4000/- (Rupees Four Thousand only) per month

C. Medical Reimbursement

Expenses incurred for self and family subject to a ceiling of one month Basic Salary of Shri. M.P.V Rao in a year.

D. Leave Travel Concession

Leave Travel Assistance for self and family equivalent to one month’s Basic Salary per annum.

E. Other benefits:

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not exceeding 27% of Salary.
2. Gratuity payable as per the rules of the Company.
3. Encashment of Leave at the end of tenure shall be allowed as per the Company Rules.”

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

“RESOLVED THAT pursuant to provisions of Section 152, 160 of the Companies Act, 2013 and the Rules made thereunder and Articles of Association of the Company, Shri. G. Vamsi Krishna (DIN: 03544943), who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 1, 2014 and holds office until ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Schedule V thereto and subject to such other approvals or permissions as may be necessary, approval of the members of the Company be and is hereby accorded for appointment of Shri G. Vamsi Krishna as a Whole-time Director of the Company for a period of 5 years with effect from June 1, 2014 (i.e., from June 1, 2014 to May 31, 2019) on the following terms and conditions :

A. Basic Salary per month: ₹1,50,000/- in the scale of ₹1,50,000/- to ₹3,00,000/-

B. Perquisites & Allowances: In addition to the aforesaid salary, Shri. G. Vamsi Krishna shall also be entitled to the following perquisites and allowances.

1. 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.
2. Medical Reimbursement Allowance: Expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months’ salary over a period of three years.
3. Leave Travel Concession: For self and family once in a year in accordance with the rules of the Company.
4. Club Fees: Fees payable subject to a maximum of two clubs.
5. Use of Car with Driver: The Company shall provide a car with driver for business use.
6. Communication facilities: The Company will provide

all communication facilities like Telephone/Internet/Mobiles/Fax at residence of the Whole-time Director and will pay the bills on actual basis.

C. Other benefits:

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not exceeding 27% of Salary.
2. Gratuity payable as per the rules of the Company.
3. Encashment of Leave at the end of tenure shall be allowed as per the Company Rules.

D. Increments:

Increments may be given subject to the overall limits specified under Section 197 read with 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 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.”

By order of the Board
For VISAKA INDUSTRIES LIMITED

I SRINIVAS

Date: 24th May, 2014 Assistant 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.
3. The Register of members and transfer Books of the Company will be closed from July 18, 2014 to July 25, 2014 (both days inclusive).
4. The members are requested to –
 - a) Intimate to the Registrars and Transfer Agents of the Company / Depository Participants changes, if any, in their registered addresses at an early date.
 - b) Quote Ledger Folio/Client ID in all the correspondence.
 - c) 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 approved at the meeting, payment of such dividend will be made to those shareholders or their mandatee(s) whose names appear in the Company’s register of members as on 17.07.2014.
6. Shareholders holding shares in physical form may write to the Company for any change in their addresses and bank

mandates, members having shares in electronic form may inform the same to their depository participants with whom they have Demat account immediately, so as to enable the Company to dispatch the dividend warrants at their correct addresses.

7. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
8. As per the provisions of Section 205 C of the Companies Act, 1956, Unpaid/Unclaimed Dividend for the Year 2005 – 2006 has been transferred to Investor Education and Protection Fund on 04.07.2013 upon expiry of 7 years period. Unpaid/ Unclaimed Dividend for the Year 2006 – 2007 will be transferred to Investor Education and Protection Fund on 08.07.2014. Shareholders who have not claimed Dividend for the year 2006 - 2007 are requested to claim the dividend on or before 07.07.2014.
9. All documents referred to in the notice and explanatory statement are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays, between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
10. The Company pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, is extending e-voting facility for its Members to enable them to cast their vote electronically instead of participating and voting physically in the Annual





General Meeting. The Company has appointed Mr. P V Ramana Kumar, Practicing Chartered Accountant who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner.

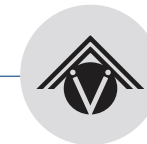
11. The e-voting facility will be available at the link <http://evoting.karvy.com> during the voting period.
12. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
13. Members are requested to note that the e-voting will open on July 19, 2014 and shall remain open for 3 days i.e. upto July 21, 2014. E-voting shall not be allowed beyond 6 p.m on July 21, 2014.
14. The procedure and instructions for e-voting are as follows:
 - i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
 - ii. Enter the login credentials (i.e., user-id & password) provided to you as mentioned at point no. 12 supra.
 - iii. Please contact toll free No. 1-800-34-54-001 for any further clarifications.
 - iv. After entering these details appropriately, click on "LOGIN".
 - v. 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 Company opts for e-voting through Karvy Computershare 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.

- vi. You need to login again with the new credentials.
- vii. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- viii. If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- ix. 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 do not wants to cast, select 'ABSTAIN'
- x. After selecting the resolution, if 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.
- xi. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xii. Corporate/Institutional Members (corporate /FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to vilevoting2014agm@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."
- xiii. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- xiv. Brief Profile of Shri. Nagam Krishna Rao, Director liable to retire by rotation and being eligible, seeking re-appointment in 32nd Annual General Meeting of the Company is provided here under:

Mr. Nagam Krishna Rao has been on the Board of your Company since 1994. He is a leading Jewellery Merchant in Hyderabad and he was a member of Andhra Pradesh Legislative Assembly. He was also the Chairman of Hyderabad Urban Development Authority.

He along with his relatives holds 118450 shares of the Company and does not hold directorships in other Companies.



ANNEXURE TO THE NOTICE

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

Item Nos. 5 to 8

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, every listed public company needs to have at least one-third of the total number of directors as independent directors, who shall hold the office for term upto 5 consecutive years. The said section further provides that any tenure of Independent Director on the date of commencement of the Companies Act, 2013 i.e. 01.04.2014 shall not be counted as term for aforesaid period of 5 years and also lays down additional criteria for becoming Independent Director of the Company.

Shri. Bhagirat B Merchant, Shri. Gusti J Noria, Shri. P Abraham and Shri. V. Pattabhi are earlier appointed as Director liable to retire by rotation under erstwhile Companies Act, 1956 and holds office as Independent Director of the Company under clause 49 of the listing agreement with stock exchanges (clause 49). They have held the positions as such for more than 5 (five) years.

The Company has also received declarations from Shri. Bhagirat B Merchant, Shri. Gusti J Noria, Shri. P Abraham and Shri. V. Pattabhi stating that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49.

The Board of Directors of your Company, after reviewing the declarations submitted by the above Independent Directors, is of the opinion that the said Directors meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet with the requirements of Clause 49 of listing agreements for being Independent Directors on the Board of the Company and are also independent of the management.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each Shri. Bhagirat B Merchant, Shri. Gusti J Noria, Shri. P Abraham and Shri. V. Pattabhi for the office of Directors of the Company.

In view of the same, it is proposed to appoint Shri. Bhagirat B Merchant, Shri. Gusti J Noria, Shri. P Abraham and Shri. V. Pattabhi as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office

for 5 (five) consecutive years i.e. upto 31.03.2019 and shall not liable to retire by rotation during the said period.

Brief resume of Shri. Bhagirat B Merchant, Shri. Gusti J Noria, Shri. P Abraham and Shri. V. Pattabhi, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees and shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided hereunder.

Brief Profile of Shri. Bhagirat B. Merchant:

Shri. Bhagirat B. Merchant is a Fellow Member of Institute of Chartered Accountants of India. He has been on the Board of Your Company since 1983. He has had a long and varied experience in Accounts, Finance and Capital markets. He was past president of Mumbai Stock Exchange Limited.

Shri. Bhagirat B. Merchant is a Director of M/s. E – Cube Solutions (India) Limited and Chairman of M/s. Tarragon Capital Advisors (India) Private Limited.

Shri Bhagirat B. Merchant does not hold any Equity Shares in the Company.

Brief Profile of Shri. Gusti J Noria:

Shri. Gusti J Noria, BSc, M.A is the Managing Director of M/s. Normak Fashions Private Limited manufacturers of famous "Estelle" brand artificial jewelry. He has a long and varied experience in manufacturing, marketing and Export of artificial jewelry Business. He has been on the Board of your Company since 2000. He is also holding directorships in other private companies.

Shri. Gusti J Noria does not hold any Equity Shares of the Company.

Brief Profile of Shri. P Abraham:

Shri P. Abraham is a retired IAS Officer. He served the Government as Commissioner of Industries Andhra Pradesh, Chairman, Maharashtra State Electricity Board and Union Energy Secretary. He was a member of the Union Public Service Commission.

Shri. P Abraham holds 450 Shares of the Company.

Shri. P Abraham is a Director in JSW Energy Limited, Vijai



Electricals Limited, GVK Power & Infrastructure Limited, NCC Limited, Lanco Infratech Limited, NCC Infrastructure Holdings Limited, TAJ GVK Hotels and Resorts Limited, Raj Westpower Limited, Lanco Amarkantak Power Limited, Orient Green Power Company Limited and GVK Energy Limited.

Shri. P Abraham is a member of Audit Committee of GVK Power & Infrastructure Limited, JSW Energy Limited, Vijai Electricals Limited and NCC Limited and a Member of Remuneration Committee of GVK Power & Infrastructure Limited, JSW Energy Limited and NCC Limited.

Brief Profile of Shri. V Pattabhi:

Shri V. Pattabhi, B. E., is an Independent Consultant. He has over 50 years of experience in the Asbestos Cement Industry and retired as Executive Vice President (Technical) of Hyderabad Industries Limited. He has not only exposure in the technical field but also has handled the environmental issues connected with the Asbestos Cement Industry and is considered as an expert in the field. He has also immense knowledge about non-asbestos cement products.

Shri. V Pattabhi holds 500 Shares of the Company.

Shri V.Pattabhi is Director of Veljan Denison Limited and other private limited Companies.

Copy of the draft letters for respective appointments of Shri. Bhagirat B Merchant, Shri. Gusti J Noria, Shri. P Abraham and Shri. V. Pattabhi as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.

Shri. Bhagirat B Merchant, Shri. Gusti J Noria, Shri. P Abraham and Shri. V. Pattabhi are interested in the resolutions set out respectively at Item Nos. 5 to 8 of the Notice with regard to their respective appointments.

Save and except the above, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in these resolutions.

The Board commends the Resolutions set out at Item Nos. 5 to 8 of the Notice for approval by the shareholders.

Item No. 9

Smt. G. Saroja Vivekanand, who is promoter and has been on the Board as a Non-Executive Director of Company from January 2003 and has exposure to the functioning of the Company in all respects. The Board initially appointed Smt. G. Saroja Vivekanand on 24th June, 2009 as Joint Managing Director

and she has been re-designated as Managing Director of the Company from 24th October, 2009 on the same remuneration.

As per the terms of appointment her tenure as Managing Director will be expiring on 23rd October, 2014. During her tenure as Managing Director of the Company, the Company reached to new heights and thus the Board of Directors based on the recommendations made by the Nomination and Remuneration committee of the Board have decided to re-appoint her as Managing Director of the Company for another term of 5 years effective from 24.10.2014 subject to your approval.

Smt. G. Saroja Vivekanand, holds a Bachelor's Degree in Arts. She is also one of the trustee of Visaka Charitable Trust created by the Company. As a trustee she actively participates in the charitable activities conducted by the Trust.

She holds 211,139 equity shares of the Company. She is a Director on the Board of Visaka Thermal Power Limited and also holds directorships of other private companies.

As per Section 196 and 197 read with Schedule V of the Companies Act, 2013; the reappointment of Smt. G. Saroja Vivekanand as the Managing Director of the Company requires your approval and hence this resolution is proposed.

None of the Directors, Key Managerial Personnel and their relatives except Smt. G. Saroja Vivekanand, Dr. G. Vivekanand, Vice Chairman and Mr. G. Vamsi Krishna, Whole-time Director of the Company are interested in the resolution.

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

Item No. 10

Considering the immense contribution made by Shri. M.P.V. Rao as Whole-time Director of the Company, the Board of directors had appointed him as Whole-time Director with effect from 1st April, 2012 for a period of Two Years i.e. 1.4.2012 to 31.3.2014. Mr. Rao has over 45 years of experience in the technical side of asbestos cement industry. He has been instrumental in economizing operations and increasing capacity and developed the technology for asbestos cement sheets machines capable of manufacturing 10000 tonnes per month. Your Company has immensely benefited by his technical expertise in setting up the reinforced building boards division.

Shri. M.P.V Rao has expressed his intention to retire from full time responsibilities of the Company. Your Company's Management has requested him to continue upto 31.07.2014

for which, he agreed. Accordingly, the Board of Directors of your Company based on the recommendations of Nomination and Remuneration Committee of the Board, have reappointed him as Whole-time Director from 01.04.2014 to 31.07.2014 subject to your approval in terms of Section 197 of the Companies Act, 2013 read with Schedule V thereto. Hence this resolution is proposed for your approval.

He does not hold any shares of the Company and also does not hold directorships in other Companies.

None of the Directors, Key Managerial Personnel and their relatives except Shri. M.P.V. Rao is interested in the resolution.

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

Item No. 11

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. He is presently working as Chief Business Strategist of the Company and made significant contributions to increase the size of the business of Board's Division. In view of the same, pursuant to Section 161 and 197 of the Companies Act, 2013, read with Schedule V thereto as well as Articles of Association of the Company the Board of Directors at its meeting held on May 24, 2014, appointed him as an additional Director as well as Whole-time Director of the Company with effect from 1st June 2014. The terms of appointment are stated in the resolution.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri.G.Vamsi Krishna will hold office up to the date of the ensuing Annual General Meeting. The Company has

received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with the requisite deposit proposing the candidature of Shri. G Vamsi Krishna for the office of the Director.

Further in terms of provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto; appointment of Shri.G.Vamsi Krishna as a whole-time Director as per the terms mentioned in resolution requires the approval of shareholders. The appointment shall be subject to the superintendence, guidance and control of the Board of Directors.

He does not hold any shares of the Company and also does not hold directorships in other 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 in the resolution.

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

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

I SRINIVAS

Date: 24th May, 2014
Place: Hyderabad

*Assistant Vice President (Corporate Affairs)
& Company Secretary*





Notes



Notes



VISAKA INDUSTRIES LIMITED®

CIN: L52520AP1981PLC003072

Regd. Office: Survey No.315, Yelamala Village, R.C.Puram Mandal, Medak Dist -502 300, Telangana
Telephone No. 040 – 27813833; Fax No. 040 – 27813837; email: - vil@viska.in; website: - www.visaka.in

ATTENDANCE SLIP

I hereby record my presence at the 32nd Annual General Meeting of the Company being held on 25th July 2014 at 11.00 a.m. at its registered office.

Name of the Shareholder :

Name of the Proxy :

Signature of Member / Proxy :

Regd. folio/*Client ID :

*Applicable for members holding shares in electronic form.

Note: To be signed and handed over at the entrance of the Meeting Venue

If undelivered, please return to:



www.visaka.in

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