



# Persistence pays



VISAKA INDUSTRIES LIMITED | ANNUAL REPORT 2014-15

## 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.

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Notice





For a couple of years, consumer sentiment was weak and demand for building products muted.

Visaka Industries kept faith. The Company augmented its production capacity, strengthened its portfolio and enhanced its operating efficiency.

The result is that as soon as consumer sentiment revived in 2014-15, Visaka reported a significant 14.7% revenue growth and 77% net profit surge in, making the fiscal year one of its best ever.

## Persistence pays



Visaka Industries Limited.

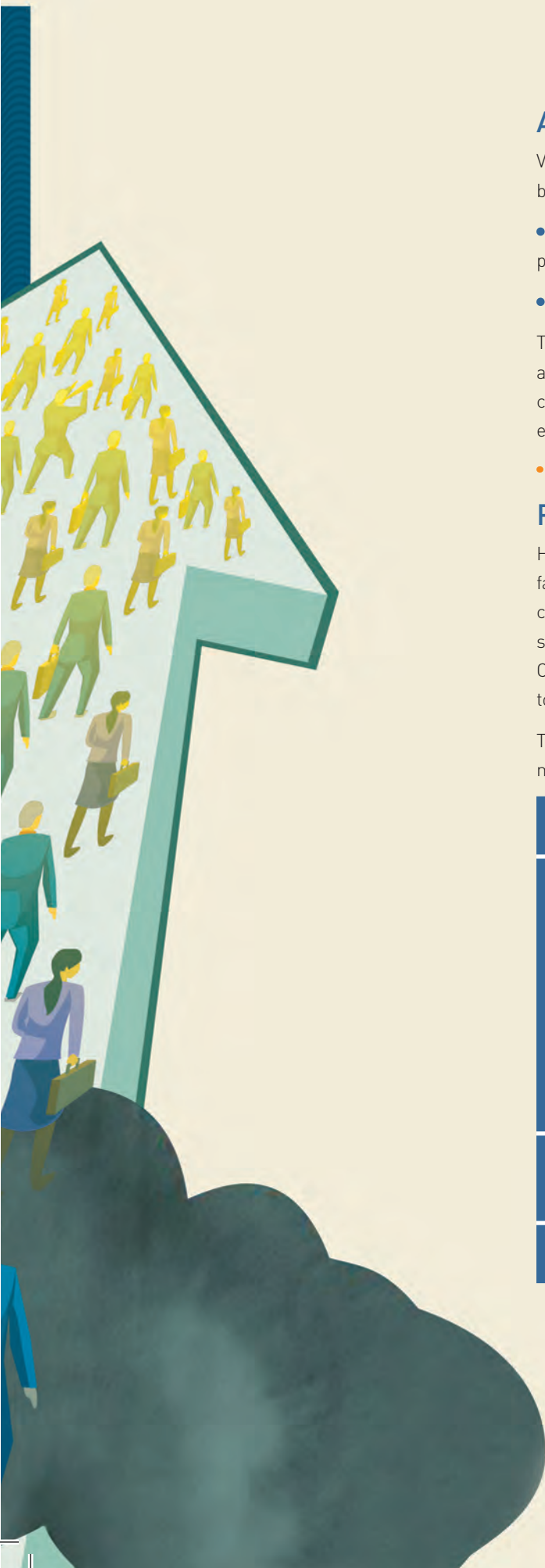
Established a robust presence in India's building products and textile yarn segments.

Strengthened sustainability with timely investments in plants and processes.

Harnessed the economic turnaround with attractive revenues, margins and profits.

The story of resurgence at Visaka Industries has just begun...





## About us

Visaka Industries, established in 1985, is engaged in two attractive businesses.

- Building products - cement asbestos products and fibre cement flat products (V-Boards and V-Panels)
- Synthetic yarns for the textile segment

The shares of the Company are listed and actively traded on the Bombay and National Stock Exchanges. As of March 31, 2015, Visaka had a market capitalisation of ₹146 crore. The promoters held 37.54% of the Company's equity share capital.

## Presence

Headquartered in Hyderabad, Visaka Industries has 11 manufacturing facilities across India. These plants possess an aggregate production capacity (annual) of about 8,02,000 tonnes of corrugated cement asbestos sheets and 1,29,750 tonnes of fibre cement flat board products. The Company also comprises a spinning plant capable of producing 9,000 tonnes of yarn per annum.

The Company's manufacturing units are supported by nine pan-India marketing offices.

Product	Manufacturing unit	Installed capacity	Capacity utilisation
Cement asbestos products	<ul style="list-style-type: none"><li>• Patancheru (Telangana)</li><li>• Vijayawada (Andhra Pradesh)</li><li>• Paramathi (Tamil Nadu)</li><li>• Tumkur (Karnataka)</li><li>• Midnapore (West Bengal)</li><li>• Rae Bareli (Uttar Pradesh)</li><li>• Pune (Maharashtra)</li><li>• Sambalpur (Odisha)</li></ul>	8,02,000 metric tonnes	96%
Fibre cement flat products	<ul style="list-style-type: none"><li>• Miryalguda (Telangana)</li><li>• Delwadi (Maharashtra)</li></ul>	1,29,750 metric tonnes	68%
Textiles	<ul style="list-style-type: none"><li>• Nagpur (Maharashtra)</li></ul>	31 MTS machines	96%



# Resurgent Visaka

*Responding to the sectoral rebound*

Visaka's robust business model is adequately prepared to capitalise on its industry prospects, validated by its performance in FY 2014-15.



**14.7%** revenue growth

₹883 crore in 2013-14 to ₹1,013 crore in 2014-15

... **The result** of an increase in product demand leading to higher sales volumes

**57%** EBIDTA growth

₹62.65 crore in 2013-14 to ₹98.33 crore in 2014-15

... **The result** of cost optimisation and enhanced utilisation

**77%** net profit growth

₹11.97 crore in 2013-14 to ₹21.24 crore in 2014-15

... **The result** of economies-of-scale and margins accretion

**7.5%** gross block growth

₹526.94 crore in 2013-14 to ₹566.60 crore in 2014-15

... **The result** of a reinvestment of our surplus towards capacity addition

**280bps** ROE growth

3.59% in 2013-14 to 6.39% in 2014-15

... **The result** of an accruals-driven investment in the business

**77%** EPS growth

₹7.54 in 2013-14 to ₹13.37 in 2014-15

... **The result** of improved profits on a stable equity base

**1.00** debt-equity ratio as on March 31, 2015

0.87 as on March 31, 2014

... **The result** of prudent financial planning and timely debt repayment

# Rejuvenating Visaka

*Making our presence felt across segments and geographies*

At Visaka, we reported profitable growth in 2014-15, a testimony of the strength of our brand and how we are equipped to unleash attractive value.

## PERFORMANCE, 2014-15

Strengthened revenues by

**14.7%**

from ₹883 crore in 2013-14 to ₹1,013 crore

Enhanced profit before tax by

**77%**

from ₹18.80 crore in 2013-14 to ₹33.21 crore

Enhanced profit after tax by

**77%**

from ₹11.97 crore in 2013-14 to ₹21.24 crore

## PROFITABILITY, 2014-15

261 bps increase in EBITDA margins from 7.10% in 2013-14 to

**9.71%**

115 bps increase in net profit margins from 2.13% in 2013-14 to

**3.28%**

252 bps increase in ROCE from 6.12% in 2013-14 to

**8.64%**

### Building products division

#### Revenues

This segment reported 18% revenue growth to ₹834 crore and contributed 82% to the Company's overall topline.

#### Production

- Production grew by 28% for the cement asbestos segment with a capacity utilisation of 96% (80% in 2013-14).
- Production of V-Board grew by 42%.

#### Sales

- Sales grew by 12.5% for the cement asbestos segment.
- Sales volumes for V-boards grew by 57%.
- Exports of V-boards grew by 109%.

### Textile division

#### Revenues

This segment reported revenues of ₹180 crore (against ₹178 crore in 2013-14), contributing 18% to the Company's topline.

#### Production

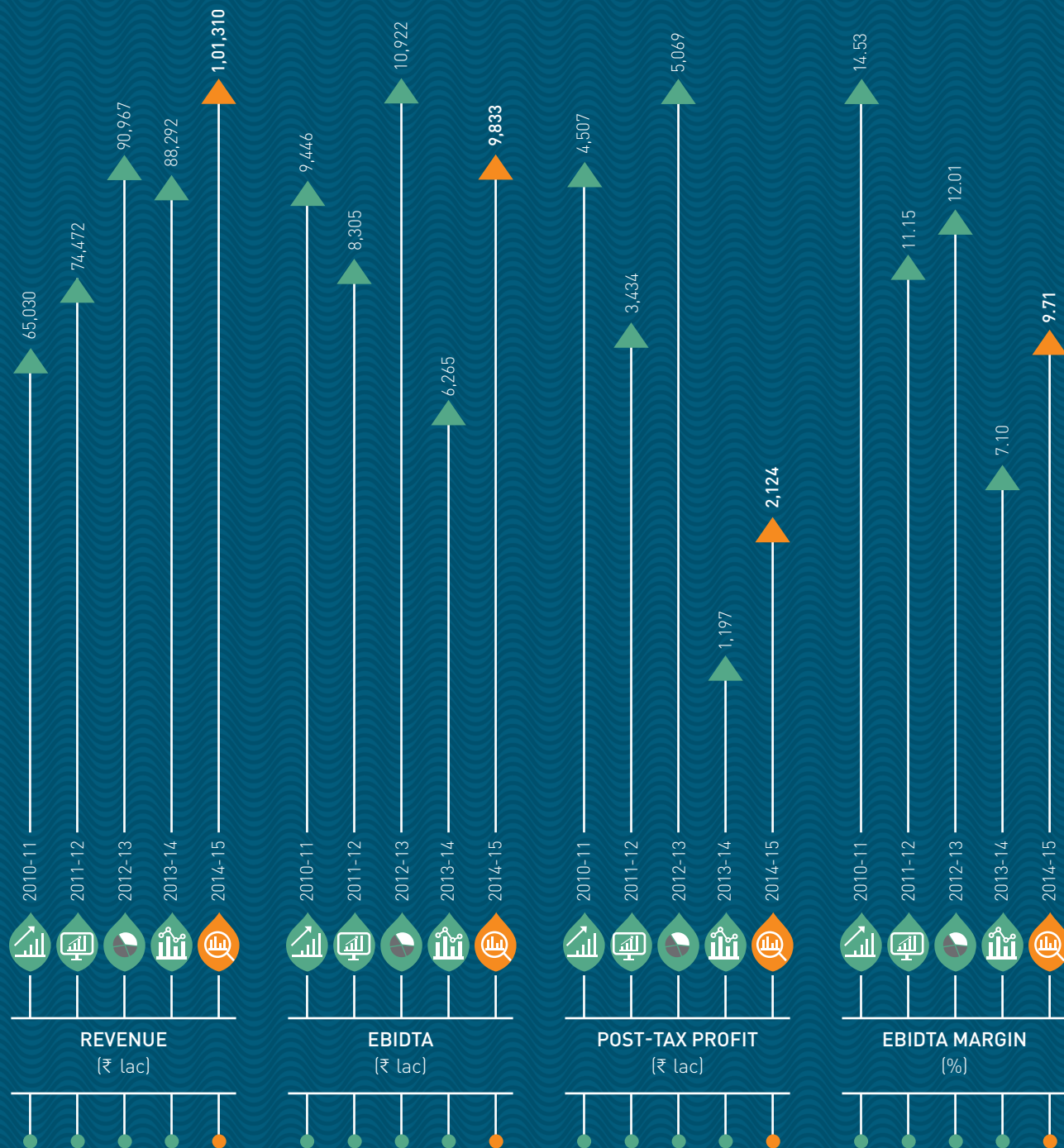
Production grew 3.3% to 8,900 metric tonnes (8,614 metric tonnes in 2013-14); capacity utilisation stood at 96%.

#### Sales

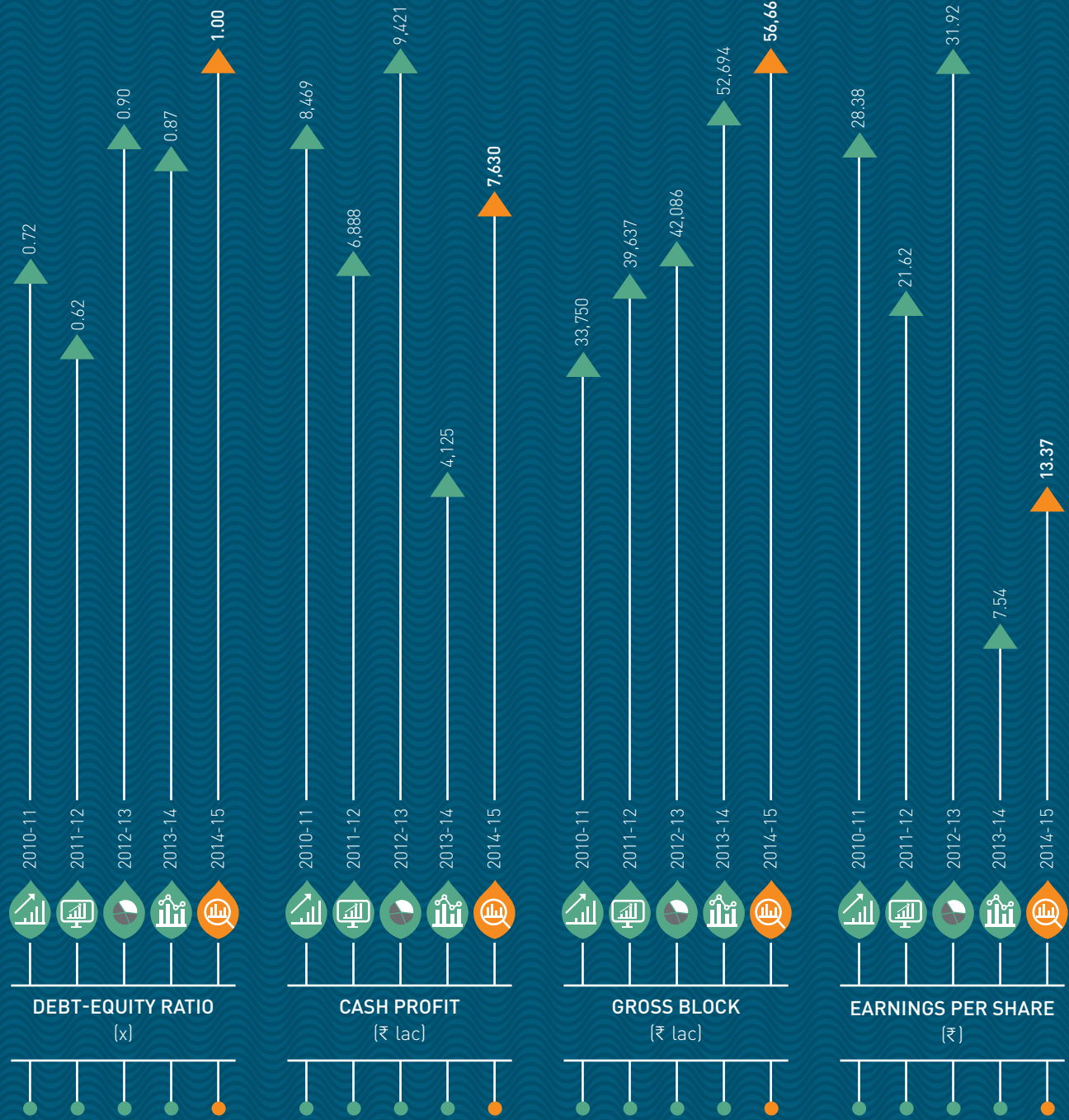
Domestic sales stood at 6,863 metric tonnes as against 6,913 metric tonnes in 2013-14. Exports stood at 2,095 metric tonnes as against 1,609 metric tonnes in 2013-14.

# Rebounding Visaka

*Reporting creditable numbers across key financial metrics*







# Robust Visaka

*Widening the moat*

## Customer-centricity

### Diversity

Visaka is present along multiple product and service lines (building products and synthetic blended yarns), de-risking itself from adverse developments in any niche. The proportion of revenues from its asbestos cement business declined to

71% in 2014-15.

### Presence

Visaka's extensive presence makes it possible to service diverse customer requirements – rural, urban and international – cutting across geographic and socio-economic divides.

### Quality

Visaka manufactures products benchmarked with demanding international standards and certifications (granted by internationally-respected quality standards authorities).

## Operational focus

### Foresight

Visaka made prudent and proactive investments in augmenting production capacity to address emerging opportunities. The result of this proactive responsiveness 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).

suffered cost increases due to the power crises in Andhra Pradesh, Telangana and Tamil Nadu, Visaka commissioned a 2.5-megawatt solar power plant, facilitating access to cheap, captive and renewable energy.

### State-of-the-art

The Company's fully-automated plants enhanced operational efficiency and consistency. The yarn manufacturing units utilise 31 state-of-the-art twin air jet spinning technology machines from Murata and 111 two-for-one

twisting machines, making this one of the world's largest installations of its kind (producing about 8,900 metric tonnes of yarn per annum).

### Efficiency

The Company's shopfloor competence guarantees that products conform to relevant ISI recommendations. The Company's building products manufacturing plants are one of the lowest electricity consumers per tonne of production.

### Integration

At a time when most companies

## People-friendly

### Balance

The Company's management brings to the table a potent combination of experience and stability. A significant proportion of the senior managerial personnel have been with the Company for more than 15 years. The

Company is driven by annual business plans coupled with prudent delegation that makes it possible to realise aspirations.

### Aptitude

The Company's pool of talented,

experienced and committed professionals from engineering, finance, production, marketing, commercial, regulatory and quality domains ensure that Visaka remains competitive across market cycles.



# Behind the numbers

**397**

Investment in fixed assets  
(₹ crore) over the decade  
leading to 2014-15

**6**

New manufacturing  
locations established over  
the decade leading to  
2014-15

## Building product segment

**4,82,000**

Cement asbestos capacity (tonnes per annum) addition over the decade leading to 2014-15

**72,000**

Fibre cement product capacity (tonnes per annum) addition since its inception in 2008, taking the total capacity to 1,20,000 tonnes per annum

## Textiles division

**216**

Spindle capacity addition over the decade leading to 2014-15





# The business strategy

## Product strategy



- Visaka invested in two diverse sectors - building products and textiles – to build expansive portfolios for each.
- Visaka's building products division manufactures fibre cement boards (non-asbestos), which find extensive usage in urban and semi-urban interiors, while cement asbestos products largely address rural markets, allowing adequate geographic de-risking.
- Visaka's textile business occupies a niche category within what is often dismissed as a heavily commoditised business. Visaka manufactures polyester spun yarns with counts ranging from 30s to 76s used in the value-added segment of home textiles. These customised yarn varieties are relatively insulated from price-based competition. Over 50% of the textile portfolio comprised value-added products in 2014-15.
- Visaka prudently selected its areas of presence, ensuring that a sectoral downturn in one sector was offset by growth in the other.

## Scale strategy



- Visaka is India's second largest cement asbestos manufacturer. On the textile front, Visaka possesses the single largest twin airjet equipment installation in India and one of the most productive the world over.
- Over the past decade, Visaka enhanced its yarn capacity by 12% leading to an average daily yarn production of 25 tonnes, translating into economies-of-scale, high productivity and one of the highest sectoral margins.
- Visaka enhanced its building products capacity by 150% over the decade and also added a new product segment of fibre cement sheets in 2008 to address the growing demand for flat products.
- Visaka's entrenched engineering capabilities allow it to reduce cost, increase customisation and shrink delivery tenures.
- Visaka's fibre cement sheet (V-Board) capacity is the second largest in India.



### Growth strategy



- As a forward-looking organisation, Visaka has consistently invested in assets and related efficiencies during periods of downturn. The Company perceives opportunities amidst challenges and proactively invests in reinforcing its business. The Company has invested in markets with incipient demand and aims to capitalise on attractive equipment prices.
- Over the decade leading to 2014-15, the Company invested ₹397 crore in brownfield/greenfield capex, the capital cost per tonne of which was around 20% lower than the corresponding greenfield expansion cost for a cement asbestos unit.
- The Company installed three pre-owned textile machines without compromising operating efficiencies.

### Locational strategy



- Visaka's cement asbestos product manufacturing locations are nationally dispersed to address regional needs – four in Southern India, one in Northern India, two in Eastern India and one in Western India.
- The wide geographic spread moderates logistics costs owing to market proximity, ensuring that zonal requirements are met through proximate facilities.
- The Company's Paramathi, Midnapore and Pune units are proximate to ports, making it convenient to procure raw materials.

### Marketing strategy



- The Company's building products are marketed directly to retailers as opposed to the conventional company-distributor-retailer model, resulting in a better marketplace understanding.
- The Company enjoys enduring relationships with an extensive network of agents and retailers.
- The Company enjoys a marketing presence in more than 30 countries; exports accounted for 7.8% of 2014-15 revenues.

### Financial strategy



- A conservative debt policy and aggressive accrual investment strategy strengthened the Company's financials to reach a debt-equity of 1.0 in 2014-15 with an interest cover of 2.51.
- Visaka leverages its ability to directly procure inputs (raw materials) to negotiate effectively with vendors and confirm qualitative consistency.



### Review by the management

“Due to patient investments made in people, plants and processes, we are optimistic of outperforming the sector by clocking ~10-20% revenue growth during FY2015-16.”

### *Dear shareholders,*

The 2014-15 fiscal was a year of turnarounds.

The Indian economy rebounded from a period of unsure prospects on the back of a tighter grip on the fiscal deficit, a slew of policy and procedural reforms, a gradual softening of crude prices and inflation control. Subsequently, India grew by 7.4% in 2014-15 (6.9% in 2013-14). The growth in the third quarter surpassed China's for the same period, making it the fastest growing major economy in the world.

The story at Visaka mirrored – and capitalised on – this transition.

The Company surpassed the ₹1,000-crore revenue mark for the first ever time in 2014-15, aided by a 12.5% growth in cement asbestos sheet volumes and a 14.7% improvement in overall net sales. This resulted in a 77% net profit growth, a 261 bps growth in EBITDA margins and an 85% surge in cash profits to reach ₹76.3 crore.

### **Strengthening growth**

Following political stability and demand visibility, a renewed optimism is coursing through the Indian economy. Visaka responded to this transformation through a number of initiatives.

**One**, we expanded our capacity in a cost-effective manner.

We increased the cement asbestos capacity at our Rae Bareli plant by 20% to cater to the growing asbestos



# 77%

Growth in our net profits from ₹11.97 crore in 2013-14 to ₹21.24 crore in 2014-15.

demand coming out of Northern and Eastern India.

We added two MTS machines to our spinning units, increasing our capacity by 6%. This expansion was achieved at a marginal capital investment through the prudent procurement of pre-owned machines.

**Two**, we ensured that our Miryalguda manufacturing unit became self-sufficient in terms of power.

We commissioned a 2.5-megawatt solar power plant, which addressed over 70% of our captive requirement, helping this unit counter power outages and curtail power costs

**Three**, we improved productivity and optimised costs wherever possible.

We de-bottlenecked production lines at our asbestos units, reporting an average capacity utilisation of 96% during the year against 80% in 2013-14.

**Four**, we reinforced our advertising campaigns to showcase the product advantages of our cement asbestos range.

In our last promotional, we highlighted threats from colour-coated roofing sheets, especially the

cheaper versions that are prone to discolouration and rust. Our product durability helped restore the faith of the customers in us.

**Five**, we turned some of our biggest disadvantages into advantages.

We selected to emphasise exports to make the most of currency movements and de-risk our sales mix. The Indian rupee weakened from ₹60 to a dollar at the onset of the year to ₹62.60 at the end of the 2014-15, vindicating our strategic direction.

**Six**, we moderated costs by maximising the use of accruals in funding capacity expansion.

## Outlook

We intend to increase our Midnapore cement asbestos plant capacity by 20% to cater to the growing demand from Eastern India. We also expect to augment our spinning unit capacity by 6%.

We believe in pursuing incremental expansion rather than creating entire new units as the former calls for significantly lower capital costs and quicker time-to-market.

With fibre prices forecast to remain

stable for 2015-16, enhanced capacity utilisation will allow us to break even quicker. The loss-making board segment is expected to turn profitable and the spinning segment's supplementary capacity will enhance profitability. With adequate capacity in place to cater to the expected rise in demand, utilisation levels are expected to improve, leading to higher volumes and turnover.

Besides, cement and fly ash prices are expected to remain flat while freight costs are expected to remain steady as diesel prices have declined. The increase in energy costs due to the power crisis in Telengana has been largely counterbalanced by our newly-commissioned solar power plant.

Overall, we are optimistic of registering 10-20% revenue growth in 2015-16, which, when coupled with tighter cost control, will enhance profitability and add value for our shareholders.

Sincerely,

**Smt. G. Saroja Vivekanand**  
Managing Director

# Building products division



**₹ 83,346 lac**

Revenue (against ₹ 70,479 lac in 2013-14)

**₹ 7,382 lac**

EBIDTA (against ₹ 3,432 lac in 2013-14)

**₹ 1,531 lac**

Profit before tax (against loss of ₹ 433 lac in 2013-14)

**82%**

Contribution to the total revenue

The Company's building products division comprises cement asbestos, predominantly used in rural India and fibre cement boards (non-asbestos) used in urban and suburban centres, addressing a large customer base.

The Company possesses a strong distribution network comprising more than 6,000 retailers (rural and

suburban markets). It derived 85% of its sales from these markets; the rest derived from institutional sales to governmental agencies, construction industry and poultry farms. The Company leveraged its superior marketplace knowledge by distributing directly to retailers as opposed to the conventional distributor-retailer model.

## Building products segment



Fibre cement sheets



Cement asbestos products

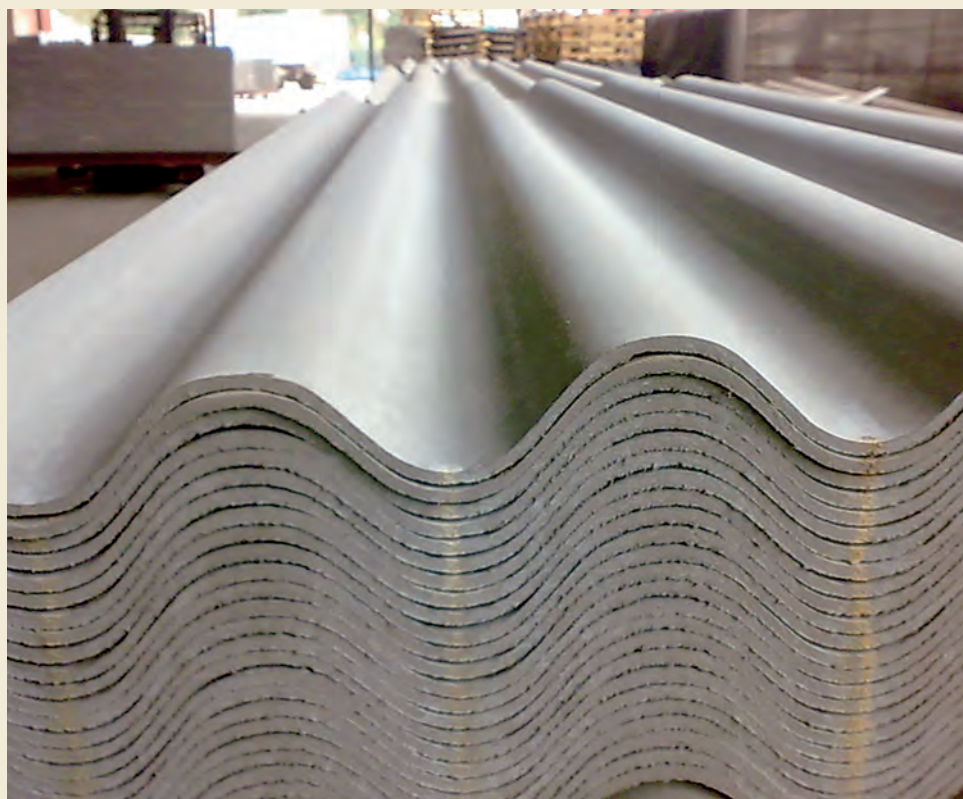
V-Boards

V-Panels





## Cement asbestos products



**71%**

Revenue contribution,  
2014-15

**8,02,000**

tonnes per annum  
Capacity installed

**14%**

Growth in revenue  
over 2013-14

**96%**

Capacity utilisation

### Overview

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

The Company's Visaka and Shakti brands enjoyed favourable recall across India's organised cement asbestos market. The Company's cement asbestos product manufacturing facilities are dispersed nationally - four in Southern, one in Northern, two in Eastern and one in Western India - thereby ensuring that captive and emergent needs are adequately addressed, pan-India.

The Company has reached a capacity of 8,02,000 tonnes per annum.

The Company's asbestos products offer superior load-bearing capacity, transcending recommended standards. The division engages in periodic dialogues with governmental agencies, architects, engineers and farmers to access feedback that translates into product customisation.

The Company's rich engineering competence is reflected through its ability of having designed and fabricated best-in-class cement asbestos machinery using verified pre-owned equipment at six of its

eight plants, helping keep capital costs considerably lower than industry standards.

### Performance, 2014-15

- Increased revenues by 14% to ₹71,733 lac against ₹62,901 lac in 2013-14
- Improved capacity utilisation by 16%, (80% in the previous year) to respond to the growing demand
- Expanded capacity by 20% at its Rae Bareli unit
- Highlighted superior product attributes to customers through a well-calibrated outdoor advertising

With a revival in demand for cement asbestos becoming evident, the Company is concurrently planning to increase its Midnapore plant capacity by 20%.

campaign, influencing decision-makers and marketing the product on the 'perfect shelter' concept

#### Opportunities

In India, cement asbestos product offtake is largely influenced by rural incomes and hence Visaka has priced its products competitively vis-à-vis alternatives. Cement asbestos products represent a convenient intermediate roofing product in rural and suburban India.

Around 70% of India's population (50% in rural India) lives in *kutcha* and semi-*pucca* homes. Thatched roofs need regular replacement; tiled roofs need ongoing maintenance. Whenever economic conditions improve, the first choice of the rural poor is to replace thatched or tiled roofs with affordable

asbestos cement alternatives.

The proposed National Gramin Awas Mission, under the aegis of the Rural Development Ministry, could become the blueprint for constructing houses in rural areas. The Central Government aims to build six crore houses - two crore in urban areas and the remainder in rural areas. The Union Budget 2015-16 has allocated ₹14,000 crore towards the programme to realise the dream of housing for all (Source: *Economic Times*).

#### Road ahead

With a revival in demand for cement asbestos becoming evident, the Company is concurrently planning to increase its Midnapore plant capacity by 20%.

#### Advantages of cement asbestos sheets

The natural fire-resistant property of asbestos makes it ideal for roofing, and thermal insulation. Since a house needs to be fire-resistant, many prefer using asbestos. Moreover, when asbestos is mixed with cement, it enhances the product lifespan. Compared with other cement additives, asbestos is cheaper with the same durability. When employed as a roofing material, it usually lasts for about 60 years, longer than plastic, wood, tile or other alternatives.







## Fibre cement sheets (non-asbestos) – V-boards and V-panels



Partitions (V-Board) and internal wall cladding (V-Plank)

**11%**

Revenue contribution,  
2014-15

**1,29,750**

tonnes per annum  
Capacity installed

**53%**

Growth in revenue  
over 2013-14

**68%**

Capacity utilisation

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

The Company possesses an installed capacity of 120,000 metric tonnes for V-Boards (fibre cement flat sheets) and 9,750 metric tonnes of V-Panels. It possesses the second largest fibre cement sheet capacity in the country. The V-Board division runs on the state-of-the-art HPSC technology, which complies with rigorous ISO 14862-2000 norms.

Over the last few years, the use of flat products (V-Boards and V-Panels) revived on account of a superior

price-value proposition. The product advantages were endorsed by architects and users. These products not only save time and money, but are safer and aesthetically better. The fibre cement board phenomenon is expected to radically change the way interiors and exteriors are perceived in India.

A shift in application from plywood, particle board and MDF boards to cement fibre sheets could catalyse demand, leading to onward use in false roofing, wall paneling, partitioning and in mezzanine flooring, among others.

# 61%

Growth in revenues from ₹6,620 lac in 2013-14 to ₹10,622 lac

# 67%

Capacity utilisation in 2014-15 against 47% in the previous year



## V-Boards

The Company commissioned its V-Board business in May 2008, conveniently distant from its cement asbestos units. The Company's V-Boards offer unmatched quality, style and durability, making it the ideal choice for internal and external applications like false ceiling, internal walls, mezzanine flooring, partitions and doors among others.

The offtake of cement 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 installation costs, greater functionality, easy transportability (obviating the need for mixing on-site) and greater safety in seismic zones. These products are reinforced with top-of-the-line HPSC technology conforming to ISO 14862-2000 norms.

## Performance, 2014-15

- Revenues grew by 61% from ₹6,620

lac in 2013-14 to ₹10,622 lac

- The segment was yet to break even (expected to transpire in the current year)
- Capacity utilisation was 67% against 47% in the previous year

## Road ahead

The growth in the building products segment is supported by the improved performance of the V-Boards division. The Company expects the V-Boards unit to post a robust performance on account of growing product acceptance and increasing exports.

## V-Panels

This non-asbestos product is ideal for interiors (created using cement, fly ash and polystyrene beads), gaining preference over the years. This low-maintenance and space-efficient product is positioned as a dry wall substitute, especially in earthquake-prone areas.

V-Panels are preferred on account of their superior size-weight ratio (lighter than bricks) and also sufficiently

match wall strength with axial loads. The product is labour-efficient, can be erected by a few individuals and reused across locations.

Visaka possesses an installed capacity of 9,750 tonnes per annum. The Company's customers for V-Panels comprise GMR Group, Punj Loyd, Shapoorji Pallonji, Soma Enterprises, TCS, Gujarat Ambuja port, Eenadu Group, Uranium Corporation of India and Larsen & Toubro India, among others.

## Performance, 2014-15

- Production stood at 8,325 metric tonnes in 2014-15 against 9,176 metric tonnes in 2013-14
- Sales stood at 8,289 metric tonnes in 2014-15 against 9,108 metric tonnes in 2013-14
- Revenues grew from ₹1,247 lac in 2013-14 to ₹1,280 lac in 2014-15; EBIDTA stood at ₹105 lac (₹94 lac in 2013-14)



# Textile division



₹ 17,964 lac

Revenue (against ₹17,813 lac  
in 2013-14)

₹ 2,450 lac

EBIDTA (against ₹2,833 lac  
in 2013-14)

₹ 1,790 lac

Profit before tax (against ₹2,312 lac  
in 2013-14)

18%

Contribution to the total revenue

## Overview

Visaka 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), 31 MTS machines (equivalent to 55,000 ring spindles). The quality manufactured is superior to conventional ring frame yarn.

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

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

The Company's domestic textile clients comprise industry heavyweights 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.

Over 23% of the division's production was exported to value-added fabric makers (used in sun umbrellas, venetian blinds, table linen and automotive fabrics).

### Technology superiority

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 global efficiencies. Seamless procedural control translated into Visaka being given an ISO certification as early as in 1995 and 'Star Export House' status in 2008. Yarns are environment-friendly and

certified as per demanding OEKO-TEX standards. The Company's stringent adherence to quality processes resulted in its ISO certification.

The Company's air-jet yarns are marked by low pilling, no singeing and 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.

### Performance, 2014-15

- Revenues grew marginally from ₹17,813 lac in 2013-14 to ₹17,964 lac while EBIDTA stood at ₹2,450 lac (₹2,833 lac in 2013-14)
- Average realisations stood at ₹200 per kilogram in 2014-15.
- EBIDTA margin stood at 13.64%; profit was maintained at ₹1,790 lac against ₹2,312 lac in 2013-14

### Road ahead

India is one of the world's largest producers of man-made fibres with large plants possessing state-of-the-art technology. Man-made fibre textiles account for almost two-thirds of the domestic textile market. Factors like rising disposable incomes, growing consumerism, escalating urbanisation, increasing retail penetration and fluctuating prices and cotton supply are set to increase the share of man-made fibres in the market.

The global textile and apparel industry is undergoing sweeping changes resulting in a growing usage of textiles in diverse areas. The Indian textile and apparel industry was estimated at USD 108 billion in 2013 and has grown at a 13% CAGR between 2008 and 2013. It is projected to grow at 12% CAGR and attain a size of USD 440 billion by 2025.

The per capita man-made fibre consumption in India was 1.7 kilogram per annum in FY2012-13 against the global average of 10 kilograms per annum. Low per capita man-made fibre consumption in India reflects high growth potential for the domestic man-made fibre industry. The per capita man-made fibre consumption is expected to reach a level of 2.1 kilograms per annum by the end of 2015-16. It is also estimated that the domestic consumption of man-made fibre could grow at a CAGR of 5.2% during the period FY12-16 (*Source: CARE Ratings*).

Optimistic of the prospects of the synthetic yarn segment, the Company intends to add two machines, which will spike its capacity by 6%.



# Risk management

## Addressing business risks

The Company identified and assessed the risks associated with its business and correspondingly ensured optimal application of resources to remove hurdles and maximise realisations.

### Could a sectoral downturn adversely affect the Company's growth?

The Company has a presence across varied sectors – building products and synthetic yarns. Moreover, the building segment caters to rural as well as urban and suburban customers.

### Could the general perception that cement products are harmful affect sales?

In India, the quantum of asbestos fibre used in sheets is only 8%, which is not harmful. Besides, the Company uses white fibre in place of the banned carcinogenic blue fibre. The free floating asbestos used by the Company is well below the 0.1 fibres/millilitre of air mark fixed by the Ministry of Environment. The Company's regular audits ensure a safe workplace for employees. The Company invested significantly in creating product awareness.

### Could the unavailability of raw materials affect business sustainability?

Erratic supply can affect production. The Company only enters into annual contracts leading to supply predictability. The Company addresses its fibre requirements for the asbestos segment through imports from three countries (Russia, Brazil and Canada), thereby reducing risks of overt dependence on any one country. Other raw materials like cement and fly ash are procured locally.

### Could being far away from customers hamper profitability?

The Company believes in servicing consumers within a 500-kilometre radius of 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 incipient demand. Each of the Company's plants covered exclusive marketing zones to maximise national coverage.

### Could fluctuations in the currency affect profitability?

The Company has deployed a dedicated team to manage currency fluctuations. The team proactively handles hedging related issues as the Company's fibre requirements need to be met through imports, shielding Visaka from forex volatilities. The Company also enjoys a natural import hedge as much of its yarn and part of its V-Boards output are exported.

### Could increases in financing costs affect prospects?

While several textile and building product businesses are saddled with high debt, the Company embraced a contrarian approach by investing accruals in growing the businesses. The Company also funded the textile and cement asbestos expansions through internal accruals during 2014-15. The Company's funding exposure was largely limited to working capital loans.



## DIRECTORS REPORT

*Dear members*

Your Directors are pleased to present the 33rd Annual Report of the Company with Audited Financial Statement for the year ended March 31, 2015. The financial highlights are as follows:

PARTICULARS	(₹ in lakhs)	
	2014-15	2013-14
Total Revenues	102355	89746
Profit before depreciation and Taxes	7630	4125
Profit before taxes	3321	1880
Provision for taxes (Incl. Deferred Tax)	1197	683
Profit for the year after taxes	2124	1197
Balance brought forward from previous year	* (114)	1040
Profit available for appropriation	2010	2237
Dividend on Equity Share Capital	794	397
Corporate Dividend Tax	162	68
Transfer to General Reserve	-	600
Balance carried to Balance Sheet	1054	1172

\* the amount shown is after the adjustment for depreciation on Fixed Assets of which the useful life expired as on 1st April, 2014 against the opening retained earnings.

### Performance review or results of operations and the State of Company's affairs

Your company has entered into growth path once again with the improved market conditions. The Net Turnover touched ₹1013 crores which is 14.7% more than last year and the Profit before depreciation and taxes was ₹76.30 Crores against ₹41.25 Crores of previous year. Segment-wise/product-wise details are provided in Management Discussion and Analysis as appended hereunder.

The highlights of the Company's performance are as under:

- Revenue from operations increased by 14% to 1021 Crores from 892 Crores.
- PBDIT increased to ₹98.33 Crores from ₹62.65 crores
- Cash Profit increased to ₹76.30 Crores from ₹41.25 Crores

- Net Profit increased to ₹21.24 crores from ₹11.97 crores.
- The capital expenditure for 2014-15 was ₹41 Crores, which was principally on account of setup of 2.5 MW Solar Power Plant at V-Boards & V-Panels Division, Miryalaguda and modernization cum expansion at AC Division, Raebareli and other normal capital expenditure at various units.

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

During the year under review, Visaka Thermal Power Limited (VTPL) ceased to be an associate Company of your Company.

Your Company's shares are listed on the National Stock Exchange (NSE) and Bombay stock exchange Limited (BSE). The variations in the market capitalisation of the company, price earnings ratio is provided hereunder:





Parameter	As at March 31, 2015	As at March 31, 2014
Market Capitalisation* (in ₹ Crores)	146.10	115.69
P/E ratio	6.88	9.66

(\* based on closing price at Bombay Stock Exchange Limited, being the higher of two exchanges, as on the respective dates)

Your Company has made its initial public offer of equity shares in 1984-85. The closing price quoted on stock exchanges of your Company's share of ₹10/- each fully paid up as at March 31, 2015 and March 31, 2014 are 460% and 364% over the price of last public offer made in the year 1991-92.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

### DIVIDEND:

Your Directors recommend payment of Final Dividend of ₹5/- (i.e. 50%) Per Share of ₹10/- each for the Financial Year ended on March 31, 2015 as against the previous year of ₹2.50 per share (i.e. 25%). The Company is absorbing Corporate Dividend Tax of ₹161.65 lakhs on the Equity Dividend and the Dividend declared and paid this year is not taxable in the hands of Shareholders.

The dividend will be paid to members whose names appear in the Register of Members as on July 18, 2015 and in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

### MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company is in the Business of Manufacture and Sale of Cement asbestos Sheets, Fiber Cement Sheets (V-Boards), Panels and Spinning (Spun Yarn). Segment-wise Management Discussion and Analysis is provided hereunder:

#### A. BUILDING PRODUCTS BUSINESS:

##### i. Cement Asbestos Business:

##### Industry Structure and Developments:

This industry exists for the last 80 years in India.

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 72 manufacturing plants with an annual capacity of 57.00 Lac MT 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 available, almost 80 - 85% 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, potential for usage of Cement asbestos Sheets in rural areas is expected to increase.

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 599011 tonnes during the previous year the production during the Financial Year ended 31st March 2015 was 766946 tonnes. The sales during the Financial Year Ended on 31st March 2015 was 720441 tonnes as against 640184 tonnes sold during the previous Financial, recording an increase of 12.5%.

#### Financial Performance:

The net turnover of Cement asbestos Division during the year was ₹717 crores as compared to ₹629 Crores during the previous year. The division performed well, as compared to last year, because of improved market conditions.

#### Outlook:

With the improved market conditions as well as initiatives made by the government of India in various infrastructure projects, such as Swatch Bharath programme, road networks and housing facilities coupled with the aggressive advertisement campaign being done by the Company and the inherent advantages associated with the product such as cheaper cost etc., it is expected that the Industry will witness a growth rate of 10% to 12% in the next fiscal.

### 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:

Fibre Cement Boards (FCB) are environment 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.

These products are well accepted in Office and Commercial Segments. Of late, Hotel Industry has started accepting Drywalls as Guest Room Dividers. Wet Area application with the product is an accepted norm and its ability to take the finish of Marble, Tiles is an added advantage. As far as the Residential Segment is concerned, the entry level is with False Ceiling Tiles in bathroom External Cladding with V Premium Planks and Duct Covering to service pipes is well appreciated & accepted by Leading Builders in India;

Ability of the product to withstand Termite, Water and Fire Resistance are the main advantages. V Premium stands the test of time, when exposed to different weather conditions; High levels of Fire Resistance (up to 3 hrs fire rating) and Noise Reduction Levels (up to 55 dB) enables easy entry in to Hotel Segment. With more Indian Companies planning to expand existing capacities and new manufacturing plants in pipe line, the market will grow; increased awareness to FCB will help acceptance to mature to next levels

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 it 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 period ended March 31, 2015 was 80022 Metric tonnes as against production for the year ended March 31, 2014 of 56249 Metric Tonnes, and sales for the year ended on 31st March, 2015 was 76874 Metric Tonnes (including export of 26237 Metric Tonnes) as against 48892 Metric Tonnes (including export of 12568 Metric Tonnes) for the previous year.

#### Financial Performance:

The net turnover from this division during the year was ₹106





crores as compared to ₹66 crores during the previous year. During the year the production is increased as the Board unit at Daund, Pune has become operational for full year. Continuous efforts are being made to bring awareness in the market about the product and also lot of architects are also being met for promoting the product. Efforts are on for improvement of price realization as well as focusing more on applications with higher realizations to reduce the loss.

#### **Outlook:**

The industry is growing at an average rate of 13 to 15%. Export opportunities in Africa / Maldives / Sri Lanka and GCC countries is encouraging. We are also supplying our boards to Panel manufacturers in Saudi and Iran. We have enquiries from Philippines also. New applications for Acoustics and Tile underlay is gaining popularity. As Plywood is turning out to be costlier, many manufacturers are turning towards Cement boards.

#### **iii. Panels:**

Sandwich 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 8325 Metric Tonnes as against 9176 MT during the previous year. Sales was 8289 Metric Tonnes as against 8638 Metric Tonnes during the previous year.

The net Sales Turnover was ₹12.80 crores as against ₹12.47 crores during the previous year.

## **B. SYNTHETIC YARN BUSINESS:**

### **Industry Structure and Development:**

Volume of global textile and clothing trade grew by 4.7% in the year 2014 compared to 2.3% in the year 2013. In India, many states announced capital subsidy and interest subsidy for new textile investments. However, the pace of investment was not higher than the previous years due to reduced cotton yarn exports to China, continuing power shortage in the country and downward trend of oil price

from September 2014 till March 2015.

We managed our inventory levels well during the downward spiralling of polyester prices and maintained our profitability levels without undue devaluation of stocks.

With the positive sentiment about consistent growth projections for India, we expect to do well in the coming year.

### **Opportunities and Threats:**

With premium brands pushing their sales through online e-commerce, we expect that there will be good growth potential in the apparel sector. With the growth of automobile industry and construction industry, demand for automotive fabrics and home textiles also will grow. Though the power situation is set to improve, the need for uninterrupted power and the solar power have created an unsatiable demand for batteries in the country, which also needs textiles. The awareness of fashion amongst the youngsters is pushing up the per capita consumption of textiles in India, which is an opportunity. The proposed increase in the interest rate for USDollars by September 2015 may weaken the Indian Rupee and will enhance the export potential for yarns.

Many Indian states are continuing to offer incentives for new investments in spinning sector, which may create an imbalance in the supply demand position for yarns. Oil exporting countries are going through negative growth which may affect the volume of export of yarns.

### **Risks and concerns:**

With the shale oil growth coming down, the volatile oil prices directly influence pressure on polyester fibre prices almost on daily basis. This cannot be passed on to customers on day-to-day-basis. Hence, new element of risk has been introduced in this business, which was not there earlier.

Further production of Murata Twin jet machines has been stopped by Murata, Japan. Any further new investments in Air jet yarns can be for single yarns only.

The improved availability of coal has enabled assured power for the spinning industry, which reduces the cost of production for spinners especially in Tamilnadu. This will exert pressure on our profitability.

### **Production and Sales Volumes:**

The production in the spinning unit during the year 2014 - 2015 was 8900 metric tonnes as compared to 8614 metric tonnes during the previous year. The sales were 8958 metric tonnes of yarn (including export of 2095 metric tonnes) during the year under review as compared to 8522 metric tonnes (including export of 1609 metric tonnes) in the previous year.

#### **Financial Performance:**

The net turnover of this division during the Current Year was ₹180 crores compared to ₹178 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.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

#### **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 31.03.2015 is 4350. Your Directors would like to record their appreciation of the efficient and loyal service rendered by the Company's employees.

#### **FIXED DEPOSITS:**

During the year under review, your Company has accepted deposits of ₹5.17 Crores from the public and shareholders. The amount of deposits outstanding as on March 31, 2015 was ₹7.24 Crores out of which ₹5.10 Crores was accepted under the provisions of Chapter V of the Companies Act, 2013 (new Act) and the balance of ₹2.14 Crores was accepted as per the provisions of the Companies Act, 1956 (old Act).

In this regard, it is further stated that

- there were no deposits lying unpaid or unclaimed at the end of the year i.e. 31.03.2015;
- There has been no default in repayment of deposits or payment of interest thereon during the year;
- There are no deposits lying with the Company which are not in compliance with the requirements of Chapter V of the new Act other-than the deposits accepted under the provisions of old Act as aforesaid and
- As provided under the new Act, the outstanding deposits accepted under the provisions of previous Act are being repaid as per the terms of each deposit.

#### **UNCLAIMED DIVIDEND:**

As per the provisions of Section 205C of the Companies Act, 1956, Unclaimed Dividend amount of ₹6,89,811/- in respect of the year 2006 - 2007 has been transferred to Investor Education and Protection Fund on 05.08.2014 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 has 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 has already undertaken various activities like provision of Drinking Water by digging bore wells, construction of irrigation tanks in remote villages, building of Class Rooms in Schools and Colleges, reimbursement of salaries of teachers and supply of class room furniture and conducting of health camps.

In terms of section 135 of the Companies Act, 2013 (the Act), the Board of Directors of your Company have constituted a CSR Committee and framed a CSR Policy to undertake various initiatives contemplated under Schedule VII of the Act which has been uploaded on the website of the Company at [www.visaka.biz](http://www.visaka.biz) under investors/ policy documents/ CSR Policy link. A report on CSR activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed herewith as Annexure – 1.

Keeping in view the various CSR initiatives undertaken through Visaka Charitable Trust as detailed above, your Board has thought it appropriate to spend CSR expenditure for 2014-15 as mandated under Section 135 of the Companies Act, 2013 through the same trust i.e., Visaka Charitable Trust. The Charitable Trust amended its objects incorporating the CSR activities as contemplated under Schedule VII of the Companies Act, 2013. Accordingly to meet the requirements of the Act in this regard, your company has contributed the prescribed CSR expenditure of 2% of average net profits of the company for last three preceding financial years amounting to ₹97.00 Lacs to Visaka Charitable Trust.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

At the 32nd Annual General Meeting of the Company held on 25th July, 2014;

- i. Shri. Bhagirat B Merchant, Shri. V.Pattabhi, Shri. P. Abraham and Shri. Gusti J Noria were appointed as Independent Directors of the Company to hold office as such for period upto 5 years 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.

- ii. Smt. G. Saroja Vivekanand was reappointed as Managing Director of the Company for a period of 5 years effective from 24.10.2014.
- iii. Shri. G Vamsi Krishna was appointed as Wholetime Director of the Company for a period of 5 years effective from 01.06.2014.

All the aforesaid independent Directors have given declarations stating that for the financial year 2015-16; they meet the criteria of Independence as contemplated under Section 149(6) read with Schedule IV to the Act and clause 49 (III)(B)(e) of the listing agreement and the same was taken on record by your Board in its meeting held on 7th May, 2015.

During the year under review, Shri. P. Srikar Reddy was appointed as Additional Director of the Company effective from September 6, 2014 and holds the office as such until the date of ensuing Annual General Meeting of the Company.

Shri. P Srikar Reddy has furnished a declaration under Section 149(7) to the effect that he meets the criteria of independent Director and in the opinion of Board of Directors, he fulfils the criteria of independence as mentioned under Companies Act, 2013 read with Schedule IV and relevant rules made thereunder and is independent of Management of the Company. In view of the same, he is eligible for appointment as Independent Director of the Company to hold the office as such for a period upto 5 years effective from the date of ensuing Annual General Meeting, so long as his appointment is in compliance with provisions of subsections (6) to (8) of Section 149 read with Schedule IV to the Act.

Shri. V. Vallinath, who was working as President (Finance) and CFO has been appointed as Whole-time Director and CFO of the Company effective from 09.09.2014 for a period of 3 years.

Further, Shri J. P. Rao, who was working as President (Marketing – AC Sheets Division) has been appointed as Whole-time Director of the Company effective from 07.05.2015 for a period of 3 years.

The Company has received notices in writing from members along-with the deposit of requisite amount under Section 160 of the Act read with Articles of Association of

the Company, proposing the candidatures of Shri.P.Srikar Reddy for the office of Independent Director for a period of 5 consecutive years effective from the date of ensuing Annual General Meeting of the Company and Shri.V.Vallinath and Shri. J. P. Rao as Directors of the Company.

The aforesaid appointment of Independent Director and Whole-time directors are subject to your approval and appropriate resolutions are included in the notice calling ensuing Annual General Meeting of the Company for seeking your approval.

Shri. Nagam Krishna Rao, is retiring at the ensuing Annual General Meeting and is eligible for reappointment.

Shri. M P V Rao, who was reappointed as Whole-time Director to hold the office from 01.04.2014 to 31.07.2014 in the last Annual General Meeting of the Company, resigned from the Board effective from closing hours of 31st July, 2014 and the Board places on record its word of appreciation in recognition to the valuable contributions made by Shri. Rao during his long stint of 30 years with the Company in various positions of the Company.

Pursuant to obtaining your approval under postal ballot by way of special resolution, clause 130(e) of the Articles of Association is amended and now Whole-time Directors are liable to retire by rotation. In view of the same, your company complies with all the requirements relating to composition of Board including the one stipulated under Section 152(6)(a) of the Companies Act, 2013 as to having sufficient number of Directors liable to retire by rotation on the Board.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures; the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013.
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and

fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;

- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the company that are adequate and were operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

### **CORPORATE GOVERNANCE:**

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

### **AUDITORS AND AUDITORS' REPORT:**

#### **Statutory Audit:**

M/s. M. Anandam & Co., Chartered Accountants were appointed as Statutory Auditors of the Company to hold the office for a period three years from the conclusion of last Annual General Meeting of the Company held on 25.07.2014. The said appointment needs to be ratified by the members of the Company at every annual general meeting during the said period and the Statutory Auditors have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

As required above, the Board has, after considering the recommendations of its Audit Committee, incorporated a suitable resolution for your consideration and approval in the notice calling ensuing Annual General Meeting of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.



### **Cost Audit:**

As per the Companies (Cost Records and Audit) Rules, 2014, issued on 30th June, 2014 under Companies Act, 2013, Company's products were not included under the purview of Cost Audit. However, Ministry of Corporate Affairs vide their Notification dated 31st December, 2014 amended the said rules, pursuant to which, the requirement of cost audit of cost accounting records is applicable to the Company as follows:-

Building Products - From Financial Year 2014-15.

Textiles Products - From Financial Year 2015-16.

In View of the same, the Company had appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad 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 2014-15 at a remuneration of ₹1,50,000/- exclusive of out of pocket expenses and applicable taxes subject to your ratification in the ensuing Annual General Meeting of the Company.

Further, the Board has after considering the recommendations of its Audit Committee, resolved to appoint the aforesaid firm as cost auditors for the financial year 2015-16 and appropriate resolutions in above connection seeking your approval, have been included in the notice calling ensuing Annual General Meeting of the Company.

Pursuant to section 233B(4), 600(3)(b) of the Companies Act, 1956 read with Companies (Cost Audit Report) Rules, 2011; cost audit report for the financial year ended 31st March, 2014 was filed with the Central Government on 26th September, 2014.

### **Secretarial Audit:**

Pursuant to Section 204 of the Companies Act, 2013, your Board has appointed M/s Tumuluru & Co., Practicing Company Secretaries, Hyderabad as Secretarial Auditors for the financial year 2014-15 and Secretarial Audit Report for the Financial Year ended 31st March, 2015 is enclosed herewith as Annexure-2.

As regards the comments made in the said report, it is stated that pursuant to obtaining your approval under postal ballot by way of special resolution, clause 130(e) of the Articles of Association is amended and now Whole-time

Directors are liable to retire by rotation. In view of the same as on the date of this report, your company complies with all the requirements relating to composition of Board including the one stipulated under Section 152(6)(a) of the Companies Act, 2013 as to having sufficient number of Directors liable to retire by rotation on the Board. Further, constant up-gradation of e-forms on certain technical grounds caused the delay in filing of e-forms.

### **CRITERIA FOR IDENTIFICATION, APPOINTMENT, REMUNERATION AND EVALUATION OF PERFORMANCE OF DIRECTORS:**

Your Company as required under the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement entered with Stock Exchanges, constituted a Board level committee titled "Nomination and Remuneration Committee" (herein after referred as the "Committee") to oversee, inter-alia, matters relating to

- a) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- b) formulate the criteria for determining qualifications, positive attributes and independence of a director;
- c) recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- d) carry out evaluation of every director's performance including that of Independent Directors and
- e) devise a policy on Board Diversity

Your Company's Board of Directors, after considering the recommendations of its Nomination and Remuneration Committee in above connection, have approved a document setting out criteria to be followed by nomination and remuneration committee for identification, appointment, remuneration and evaluation of performance of directors including Company's Board diversity.

The aforesaid criteria of appointment, qualifications and positive attributes along-with remuneration policy as applicable to Directors, KMPs and other Senior management personnel and criteria to be followed for performance evaluation of each director including Independent Directors of the Company is enclosed herewith as Annexure - 3



## FORMAL ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

Keeping in view the various provisions of the Companies Act, 2013 and listing agreement dealing with powers, duties and functions of the Board of the Company, your Company has adopted criteria for evaluating the performance of its Board, Committees and other Directors including Independent Directors applicable from the financial year 2014-15. The said criteria contemplates evaluation of Directors based on their performance as directors apart from their specific role as independent, non-executive and executive directors as mentioned below:

- a. Executive Directors, being evaluated as Directors as mentioned above, will also be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time as well as per their terms of appointment.
- b. Independent Directors, being evaluated as a Director, will also be evaluated on meeting their obligations connected with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties specifically applicable to Independent Directors as contained in Schedule IV to the Companies Act, 2013.

The criteria also specifies that the Board would evaluate each committee's performance based on the mandate on which the committee has been constituted and the contributions made by each member of the said committee in effective discharge of the responsibilities of the said committee.

The Board of Directors of your company has made annual evaluation of its performance, its committees and directors for the financial year 2014-15 based on afore stated criteria.

## EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-4

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of loans given by the Company, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements (Please refer

Note No.17.1) pertaining to the year under review. During the year under review, your Company did not give any other loans or guarantees, provide any security or made any Investments.

## RELATED PARTY TRANSACTIONS:

Related party transactions entered during the financial year under review are disclosed in Note No.30 of the Financial Statements of the company for the financial year ended March 31, 2015. These transactions entered were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the note on the aforesaid related party transactions is enclosed herewith as Annexure-5

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.visaka.biz/vilrptpolicy.pdf>

## RISK MANAGEMENT FRAMEWORK:

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's Board believes that to ensure sustainable business growth with stability of affairs and operations of the Company, periodical review of various risks having a bearing on the business and operations is vital to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. Further, it is also belief of your management that Risk Management Framework enables a systematic approach to risk identification, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid or minimize the impact of the risks.

Keeping in view of the above, your Company's risk management is embedded in the continuous business processes and as a part of review of business and operations, your Board with the help of the management periodically reviews various risks associated with the business and products of the Company and considers appropriate risk mitigation process. However there are certain risks which



cannot be avoided but the impact can only be minimized. The risks and concerns associated with each segment of your company's business are discussed while reviewing segment-wise Management and Discussion Analysis. The other risks that the management reviews also include:

- a. Industry & Services Risk: this includes Economic risks like demand and supply chain, Profitability, Gestation period etc.; Services risk like infrastructure facilities; Market risk like consumer preferences and distribution channel etc.; Business dynamics like inflation/deflation etc.; Competition risks like cost effectiveness
- b. Management and Operational Risk: this includes Risks to Property; Clear and well defined work process; Changes in technology / up gradation; R&D Risks; Agency network Risks; Personnel & labour turnover Risk; Environmental and Pollution Control Regulations etc.; Locational benefits near metros
- c. Market Risk: this includes Raw Material rates; Quantities, quality, suppliers, lead time, interest rates risk and forex risk.
- d. Political Risk: this includes Elections; War risk; Country/Area Risk; Insurance risk like Fire, strikes, riots and civil commotion, marine risk, cargo risk etc.; Fiscal/Monetary Policy Risk including Taxation risk.
- e. Credit Risk: this includes Creditworthiness; Risk in settlement of dues by clients and Provisions for doubtful and bad debts
- f. Liquidity Risk: this includes risks like Financial solvency and liquidity; Borrowing limits, delays; Cash/Reserve management risks and Tax risks
- g. Disaster Risk this includes Natural calamities like fires, floods, earthquakes etc.; Man made risk factors arising under the Factories Act, Mines Act etc.; Risk of failure of effective disaster Management plans formulated by the Company.
- h. System Risk this includes System capacities; System reliability; Obsolescence risk; Data Integrity risk & Co-ordination and Interface risk.
- i. Legal Risk: this includes Contract risk; Contractual liability; Frauds; Judicial Risk and Insurance risk
- j. Government Policy: This includes Exemptions, import licenses, income tax and sales tax holidays, subsidies, tax benefits etc.

Further your Board has constituted a Risk Management Committee, inter-alia, to monitor and review the risk management framework.

## OTHER DISCLOSURES:

### Board Meetings:

Seven meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance on page no. 58 of this Annual Report.

### Audit Committee:

The Audit Committee comprises Independent Directors namely Shri B.B.Merchant (Chairman), Shri. V.Pattabhi and Shri. Gusti j. Noria apart from Smt. G. Saroja Vivekanand, Managing Director. All the recommendations made by the Audit Committee were accepted by the Board.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as Annexure-6.

### Vigil Mechanism:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.visaka.biz](http://www.visaka.biz) under investors/policy documents/Vigil Mechanism Policy link.

### Particulars of Employees and related disclosures:

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is enclosed herewith as Annexure-7.

### Remuneration ratio of the Directors / Key Managerial Personnel/ Employees:

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as Annexure-8

### GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- i. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iii. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- iv. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**On behalf of the Board of Directors**

Date: 07.05.2015  
Place: Secunderabad

**BHAGIRAT B. MERCHANT**  
Chairman





## ANNEXURE – 1

### REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

1. A brief outline of the Company's CSR policy, including overview of Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:  
Your company as a responsible corporate entity framed CSR policy as stipulated by the Companies Act, 2013 to undertake all or any of the objectives contained in Schedule VII to the Act.  
Your company intends to actively contribute to the social and economic development of the communities in which it operate by participating actively in building a better, sustainable way of life for the weaker sections of society and raise the country's human development index.  
The CSR Policy may be accessed on the Company's website at the link: [http://www.visaka.biz/csr\\_policy.pdf](http://www.visaka.biz/csr_policy.pdf)
2. The Composition of CSR Committee:  
The CSR Committee comprises Directors namely Shri Gusti J. Noria (Chairman), Dr. G.Vivekanand, and Smt. G. Saroja Vivekanand as other members.
3. Average net profits of the Company for last three financial years: ₹4769.11 crores
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹95.38 lakhs
5. Details of CSR amount spent during the financial year
  - a) Total amount to be spent for the financial year 2014-15 : ₹95.38 Lacs
  - b) Amount unspent, if any : Not Applicable
  - c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs 1. Local Area or other 2. Specify the State and District where projects or Programs were undertaken	Amount outlay (budget) Project Or Programs-wise	Amount spent on the Project Or Programs-wise Sub-heads 1. Direct Expenditure on Project or Prog. 2. Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Provision of Drinking water	Clause I of Schedule VII	* Please refer the note given below			₹97.00 Lacs	Visaka Charitable Trust
2	Construction of irrigation tanks	Clause X of Schedule VII					
3	Building of class rooms in schools and colleges	Clause II of Schedule VII					
4	Supply of class room furniture and payment of teacher salaries						
5	Conducting health camps	Clause I of Schedule VII					

\* Note: This being the first year the breakup of the expenditure will be obtained from the Trust during the year 2015 – 16 and would be reported accordingly.

6. In case the Company has failed to spend the 2% of the avg. net profits for the last three years / any part thereof, reasons therefor:

Not Applicable

7. A responsibility Statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

"The directors report that your company has complied with its CSR policy along with the provisions of the Companies Act and rules made there under"

**G. Saroja Vivekanand**  
Managing Director

**Gusti J.Noria**  
Chairman, CSR Committee

## ANNEXURE – 2

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

**(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

To,  
The Members,  
Visaka Industries Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Visaka Industries Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of :
  - a) Foreign Direct Investment (not applicable during the Audit Period),
  - b) Overseas Direct Investment and
  - c) External Commercial Borrowings (not applicable during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable during the Audit Period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock



- Purchase Scheme) Guidelines, 1999; (not applicable during the Audit Period);
- e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; (not applicable during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the Audit Period) and;
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (not applicable during the Audit Period);
- vi. Other applicable laws, including the following:
- (a) Factories Act, 1948
  - (b) The Payment of Gratuity Act, 1972
  - (c) The Environment (Protection) Act, 1986
  - (d) Competition Act, 2002
  - (e) Employees Provident Fund and Miscellaneous provisions Act, 1952
  - (f) Employees State Insurance Act 1948
  - (g) Hazardous Wastes (Management and Handling) Rules 1989
  - (h) Income-tax Act 1961
  - (i) Indian Stamp Act, 1899
  - (j) Maternity Benefit Act, 1961
  - (k) Minimum Wages Act, 1948
  - (l) Payment of Bonus Act, 1965
  - (m) Payment of Wages Act 1936
  - (n) Industrial Dispute Act, 1947
  - (o) Hank Yarn Packaging Obligation – Hank Yarn Packing Notification issued by the Textile Commissioner, Mumbai dated 17th April, 2003

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, to the extent applicable under the Companies Act, 2013
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange.

During the period under review the Company has complied

with the provisions of the Act, Rules, Regulations, Guidelines, Standards – not notified by the Central Government during the Audit Period, etc. mentioned above.

We further report that -

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, except:
  - a) The Requirements of Section 152(6) of the Act have not been complied with as on 31st March, 2015, however the Company has since amended article 130(e) of the Company's Articles of Association, according to which the Board is properly constituted as on the date of report.
  - b) The filing of the Forms to the Registrar of Companies 39 Nos within prescribed time and 33 Nos of Forms were filed beyond the prescribed time.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- a) the shareholders have approved a special resolution under Section 180 of the Act, authorising the Board of Directors to borrow monies (apart from temporary loans obtained from Company's bankers in the ordinary course of business) which shall not exceed a sum of ₹750 Crores (Rupees Seven Hundred and Fifty Crores Only) at any one time, over and above the paid up capital and free reserves of the Company.
- b) The Shareholders, have further approved a special resolution under section 180(1)(c) of the Act, authorizing the Board of Directors for mortgaging/charging all or



any of the immovable and movable properties of the Company present and future. The whole or substantially the whole of the undertaking or undertakings of the company on such terms as may be agreed between the Board of the Company and the lenders to secure loans/ borrowings obtained or may be obtained which may not exceed ₹750 Crores (Rupees Seven Hundred and Fifty Crores Only) at any point of time.

- c) Corporate Social Responsibility: The company by 31st March, 2015 transferred an amount of ₹97 Lakhs representing 2% of the average net profits for the three years to Visaka Charitable Trust established by the Company in 2000 and the objects clause of the Trust has been amended to incorporate all activities envisaged

under schedule VII of Section 135 of the Act, so that the amount spent by the trust for the activities would meet the requirements of the Act.

Signature :

Name : **Tumuluru Krishna Murty**  
Proprietor, Tumuluru & Co.,  
Practicing Company  
Secretaries

Place: Hyderabad

Date: 07.05.2015

FCS NO. : 142

C. P. No. : 1293

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

#### 'Annexure A' to the Secretarial Audit Report

To,

**The Members,**

**M/s Visaka Industries Limited**

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

S.P.Road, SECUNDERABAD – 500 003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature :

Name : **Tumuluru Krishna Murty**  
Proprietor, Tumuluru & Co.,  
Practicing Company  
Secretaries

Place: Hyderabad

Date: 07.05.2015

FCS NO. : 142

C. P. No. : 1293



## ANNEXURE - 3

### DOCUMENT SETTING OUT CRITERIA FOLLOWED BY NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD OF VISAKA INDUSTRIES LIMITED FOR IDENTIFICATION, APPOINTMENT, REMUNERATION AND EVALUATION OF PERFORMANE OF DIRECTORS

Visaka Industries Limited, as required under the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement entered with Stock Exchanges, constituted a Board level committee titled "Nomination and Remuneration Committee" (herein after referred as the Committee) to oversee, inter-alia, matters relating to

- a) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- b) formulate the criteria for determining qualifications, positive attributes and independence of a director;
- c) recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- d) carry out evaluation of every director's performance including that of Independent Directors and
- e) devise a policy on Board Diversity

Now this document sets out the framework and guidelines that the said Committee is expected to observe in discharging its functions effectively as contemplated under aforesaid provisions i.e. to oversee process of identifying persons qualified to become directors of the Company, determining their qualifications, positive attributes and independence as well as identifying persons who may be appointed in senior management in accordance with the Company's internal requirements from time to time; in making its recommendations to the Board as to their appointment or removal as the case may be and to carry out evaluation of every director's performance including Independent Directors.

This document also contains the remuneration policy relating to the remuneration of the Directors, Key Managerial and Senior Managerial Personnel as well as policy on Board Diversity as recommended by the Committee and approved by the Board.

It is to be noted that framework and guidelines set out hereunder is subject to such periodical reviews and the

Committee in consultation with Board of Directors and top management of the Company, may make such alterations as may be required from time to time to meet the exigencies arising out of statutory modifications or otherwise.

Definitions: Words used hereunder will have the same meaning as defined and ascribed in the Companies Act, 2013 (herein after referred to as the Act) and clause 49 of the listing agreement entered with stock exchanges (Clause 49).

#### Matters pertaining to Nomination of Directors, KMPs, Senior Management and other employees:

**Nomination Criteria for Directors:** In identifying and recommending the candidature for appointment as Director, the Committee will consider the following criteria:

- i. Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, ability to bring exercise of independent judgment and judicious thinking, qualification, expertise as strategist, eminence in his field of expertise.
- ii. Possessing appropriate skills, experience and knowledge in one or more fields of Business including International Business, Strategy and Expansion, Engineering, Medicine, finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to preferably the company's business.
- iii. Non-disqualified under the applicable provisions of Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force, as the case may be;
- iv. Ensure that the Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years without the approval of shareholders by passing a special resolution with proper justification.
- v. Ensure that the proposed Director consents to act as Director and can devote his time and energies

towards the overall development and betterment of the Company's business.

- vi. Ensure that the proposed Director discloses his interest and Company's shareholding, if any and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.
- vii. Ensure that the candidature of the Director will be in line with and promote the objectives enshrined in Company's policy on Board Diversity.

#### **Nomination Criteria for KMPs / Senior Management personnel:**

The committee will consider:

- i. Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, qualification, expertise and experience.
- ii. Possessing adequate qualification, expertise and experience as prescribed by the Company for the position he / she is considered for appointment. The Committee for this purpose, if required, will avail the assistance of other top executives of the Company but however, has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. Ensure that the person discloses his interest and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.

#### **Additional Criteria for Appointment of Independent Directors:**

The Committee will consider whether the Director meets the criteria of Independence as well as other attributes as mentioned under the provisions of Section 149 of the Companies Act, 2013 read with applicable rules and Schedule IV thereunder and clause 49 of the Listing Agreement, including any amendments made thereof from time to time.

#### **Additional Responsibility of the Board:**

It is further to be noticed that it is the responsibility of the Board to obtain other relevant and applicable approvals and procedures as laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force and applicable as the case may be

#### **Term / Tenure, Continuity and Renewal:**

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time. The terms of KMPs and other Senior Management employees shall be governed under their respective terms of appointment.

As regards the continuity or renewal of appointment of Directors; their resignation and removal, the Committee will make its recommendations to the Board, based on the periodical evaluation process to be done under this document from time to time as well as subject to observation of provisions as contemplated under the Companies Act, 2013 and other applicable laws including listing agreement relating to disqualifications, resignation, removal and retirement.

Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company respectively. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### **Matters pertaining to Remuneration:**

This document also sets out the following remuneration policy applicable to the remuneration payable to Directors, key managerial and other Senior Managerial personnel and other employees of the Company.

#### **General:**

- 1) The Company's remuneration policy, in general, is driven by the success and performance of the individual employee as well as his expertise in critical areas of operations of the Company.
- 2) The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval and while recommending such remuneration, the Committee will consider, inter-alia, whether
  - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person of the quality required to run the company successfully;
  - b. The remuneration is comparable and in proportion to the accepted industry standards;





- c. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - d. To the extent possible, such remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- 3) The remuneration / compensation / commission etc. so recommended shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  - 4) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Directors.
  - 5) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
  - 6) Loans, advances and other similar kind of benefits to KMPs, Senior Management Personnel are governed under Company's relevant policies as applicable to all the employees of the Company read with relevant provisions of all applicable laws in that connection.

#### **Remuneration to Executive Directors, KMPs and Senior Management Personnel:**

##### **a) Fixed pay:**

The Executive Director/ KMPs shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc., shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Besides, Managing Director is eligible for commission such

that the total remuneration payable shall not exceed 5% of the net profits for each financial year as determined under the provisions of the Companies Act, 2013.

Remuneration payable to Senior Management Personnel is governed by their respective terms of appointment.

##### **b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

##### **c) Provisions for excess remuneration:**

If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### **Remuneration to Non-Executive / Independent Directors:**

##### **a) Sitting Fee:**

The Non- Executive / Independent Director may receive remuneration by way of fee for attending meetings of Board or Committee thereof. Provided that the amount of such fee shall not exceed such amount per meeting as may be prescribed by the Central Government from time to time and approved by the Board.

##### **b) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act subject to a maximum of ₹7.50 lacs.

##### **Matters pertaining to Evaluation:**

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, listing agreement with stock exchanges, internal code of conduct and policies formulated by the Company for its internal execution.

As regards the evaluation process; the scheme of the Companies Act, 2013 read with clause 49 of the listing agreement contemplates that:

- a. As required under Section 134(3)(p) of the Companies Act, the manner of formal evaluation made by Board of Directors of its own performance, that of its committees and individual Directors shall be disclosed in Board's Report;
- b. As required under Section 178(2), the Nomination and Remuneration Committee shall carry out evaluation of every Director's performance;
- c. As required under Clause VII of Schedule IV to the Companies Act, 2013; in the separate meeting held by the Independent Directors;
  - i) Performance of the non-independent directors and the Board as a whole shall be reviewed and
  - ii) Performance of the Chairperson of the Company (after taking into account views of Executive and Non-Executive directors) shall be reviewed.
- d. Clause 49 (II) (5) (a) stipulates that the Nomination & Remuneration Committee shall lay down the evaluation criteria for performance evaluation of independent directors and
- e. Clause 49 (II)(5)(c) stipulates that the performance of Independent Directors shall be done by the entire Board.

As regards the evaluation criteria to be followed by Board for its evaluation of Committees and other Directors including Independent Director; Independent Directors of Non-Independent Directors, the same are dealt in other documents dealing with respective criteria of evaluations including the Duties, Responsibilities and key functions of Board as contemplated under the Act and clause 49 of the listing agreement. In all these cases, be it by Board or by Independent Directors, the evaluation of each Director would be done based on parameters like

- a. well informed and understand the Company, its business and the external environment in which it operates;
- b. prepare well and participate actively in the Board and its committee meetings;
- c. Effectively probe to Test the assumptions; rendering independent and unbiased opinion

- d. Resolute in holding to their views and resisting pressure from others;
- e. Follow-up on matters about which they have expressed concern;
- f. strive to attend all meetings of the Board of Directors, Committees and General meetings;
- g. Contributions in development of a Strategy, Business plan or risk management;
- h. Maintenance of good interpersonal and cordial relationship with other Board members, KMPs and Senior Management personnel;
- i. Diplomatic and convincing way of presenting their views and listening to views of others
- j. up-to-date with the latest developments in areas such as the corporate governance framework, financial reporting and in the industry and market conditions etc.,
- k. adhering to ethical standards, code of conduct of the Company and insider trading guidelines etc.,
- l. making timely disclosures of their interest and disclosure of non-independence, when it exists
- m. His/her contribution to enhance overall brand image of the Company.

The Committee also follows the same in evaluating each Director of the Company. Further, the Executive Directors will be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time and Independent Directors would be evaluated based on professional conduct, Roles, functions and duties as contemplated under Schedule IV of the Act, apart from their evaluation as Directors based on aforesaid criteria. The committee submits its evaluation report to the Board for its consideration.

As stated above, it is to be noted here that the Directors collectively as a Board or individually as Independent Directors, Non-Independent Director etc., will be evaluated by the Board, Independent Directors etc., based on the criteria adopted for that purpose and in the eventuality of existence of discrepancies, if any between the evaluation made by the Committee and the Board or Independent Directors, the Board of Directors will have the discretion to decide and act on the same.



## ANNEXURE - 4

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2015

#### Form No. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 And Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L52520TG1981PLC003072
ii)	Registration Date [DDMMYY]	18.06.1981
iii)	Name of the Company	Visaka Industries Limited
iv)	Category / Sub Category of the Company	Limited by shares
v)	Address of the Registered Office and contact Details	Survey No. 315, Yelumala Village, R.C. Puram Mandal, Medak District, Telangana, 502300 Phone Nos. 08455 287740,41,81 & 82
vi)	Whether listed Company	Yes
vii)	Name, Address and contact details of Registrar & Transfer Agents ( RTA ):- Full address to be given.	M/s. Karvy Computershare Private Limited Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad, Telangana – 500081, 040-44655000 Fax : 040-23431551 Mail id : einward.ris@karvy.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

[All the business activities contributing 10% or more of the total turnover of the company shall be stated]

S. NO.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cement Asbestos Products	23959	71
2	Fibre Cement Flat Board Products	23959	10
3	Sandwich Panels	23959	1
4.	Textiles	13114	18

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

[No. of Companies for which information is being filled]

S. NO.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
Not Applicable			



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	5979255	-	5979255	37.65	5961255	-	5961255	37.54	(0.11)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>5979255</b>	<b>-</b>	<b>5979255</b>	<b>37.65</b>	<b>5961255</b>	<b>-</b>	<b>5961255</b>	<b>37.54</b>	<b>(0.11)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	2118	2118	0.01	-	2118	2118	0.01	-
b) Banks / FI	196571	3350	199921	1.26	212581	3350	215931	1.36	0.10
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	365411	-	365411	2.30	346803	-	346803	2.18	(0.12)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>561982</b>	<b>5468</b>	<b>567450</b>	<b>3.57</b>	<b>559384</b>	<b>5468</b>	<b>564852</b>	<b>3.55</b>	<b>(0.02)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	3721711	15110	3736821	23.53	3548413	15110	3563523	22.44	(1.09)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	3517203	491098	4008301	25.24	3741513	478658	4220171	26.57	1.33
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1382843	52910	1435753	9.04	1363609	-	1363609	8.59	(0.45)
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Non Resident Indians</b>	<b>137977</b>	<b>1170</b>	<b>139147</b>	<b>0.88</b>	<b>170059</b>	<b>1170</b>	<b>171229</b>	<b>1.08</b>	<b>0.20</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	14225	-	14225	0.09	34313	-	34313	0.22	0.13
Trusts	-	-	-	-	2000	-	2000	0.01	0.01
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>8773959</b>	<b>560288</b>	<b>9334247</b>	<b>58.78</b>	<b>8859907</b>	<b>494938</b>	<b>9354845</b>	<b>58.91</b>	<b>0.13</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>9335941</b>	<b>565756</b>	<b>9901697</b>	<b>62.35</b>	<b>9419291</b>	<b>500406</b>	<b>9919697</b>	<b>62.46</b>	<b>0.11</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>15315196</b>	<b>565756</b>	<b>15880952</b>	<b>100</b>	<b>15380546</b>	<b>500406</b>	<b>15880952</b>	<b>100</b>	<b>-</b>

## ii) Shareholding of Promoter:

SNO	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Dr. G Vivekanand	5768116	36.32	-	5768116	36.32	2.52	-
2	Smt. G Saroja Vivekanand	211139	1.33	-	193139	1.22	-	0.11

## iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. NO.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
	<b>At the beginning of the year</b>			<b>5979255</b>	<b>37.65</b>	<b>5979255</b>	<b>37.65</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Date – 11-06-2014 – Sale (Decrease)		6523	0.04	5972732	37.61
		Date – 16-06-2014 – Sale (Decrease)		8477	0.05	5964255	37.56
		Date – 09-09-2014 – Sale (Decrease)		3000	0.02	5961255	37.54
	<b>At the end of the year</b>			<b>5961255</b>	<b>37.54</b>	<b>5961255</b>	<b>37.54</b>

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

S. NO.	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2014	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
1	Vigilance Security Services Pvt. Ltd.	1411836	8.89	-	-	-	1411836	8.89
2	Arudra Roofings Pvt. Ltd.	573133	3.61	-	-	-	573133	3.61
3	Delhi Iron and Steel Co Pvt Ltd	469230	2.95	13.06.2014	10000	Purchase	479230	3.02
				20.06.2014	7746	Purchase	486976	3.07
				25.07.2014	1466	Purchase	488442	3.08
				08.08.2014	14520	Purchase	502962	3.17
				07.11.2014	3000	Purchase	505962	3.25
				14.11.2014	12000	Purchase	517962	3.26
				21.11.2014	2500	Purchase	520462	3.28
				05.12.2014	(11219)	Transfer	509243	3.21
				30.01.2015	2000	Purchase	511243	3.22
				06.03.2015	(115000)	Transfer	396243	2.50
4	Jupiter South Asia Investment Company Ltd.	251411	1.58	-	-	-	251411	1.58
5	Anil Kumar Goel	187000	1.18	16.05.2014	2000	Purchase	189000	1.19
				23.05.2014	(20000)	Transfer	169000	1.06
				30.05.2014	(1530)	Transfer	167470	1.05
				06.06.2014	(7470)	Transfer	160000	1.01
				12.09.2014	(5000)	Transfer	155000	0.98
				27.03.2015	1000	Purchase	156000	0.98
6	Sunidhi Capital Pvt. Ltd.	160000	1.01	20.06.2014	(160000)	Transfer	-	-
7	General Insurance Corporation of India	145446	0.92	-	-	-	145446	0.92
8	Acira Consultancy Private Limited	125000	0.79	07.11.2014	125000	Transfer	-	-
9	Premier Investment Fund Limited	100000	0.63	20.06.2014	(20000)	Transfer	80000	0.50
10	Seetha Kumari	99259	0.62	30.05.2014	(3222)	Transfer	96037	0.60
				13.06.2014	(71827)	Transfer	24210	0.15
11	Ruchit Bharat Patel*	6974	0.04	07.11.2014	125000	Purchase	131974	0.83





S. NO.	Name of the Share Holder	Shareholding		Increase / (Decrease) in Share Holding			Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2014	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
12	Vijay Kumar Aggarwal*	69190	0.44	01.08.2014	5000	Purchase	74190	0.47
				08.08.2014	9269	Purchase	83459	0.53
				29.08.2014	5000	Purchase	88459	0.56
				07.11.2014	5000	Purchase	93459	0.59
				13.02.2015	8491	Purchase	101950	0.64
				20.02.2015	18720	Purchase	120670	0.76
				27.02.2015	5835	Purchase	126505	0.80
13	IL And FS Securities Services Limited*	5290	0.03	06.03.2015	114950	Purchase	120240	0.78
14	Hardik Bharat Patel *	34596	0.22	20.06.2014	84629	Purchase	119225	0.75
				04.07.2014	(4485)	Transfer	114740	0.72
				20.08.2014	1515	Purchase	116255	0.73
				19.09.2014	(2736)	Transfer	113519	0.72
				14.11.2014	(17468)	Transfer	96051	0.60
				28.11.2014	(1550)	Transfer	94501	0.59

\* Not in the top ten shareholders as on 01.04.2014

## v) Shareholding of Directors and Key Managerial Personnel:

S. NO.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
a)	<b>Director &amp; Chairman: B B Merchant</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
b)	<b>Director : P Abraham</b>				
	At the beginning of the year	450	0.003	450	0.003
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	450	0.003	450	0.003
c)	<b>Director : V Pattabhi</b>				
	At the beginning of the year	500	0.003	500	0.003
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	500	0.003	500	0.003
d)	<b>Director : Nagam Krishna Rao</b>				
	At the beginning of the year	63700	0.40	63700	0.40
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	63700	0.40	63700	0.40
e)	<b>Director : Gusti Noria</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
f)	<b>Director : Srikar Reddy P</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
	Note : Share Holding Dr. G Vivekanand Vice-Chairman is disclosed in point no. IV(iii) supra under promoter share holding.				



### Key Managerial Personnel:

S. NO.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
g)	<b>Managing Director - Smt. G Saroja Vivekanand</b>					
	At the beginning of the year		211139	1.33	211139	1.33
	Date wise Increase / Decrease in Promoters	Date – 11-06-2014 – Sale (Decrease)	6523	0.04	204616	1.29
	Share holding during the year specifying the reasons for increase / decrease (e.g. allotment	Date – 16-06-2014 – Sale (Decrease)	8477	0.05	196139	1.24
		Date – 09-09-2014 – Sale (Decrease)	3000	0.02	193139	1.22
	At the end of the year		193139	1.22	193139	1.22
h)	<b>Whole Time Director: G Vamsi Krishna</b>					
	At the beginning of the year		-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
	At the end of the year		-	-	-	-
i)	<b>Whole Time Director &amp; CFO : V Vallinath</b>					
	At the beginning of the year		-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
	At the end of the year		-	-	-	-
j)	<b>Company Secretary : Srinivas Itaboina</b>					
	At the beginning of the year		-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
	At the end of the year		-	-	-	-



## V) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16394.36	9125.04	737.11	26256.51
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	62.71	62.71
<b>Total (i+ii+iii)</b>	<b>16394.36</b>	<b>9125.04</b>	<b>799.82</b>	<b>26319.22</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	3199.63	3803.21	516.74	7519.58
* Reduction	(1374.00)	(1658.42)	(529.67)	(3562.09)
<b>Net Change</b>	<b>1825.63</b>	<b>2144.79</b>	<b>(12.93)</b>	<b>3957.49</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18219.99	11269.83	724.18	30214.00
ii) Interest due but not paid				
iii) Interest accrued but not due			67.75	67.75
<b>Total (i+ii+iii)</b>	<b>18219.99</b>	<b>11269.83</b>	<b>791.93</b>	<b>30281.75</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SNO	Particulars of Remuneration	Directors							Total Amount
		B B Merchant	Dr. G. Vivekanand	Nagam Krishna Rao	V Patabhi	Gusti Noria	P Abraham	Srikar Reddy P	
		Chairman	Vice Chairman	Director	Director	Director	Director	Director	
1	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...	6,00,000	6,00,000	6,00,000	6,00,000	6,00,000	6,00,000	3,00,000	39,00,000
5	Others, please specify – Sitting Fees paid for attending Board and Committee Meetings	55,000	30,000	10,000	70,000	60,000	30,000	10,000	2,65,000
	Total (A)	6,55,000	6,30,000	6,10,000	6,70,000	6,60,000	6,30,000	3,10,000	41,65,000
	Ceiling as per the Act	₹39.25 Lakhs (being the 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013). Further in terms of provisions of sub section 2 of Section 198 read with sub section 5 of the said section, sitting fees is excluded from the afore stated ceiling of 1% remuneration							

**A.2. Remuneration to Key Managerial Personnel:**

SNO	Particulars of Remuneration	Name of the Key Managerial Personnel					Total Amount
		G Saroja Vivekanand	G Vamshi Krishna	M P V Rao	V Vallinath	I Srinivas	
		MD	WTD	WTD	WTD & CFO	Asst. VP & CS	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4388710	2250000	7391020	4581377	1594524	20205631
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1901137	766623	1001077	1317176	279688	5265701
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...	13300000	-	-	-	-	13300000
5	Others, please specify –	-	-	-	-	-	-
	Total (A)	19589847	3016623	8392097	5898553	1874212	38771332
	Ceiling as per the Act	₹392.47 Lakhs (being the 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013) is the maximum payable as managerial remuneration for the year ended March 31, 2015.					



## ANNEXURE - 5

### FORM NO. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements / transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

Not Applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements / transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

\* Please refer the note given below

**\*NOTE:** The details of names, nature of relations ship; nature of such contracts / arrangements / transactions are disclosed in Note No.30 of the Financial Statements.

Transactions like payment of remuneration and Dividend are as per the terms approved by the shareholders. Acceptance of the public deposits was done in pursuance of issue of advertisement inviting public deposits under the provisions of Schedule V of the Companies Act, 2013; terms of which are having equal and universal application to all the deposit holders. Majority of transactions relating to intercorporate deposits were made in pursuance of approvals obtained under old Companies Act, 1956 and others are only squaring up of transactions. Transaction relating to contribution to CSR activities was made in compliance with the requirements of the Section 135 of the Companies Act, 2013 after due approvals. Please refer CSR section in Board's report for more details in this regard.



## ANNEXURE - 6

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

#### A. Conservation of energy:

- i. the steps taken for conservation of energy
  - Better layouts at the time of project implementation to simplify the operations;
  - Right sizing of Drives;
  - Selection of the energy efficient drives;
  - Automatic Power Factor Controllers (APFC) to maintain Power Factor Closer to unity in order to bring down the energy bills;
  - High efficiency equipments for handling Vacuum, Process Water, Compressed air and hydraulic equipments;
  - Variable Frequency Drives for optimum utilisation;
  - Energy Audits
- ii. the steps taken by the company for utilising alternate sources of energy and investment made thereon:  
 Company has setup a 2.5 MW Solar Power Plant (WITH TRACKER) at Miryalaguda at an outlay of ₹22.00 Crores with a capacity of 42 Lac units per annum helping tide over power outlays and countering the cost of Diesel Power which is around 5% of the total consumption of the Company.

#### B. Technology absorption:

- i. the efforts made towards technology absorption and the benefits derived therefrom:  
 The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has successfully achieved results in reducing the cost of production, power consumption and improving technical efficiencies and productivity.
- ii. Particulars of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): None

#### iii. EXPENDITURE INCURRED ON RESEARCH & DEVELOPMENT

- a. Expenditure on R&D:  
 No specific expenditure exclusively on R&D has been incurred. The indigenous technology available is continuously being upgraded to improve the overall performance of the Company.
- b. Specific areas in which R&D carried out by the Company:  
 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.
- c. Benefits derived as a result of the above R&D :  
 Asbestos Division: In respect of the Asbestos Division, we have achieved reduction in cost and increase in productivity because of this experiment.  
 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.
- d. 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.

#### C. FOREIGN EXCHANGE EARNINGS / OUTGO:

The details of foreign exchange earnings / outgo during the year 2014 - 2015 are as follows:



Total foreign exchange used and earned: (₹ in lakhs)

	31.03.2015	31.03.2014
<b>Earnings in Foreign Currency</b>		
Export of Goods (FOB Value)	7192.95	4794.96
<b>CIF value of Imports</b>		
Raw Materials	29281.97	19534.82
Components and Spare Parts	403.17	329.41
Capital Goods	-	11.65

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

Your management has 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 hence making the market broad based. We have taken initiatives to export V – Boards and have already met with fair amount of success.

## ANNEXURE 7

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

Sl. No	Name and Qualifications	Age in years	Designation	Remuneration Received (₹ Lakhs)	Experience	Date of Commencement of Employment	Last Employment (Position held)	% of Equity Shares	Relative of any director along-with names of such directors
A. Employed throughout the Financial Year 2014-15									
1	Smt. G. Saroja Vivekanand, B.A.	50	Managing Director	195.90	11 years	24.06.2009	Director of Visaka Industries Limited	1.33%	Smt. Saroja Vivekanand is spouse of Dr.G. Vivekanand and mother of Shri. G. Vamsi Krishna
B. Employed for a part of the Financial Year 2014-15									
1	Shri. MPV Rao, Diploma in Electrical Engg.	67	Whole-time Director	83.92 *	47 years	03.07.1986	Plant Engineer Shree Digvijay Cement Limited	Nil	N.A
* includes gratuity and leave encashment paid after retirement from services aggregating to ₹57.72 Lacs.									

**Nature of Employment:** The appointments of both aforementioned Managing Director and Whole Time Director are made as per the provisions of the Companies Act, 2013 and are approved by the shareholders in the 32nd Annual General Meeting of the Company held on 25th July, 2014; for five years upto 23.10.2019 and for 4 months upto 31.07.2014 respectively.

## ANNEXURE 8

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014:

(i)	The percentage increase in remuneration of each Director, other key managerial personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2014-15 are as under				
	Director's / KMPs / Manager's Name	Remuneration of Director/KMP for financial year 2014-15 ( in Lacs)	% increase in Remuneration in the Financial Year 2014 – 15	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the Company
1	Shri. Bhagirat. B.Merchant Non Executive Chairman	6.00	89.47	3.86	
2	Shri. P. Srikar Reddy* Non Executive Director	3.00	-	1.93	
3	Shri. Nagam Krishna Rao Non Executive Director	6.00	89.47	3.86	
4	Shri. Gusti J Noria Non Executive Director	6.00	89.47	3.86	
5	Shri. V. Pattabhi Non Executive Director	6.00	89.47	3.86	
6	Shri. P. Abraham Non Executive Director	6.00	89.47	3.86	
7	Dr. G. Vivekanand \$ Vice Chairman	6.00	89.47	3.86	
8	Smt. G. Saroja Vivekanand Managing Director	195.90	102.39	125.91	Profit before Tax increased by 76.64% and Profit After Tax increased By 77.44% in Financial year 2014-15
9	Shri.M.P.V.Rao @ Whole Time Director	26.20	-	16.84	
10	Shri. G Vamsi Krishna # Whole Time Director	30.16	-	19.39	
11	Shri. V Vallinath** Whole Time Director & C.F.O.	58.99	8.00	37.91	
12	Shri. I.Srinivas Company Secretary	18.74	10.00	-	
	<b>TOTAL REMUNERATION OF KMPs (S.Nos. 8 to 12 above)</b>	<b>329.99</b>			

### Notes:

\* Has been appointed as a director effective from 06.09.2014 and thus percentage of increase will not be applicable.

\$ Gratuity received during the previous year of ₹36.16 Lacs is not considered for above purpose.

@ Retired as Whole-time Director on July 31, 2014 and remuneration for 2014-15 and retirement benefits like gratuity, leave encashment etc., aggregating to ₹57.72 Lacs, is not considered above.

# Has been appointed as Whole-time Director effective from 01.06.2014

\*\* Has been appointed as Whole-time Director and Chief Financial Officer of the Company effective from 09.09.2014



(ii)	Percentage increase in the median remuneration of employees in the financial year 2014-15 compared to 2013-14	19.48
(iii)	Number of permanent employees on the rolls of the company:	
	As on 31.03.2015	As on 31.03.2014
	1819	1732
(iv)	Explanation on the relationship between average increase in remuneration and the company performance	The average increase in the overall remuneration of the Company is 13.49% as against the increase of 76.64% in Profit Before Tax and increase of 77.44% of in Profit After Tax.
(v)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The increase in KMPs remuneration for the year was 52.89% as against the increase of 76.64% in Profit Before Tax and increase of 77.44% of in Profit After Tax. Remuneration paid to KMPs includes commission paid to Managing Director based on the profits of the Company.
(vi)	Average percentile increase in salaries of Employees other than managerial Personnel	11.26
	Percentile increase in the managerial remuneration	56.13
	Comparison of above	Part of the managerial remuneration paid includes commission paid to Managing Director, which is variable and dependent upon the net profits of the Company. The percentile increase in managerial remuneration is accordingly more during the year, due to increase in the net profits of the company.
(vii)	Key parameter for any variable component of remuneration availed by the Directors	The Managing Director of the Company is eligible for commission besides salary, however in aggregate not exceeding 5% of the profits of the Company as calculated under section 198 of the Companies Act 2013.
(viii)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year	NOT APPLICABLE





# 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. However, it is to be recognized that Corporate Governance is not just a destination but a constant journey to consolidate and enhance sustainable value creation to the Company as well as all its stake holders by adhering to afore-stated core values.

## 2. Board of Directors:

- i) The Board of Visaka Industries Limited consists of eminent persons with optimum balance of Executive Directors,

Non-Executive Directors and Independent Directors, having professional expertise from different fields such as technical, business strategy and management, marketing, medicine, finance, Governance and civil administration and thus meets the requirements of the Board diversity. The Chairman is non-executive Independent Director and the Board consists of sufficient number of Independent Directors as stipulated under Companies Act, 2013 and listing agreement.

- ii) As regards the appointment of new Directors on the Board, the Nomination and Remuneration Committee of the Board after considering the qualifications, positive attributes and independence as per the criteria laid-down in that behalf, makes its recommendation to the Board for its consideration.
- iii) The Board, inter-alia, provides leadership, strategic guidance, objective and independent view / judgment to the Company's management. The Board meets at regular intervals for planning, assessing and evaluating all important business.
- iv) The Board members would get updated on the Company's procedures and policies as per the familiarization program devised in that behalf by the Company.



- v) 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.
- vi) The details of the Board of Directors, attendance at the Board Meetings, their directorships and committee memberships in other public limited companies are as follows:

Name of the Director Designation / Category	No. of Board Meetings attended during 2014-15	Whether attended AGM held on 25.07.2014	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 Director Chairman	5	No	1	-	Nil
Dr. G. Vivekanand Non – Executive Non-Independent Director Vice Chairman	6	Yes	1	Nil	Nil
Smt. G. Saroja Vivekanand Managing Director	6	Yes	1	Nil	Nil
* Shri. M.P.V. Rao Whole Time Director	4	Yes	Nil	Nil	Nil
Shri Nagam Krishna Rao Non – Executive Non-Independent Director	2	No	Nil	Nil	Nil
Shri. Gusti J Noria Non – Executive Independent Director	5	No	Nil	Nil	Nil
Shri V. Pattabhi Non – Executive Independent Director	7	Yes	2	1	1
Shri. P. Abraham Non – Executive Independent Director	6	No	3	1	Nil
** Shri G.Vamsi Krishna Whole Time Director	5	Yes	Nil	Nil	Nil
# Shri V.Vallinath Whole Time Director & CFO	2	Yes	Nil	Nil	Nil
@ Shri P.Srikar Reddy Non-Executive Professional Director	2	No	2	1	Nil

\* Since resigned and ceased to be a Director with effect from closing hours of July 31, 2014. 4 meetings were held during his tenure

\*\* Appointed as a Whole-time Director effective from June 1, 2014. 5 meetings were held during his tenure.

# Appointed as a Whole-time Director effective from September 9, 2014. 2 meetings were held during his tenure. He continues as Chief Financial Officer of the Company since April 1, 2014

@ Appointed as additional director effective from September 6, 2014. 2 meetings were held during his tenure. In the opinion of the Board of Directors, Shri. P.Srikar Reddy is eligible for appointment as Independent Director of the Company to hold the office as such for a period upto 5 years effective from the date of ensuing Annual General Meeting and appropriate resolution is included in the notice calling ensuing Annual General Meeting of the Company for seeking members' approval.

- vii) As per the information available with the Company, except Dr. G. Vivekanand, Smt G. Saroja Vivekanand and Shri. G.Vamsi Krishna, none of the Directors were related interse.
- viii) None of the non-Executive Independent Directors have any material pecuniary relationship or transaction with the Company.
- ix) 7 Board Meetings were held during the year ended March 31, 2015 and the gap between any two meetings did not exceed four months. The said Board meetings were held on April 22, 2014 adjourned and concluded on the same day; May 24, 2014; June 26, 2014 adjourned to July 4, 2014 and concluded on the same day, July 25, 2014; September 6, 2014; November 3, 2014 and February 9, 2015 respectively. The Board meetings are usually held at the corporate office of the Company.
- x) Necessary information as mentioned in Annexure X to clause 49 of the listing agreement has been placed before the Board for their consideration.
- xi) The Company's Independent Directors meet at least once in every financial year without presence of Executive and non-independent directors or management personnel, to discuss informally, matters pertaining to Company affairs and put forth their views to the Chairman of the Board. During the financial year 2014-2015; the Independent Directors met on February 9, 2015.

### 3. Audit Committee:

- i. The terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement & Section 177 of the Companies Act, 2013.
- ii. The Chairman is a fellow member of the Institute of Chartered Accountants of India. All of the members of the committee are financially literate. Accordingly, the Composition of the Audit Committee is in conformity with Section 177 of the Companies Act, 2013 and Clause 49 of the listing agreement.
- iii. 4 Audit Committee Meetings were held during the year ended March 31, 2015 and the gap between any two meetings did not exceed four months. The dates of the said Audit Committee Meetings held are 24.05.2014, 25.07.2014, 03.11.2014 and 09.02.2015 respectively. The necessary quorum was present at all meetings.
- iv. The Audit Committee meetings are usually held at the corporate office of the Company and are attended by Shri.V.Vallinath, Whole-time Director and Chief Financial Officer of the Company. Auditors are invitees

to the meeting. The Company Secretary acts as the Secretary of the Audit Committee.

- v. The last Annual General Meeting of the Company was held on July 25, 2014 and the Chairman of the Audit Committee attended the said meeting.
- vi. The composition of the Audit Committee as on March 31, 2015 and particulars of meetings attended by the members are as follows:

Name	No. of Meetings during the year 2014-15	
	Held	Attended
Shri Bhagirat B. Merchant	4	4
Shri V.Pattabhi	4	4
Shri Gusti J Noria	4	3
Smt.G.Saroja Vivekanand	4	4

### 4. Nomination and Remuneration Committee:

- i. The erstwhile Remuneration Committee was reconstituted on 22.04.2014 and renamed as Nomination and Remuneration Committee to comply with provisions of Section 178 of the Companies Act, 2013.
- ii. The Remuneration Committee of the Company consists of three directors, all of the whom are independent Directors. Shri. Gusti J. Noria is the Chairman of the Committee and thus the constitution of the Committee satisfies the requirements of Section 178 of the Act, read with Clause 49 of the listing agreement.
- iii. The terms of reference of the Committee cover the matters specified for the Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 and clause 49 of listing agreement;
- iv. The Committee during the financial year 2014 – 15, met three times and the dates of the said meetings are 22.04.2015, 24.05.2014 and 06.09.2014.
- v. The Composition of the Remuneration Committee and details of meeting attended by the Directors are given below:

Name	No. of Meetings during the year 2014-15	
	Held	Attended
Shri Gusti J Noria	3	2
Shri V.Pattabhi	3	3
Shri Bhagirath B Merchant	3	2



vi. Share holdings of the Directors in the Company as on March 31, 2015:

Name	No. of Shares of ₹10/- each
Dr G Vivekanand	5768116
Smt. G. Saroja Vivekanand	193139
Shri. Nagam Krishna Rao	63700
Shri. V Pattabhi	500
Shri. P Abraham	450

vii. The details of remuneration paid to the Directors during the year 2014-15 given below:

Director	Designation	Salary	Perquisites	Commission	Amount in Rupees	
					Sitting Fees	Total
Shri. Bhagirat B. Merchant	Chairman	Nil	Nil	6,00,000	55,000	6,55,000
Dr. G. Vivekanand	Vice – Chairman	Nil	Nil	6,00,000	30,000	6,30,000
Smt. G. Saroja Vivekanand	Managing Director	43,88,710	19,01,137	1,33,00,000	Nil	1,95,89,847
*Shri M.P.V.Rao	Whole Time Director	73,91,020	10,01,077	Nil	Nil	83,92,097
Shri Nagam Krishna Rao	Director	Nil	Nil	6,00,000	10000	6,10,000
Shri Gusti Noria	Director	Nil	Nil	6,00,000	60,000	6,60,000
Shri V. Pattabhi	Director	Nil	Nil	6,00,000	70,000	6,70,000
Shri P. Abraham	Director	Nil	Nil	6,00,000	30,000	6,30,000
Shri P. Srikar Reddy	Director	Nil	Nil	3,00,000	10,000	3,10,000
#Shri V. Vallinath	Whole Time Director	45,81,377	13,17,176	Nil	Nil	58,98,553
**Shri G. Vamsi Krishna	Whole Time Director	22,50,000	7,66,623	Nil	Nil	30,16,623

\*Includes gratuity and leave encashment paid after retirement from services aggregating to ₹57.72 lacs

#Has been appointed as WTD & CFO of the Company from 09.09.2014

\*\* Has been appointed as WTD of the Company from 01.06.2014

viii. **Remuneration Policy:** The Company's remuneration policy is driven by the success and performance of the individual employees as well as their expertise in critical areas of operations of the Company.

The Company's Remuneration Policy as applicable to Directors, KMPs and other Senior management personnel of the Company is annexed as Annexure – 3 to the Boards' Report.

## 5. Stakeholders' Relationship Committee:

- The erstwhile shareholders/Investors Grievance Committee of the Company was renamed as Stakeholders Relationship Committee on June 26, 2014 and was reconstituted effective from July 25, 2014.
- The Committee inter-alia approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfer, transmission,

nomination, dematerialisation and re-materialization of securities of the Company. The Committee also looks into redressal of shareholder's complaints relating to transfer of shares, loss of share certificates, non-receipt of notices/annual reports and non-receipt of declared dividends etc.

- The Committee consists of three directors and Shri. V. Pattabhi is the Chairman of the Committee. The constitution of the Committee is in compliance with section 178 of the Act read with Clause 49 of the listing agreement.
- During the financial year ended March 31, 2015 the Committee met Eleven times and the necessary quorum was present at all meetings.
- Company Secretary is the Compliance Officer.

vi. Details of complaints received and redressed:

Opening Balance as on 01.04.2014	Received during the period 01.04.2014 to 31.03.2015	Resolved during the period 01.04.2014 to 31.03.2015	Closing Balance as on 31.03.2015
Nil	04	04	Nil



## 6. General Body Meetings:

- i. The particulars of day, date, time, venue and special resolutions passed if any of last three annual general meetings of the Company are given below:

Year	Particulars of the AGM	Day, Date & Time	Venue	Special Resolutions Passed, if any.
2013-14	32nd AGM	Friday 25.7.14 11.00 A.M	<b>Regd. Office:</b> Survey No. 315, Yelumala village, R.C. Puram Mandal, Medak District – 502 300, Andhra Pradesh	No
2012-13	31st AGM	Saturday 29.6.13 11.00 A.M	<b>Regd. Office:</b> Survey No. 315, Yelumala village, R.C. Puram Mandal, Medak District – 502 300, Andhra Pradesh	No
2011-12	30th AGM	Thursday 5.7.2012 10.30 A.M.	<b>Regd. Office:</b> 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.

- ii. The Company during the financial year ended March 31, 2015 has passed the following special resolutions through Postal Ballot effective from June 26, 2014:
- Accepting deposits from Public under Section 76 of the Companies Act, 2013.
  - Authorizing Board of Directors of the Company to borrow up to 750 Crores as per Section 180(1) (a) of the Companies Act, 2013.
  - Authorizing Board of directors of the company to mortgage/charge the assets of the Company up to 750 Crores as per Section 180(1)(a) of the companies Act, 2013.
  - Amending the main objects of the Company as per Section 13 of the Companies Act, 2013.
- iii. While conducting the aforesaid Postal Ballot the company has complied with the provisions of Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014
- iv. The Scrutinizers, M/s. Ramana Kumar & Associates, Chartered Accountant have conducted the postal ballot process.
- v. The details of voting pattern of aforesaid Postal Ballot is as follows:

S. No.	Name of Resolution	Type of Resolution	% total Votes cast for	% total Votes cast against	Final Remarks by the scrutinizer	Result
1	Accepting deposits from Public under Section 76 of the Company Act, 2013.	Special	99.90	0.10	In brief total votes polled for Special Resolution is 99.90% and total votes polled against special resolution is 0.10%	Passed with requisite majority
2	Authorizing Board of Directors of the Company to borrow upto 750 Crore as per Section 180 (1) (c) of the Companies Act, 2013.	Special	99.91	0.09	In brief total votes polled for Special Resolution is 99.91% and total votes polled against special resolution is 0.09%	Passed with requisite majority



S. No.	Name of Resolution	Type of Resolution	% total Votes cast for	% total Votes cast against	Final Remarks by the scrutinizer	Result
3	Authorizing Board of Directors of the Company to mortgage /charge the assets of the Company upto 750 Crore as per Section 180 (1) (a) of the Companies Act, 2013.	Special	99.90	0.10	In brief total votes polled for Special Resolution is 99.90% and total votes polled against special resolution is 0.10%	Passed with requisite majority
4	Amending the main objects of the Company as per Section 13 of the Companies Act, 2013.	Special	99.90	0.10	In brief total votes polled for Special Resolution is 99.90% and total votes polled against special resolution is 0.10%	Passed with requisite majority

## 7. Disclosures:

- During the financial year ended March 31, 2015 there are no materially significant related party transactions, which have potential conflict with the interest of Company at large. Related party transactions entered during the financial year under review are disclosed in Note No.30 of the Financial Statements of the company for the financial year ended March 31, 2015. These transactions entered were at an arm's length basis and in the ordinary course of business.
- There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years ended March 31, 2015.
- Vigil Mechanism (Whistle Blower Policy):  
The Company has a Vigil mechanism (Whistle blower policy) in place enabling the employees or other connected persons having interest in any transactions with the company to report any unethical or improper practices noticed in the organization. The Policy also provides the procedure of making such representation and dealing with the said representation and also provides protection from victimization. During the year under review, no employee was denied access to the Audit committee in this behalf.
- The Company is in compliance with all the mandatory requirements and has fulfilled the following non-mandatory requirements as prescribed in Annexure XIII to Clause 49 of the Listing Agreement:
  - Audit qualifications: There were no qualifications by

the statutory auditors on the financial statements for the year ended March 31, 2015.

- Separate post of Chairman and CEO: The Company has appointed the Chairman and Managing Director separately.
- Reporting of Internal Auditor: The Internal auditor reports to the Audit Committee.
- Code of conduct: The code of conduct as adopted by the Board of Directors is applicable to all directors, senior management and employees above officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and ensure compliance to the laid down ethical standards. The code is available on the Company's website: [www.visaka.in](http://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, 2015.

May 7, 2015  
Secunderabad

**Smt. G. Saroja Vivekanand**  
Managing Director

- CEO & CFO certificate: The Managing Director and Whole time Director & Chief Financial Officer have given a Certificate as contemplated in Clause 49 of the listing agreement.

- vii. Share Capital Audit: A practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## 8. Means of Communication:

Quarterly results of the Company are published in Business Standard or Economic Times or Financial Express (English edition) and 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.

### I. General Shareholder information:

1. Annual General Meeting	
Date	25th July, 2015
Time	11.00 A.M.
Venue	Survey.No.315, Yelulmala Villegge,R.C.Puram Mandal, Medak Dist – 502300.
2. Financial Calendar	
Year ending	March 31, 2015
AGM	July 25, 2015
3. Date of Book Closure	19.07.2015 to 25.07.2015 (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 2014-15 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 quoted on the stock exchanges) prices of Visaka scrip during each month in the financial year ended March 31, 2015 are as follows.

S. No	Month	Price	
		High	Low
1	April	80.80	70.00
2	May	94.00	66.50
3	June	132.00	86.15
4	July	133.55	106.35
5	August	125.00	108.10
6	September	144.00	109.10
7	October	124.00	112.65
8	November	143.70	116.00
9	December	129.00	106.80
10	January	135.35	116.00
11	February	123.70	109.05
12	March	115.90	85.00



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

Month	Visaka's Closing Price (₹)	BSE Sensex Closing
Apr-14	77.60	22,417.80
May-14	87.20	24,217.34
Jun-14	116.95	25,413.78
Jul-14	115.95	25,894.97
Aug-14	109.30	26,638.10
Sep-14	119.50	26,597.11
Oct-14	118.90	27,865.83
Nov-14	128.90	28,693.99
Dec-14	116.25	27,499.42
Jan-15	121.25	29,182.95
Feb-15	111.50	29,361.50
Mar-15	92.00	27,957.49

[Source: The information is compiled from the data available from the BSE website]

9. Registrar and Transfer Agents:

Name & Address :  
Karvy Computershare Private Limited  
Unit: Visaka Industries Limited  
Plot No., 17-24, Vittalrao Nagar, Madhapur,  
Hyderabad – 500 081.  
Tel: +91 40-67161605,  
Fax: +91 40 - 23001153  
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.

11. Shareholding (as on March 31, 2015):

a) Distribution of shareholding as on March 31, 2015:

Distribution Schedule - Consolidated as on 31/03/2015					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	14942	89.408806	1984925	19849250	12.498778%
5001- 10000	943	5.642652	765426	7654260	4.819774%
10001- 20000	428	2.561034	658802	6588020	4.148379%
20001- 30000	123	0.735998	310992	3109920	1.958271%
30001- 40000	63	0.376975	226527	2265270	1.426407%
40001- 50000	57	0.341072	263461	2634610	1.658975%
50001- 100000	82	0.490665	609895	6098950	3.840418%
100001 & Above	74	0.442796	11060924	110609240	69.648998%
<b>TOTAL</b>	<b>16712</b>	<b>100.00 %</b>	<b>15880952</b>	<b>158809520</b>	<b>100.00%</b>



**b) Categories of Shareholders as on March 31, 2015:**

Category	No. of shareholders	No. of shares	Percentage
Indian Promoters	3	5961255	37.54
Foreign Promoters	-	-	-
Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-Government Institutions)	12	215931	1.36
Private Corporate Bodies	410	3563523	22.44
Indian Public	16051	5587898	35.18
NRIs / OCBs	192	518032	3.26
Clearing Members	44	34313	0.22
<b>TOTAL</b>	<b>16712</b>	<b>15880952</b>	<b>100</b>

**12. Dematerialization of shares and liquidity:**

As on March 31, 2015, 96.85% of the paid up share capital of the Company has been dematerialized.

**13. As on March 31, 2015; 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/registering investor grievances: Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, receipt of dividend warrants, loss of share certificates etc., and related grievances may be addressed to Karvy Computershare Private Limited, (Karvy) Unit: Visaka Industries Limited.**

Karvy intimated that it would be shifting its office premises to a larger integrated facility situated at Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500008.

An appropriate resolution to the above effect proposed pursuant to provisions of Section 94 and other applicable provisions of the Companies Act, 2013 is included in the notice calling ensuing Annual General Meeting of the Company for seeking your approval by way of special resolution.

In view of the same until the said resolution is passed, members are requested to send all their correspondence to the existing address as mentioned at Point No.9 above under this section. The outcome of the aforesaid Annual General Meeting will be intimated to stock exchanges and members may correspond with Karvy accordingly. Alternatively members may directly contact or lodge their grievances if any with the Company by addressing to:

The Company Secretary  
Visaka Industries Limited  
Visaka Towers, 1-8-303/69/3  
S.P. Road, Secunderabad.  
Pin: 500 003.  
Email: investorrelations.vil@visaka.in  
Tel Nos: 091 - 040 - 27813833, 27813835 / 27892190 To 92  
Fax Nos: 091 - 040 - 27813837

To know more about the Company, you are welcome to visit us at: [www.visaka.biz](http://www.visaka.biz)

## FINANCIAL SECTION

## 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 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M. Anandam & Co.  
Chartered Accountants  
(Firm's Registration No. 0001255)

A.V. Sadasiva  
Place: Secunderabad  
Date: 7th May, 2015

Partner  
M.No.018404



## Annexure to the Auditors' Report

The Annexure referred to in our report to the members of the Company for the year ended on 31st March, 2015. We report that:

- (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 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.
- (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 book records were not material.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (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) 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 sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, in respect of deposits accepted. 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.
- (vi) 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 sub-section (1) of section 148 of the Act.
- (vii) (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, employees' state insurance, income-tax, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any 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 income tax, sales tax, valued added tax, wealth tax, service tax, customs duty, excise duty or cess as at 31st March, 2015 which have not been deposited on account of any 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	CIT (Appeals)
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	9.02	2008-09	Telangana VAT Appellate Tribunal, Hyderabad

Name of the Statute	Nature of the Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	8.80	2008-09	Additional Commissioner of Commercial Taxes(Appeal),Lucknow
West Bengal VAT Act, 2003	VAT	137.20	2011-12	Joint Commissioner of Commercial Taxes, Midnapur.
Bihar VAT Act, 2005	VAT/Interest	3.77	2005-06	Joint Commissioner (Appeals)
Central Sales Tax Act, 1956	Central Sales Tax/ Penalty	0.54	October 2009 to March, 2011	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

- (c) According to the information and explanations given to us the amounts which were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to a financial institutions or banks.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained other than amounts temporarily invested pending utilization of the funds for the intended use.
- (xii) 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's Registration No. 000125S)

A.V.Sadasiva  
Place: Secunderabad  
Date: 7th May, 2015

Partner  
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, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions 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, 2015, 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: Hyderabad  
Date: 7th May, 2015

A.V.Sadasiva  
Partner  
M.No.018404

## Balance Sheet as at 31st March, 2015

(₹ Lacs)

Particulars	Note	31st March, 2015	31st March, 2014
<b>I.EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share capital	2	1,592.07	1,592.07
(b) Reserves and surplus	3	31,626.27	31,744.81
		<b>33,218.34</b>	<b>33,336.88</b>
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	4	6,697.80	7,250.03
(b) Deferred tax liabilities (net)	5	2,582.82	2,968.64
(c) Other Long-term liabilities	6	2,658.54	2,363.48
		<b>11,939.16</b>	<b>12,582.15</b>
<b>Current Liabilities</b>			
(a) Short-term borrowings	7	21,900.70	17,366.26
(b) Trade payables	8	5,872.57	4,641.37
(c) Other current liabilities	9	4,921.82	4,363.43
(d) Short-term provisions	10	1,169.77	551.82
		<b>33,864.86</b>	<b>26,922.88</b>
<b>TOTAL</b>		<b>79,022.36</b>	<b>72,841.91</b>
<b>II.ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	31,133.40	33,302.32
(ii) Intangible assets	11	75.89	142.33
(iii) Capital work-in-progress		47.24	2,098.90
		<b>31,256.53</b>	<b>35,543.55</b>
(b) Non-current investments	12	1,457.86	1,507.37
(c) Long term loans and advances	13	1,929.62	1,726.70
		<b>3,387.48</b>	<b>3,234.07</b>
<b>Current assets</b>			
(a) Inventories	14	25,012.67	18,753.71
(b) Trade receivables	15	12,889.60	9,725.11
(c) Cash and Bank balances	16	2,807.58	2,610.61
(d) Short-term loans and advances	17	3,668.50	2,974.86
		<b>44,378.35</b>	<b>34,064.29</b>
<b>TOTAL</b>		<b>79,022.36</b>	<b>72,841.91</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes form an integral part of the financial statements

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  
Membership No. 18404

Gusti J Noria  
Director

V. Pattabhi  
Director

P. Abraham  
Director

Place: Secunderabad  
Date: 7th May, 2015

G. Vamsi Krishna  
Whole Time Director

V. Vallinath  
Whole Time Director &  
Chief Financial Officer

I. Srinivas  
Company Secretary &  
AVP (Corporate Affairs)



## Statement of Profit and Loss for the year ended 31st March, 2015

(₹ Lacs)

Particulars	Note	31st March, 2015	31st March, 2014
I. Revenue from operations	18	102,113.22	89,210.30
II. Other Income	19	242.01	535.87
<b>III. Total Revenue (I + II)</b>		<b>102,355.23</b>	<b>89,746.17</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	20	60,488.49	52,498.65
Purchase of stock-in-trade		108.08	101.28
Changes in inventories	21	(2,846.18)	3,413.04
Employee benefits expense	22	5,934.76	5,200.23
Finance cost	23	2,202.65	2,139.91
Other expenses	24	28,837.40	22,267.90
Depreciation & Amortization Expense	11	4,309.06	2,245.63
<b>Total Expenses</b>		<b>99,034.26</b>	<b>87,866.64</b>
<b>V. Profit before tax (III - IV)</b>		<b>3,320.97</b>	<b>1,879.53</b>
<b>VI. Tax expense:</b>			
(1) Current tax		955.82	442.17
Lee: MAT credit entitlement		-	(91.80)
Total current tax		955.82	350.37
(2) Deferred tax		241.54	332.41
<b>VII. Profit for the year (V-VI)</b>		<b>2,123.61</b>	<b>1,196.75</b>
<b>VIII. Earning per equity share:</b>	26		
(1) Basic		13.37	7.54
(2) Diluted		13.37	7.54
<b>Significant Accounting Policies</b>	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For M. Anandam & Co.,  
Chartered Accountants

A. V. Sadasiva  
Partner  
Membership No. 18404

Place: Secunderabad  
Date: 7th May, 2015

Bhagirat B. Merchant  
Chairman

Gusti J Noria  
Director

G. Vamsi Krishna  
Whole Time Director

Dr. G. Vivekanand  
Vice-Chairman

V. Pattabhi  
Director

V. Vallinath  
Whole Time Director &  
Chief Financial Officer

For and on behalf of the Board of Directors

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 2015

(₹ Lacs)

	31st March, 2015		31st March, 2014	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before tax and extra-ordinary items		3,320.97		1,879.53
<b>Adjustments for:</b>				
Depreciation and Amortisation	4309.06		2245.63	
Loss on Sale of Fixed Assets	54.62		10.70	
Fixed Assets Written Off	0.59		19.16	
Finance cost	2202.65	6566.92	2139.91	4415.40
Operating Profit before working capital changes		9887.89		6294.93
<b>Working Capital Changes:</b>				
(Increase) / Decrease in Trade and Other Receivables	(4251.08)		(1058.33)	
(Increase) / Decrease in Inventories	(6258.96)		8557.24	
Increase / (Decrease) in Trade & Other Payables	1850.07	(8659.97)	(990.47)	6508.44
<b>Cash Generated from Operations</b>		1227.92		12803.37
Direct Taxes paid		(472.41)		(671.00)
<b>Cash Flow from Operating Activities</b>		<b>755.51</b>		<b>12132.37</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets (Including Capital Work In Progress)	(2209.77)		(9086.64)	
Proceeds on sale / Adjustments to Fixed Assets	28.70		25.06	
Investments/Advances towards Share Capital	49.51		-	
<b>Cash Flow from Investing Activities</b>		<b>(2131.56)</b>		<b>(9061.58)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from Long Term borrowings	809.99		5870.00	
Repayment of Term Loans	(1374.00)		(343.50)	
Increase / (Decrease) in Short Term borrowings	4218.57		(6533.91)	
Increase / (Decrease) in Other Secured & Unsecured Loans	581.78		(0.76)	
Dividend paid Including Corporate Dividend Tax	(465.71)		(648.23)	
Finance cost	(2197.61)		(2162.53)	
<b>Cash Flow from Financing Activities</b>		<b>1573.02</b>		<b>(3818.93)</b>
<b>Net increase/(Decrease) in Cash and Cash equivalents</b>		<b>196.97</b>		<b>(748.14)</b>
<b>Cash and Cash equivalent at the beginning of the Year</b>		<b>2610.61</b>		<b>3358.75</b>
<b>Cash and Cash equivalent at the end of the Year</b>		<b>2807.58</b>		<b>2610.61</b>

**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

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Place: Secunderabad  
Date: 7th May, 2015

G. Vamsi Krishna  
Whole Time Director

V. Vallinath  
Whole Time Director &  
Chief Financial Officer

I. Srinivas  
Company Secretary &  
AVP (Corporate Affairs)



## Notes to the Financial Statements

### Note 1 Significant Accounting Policies

**i) Basis of Preparation of financial statements:**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

**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**

(a) 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.

(b) Cost of computer software is capitalized as intangible Assets.

**iv) Depreciation/Amortization:**

During the year, depreciation is provided on the straight line method and at the useful life and in the manner specified in Schedule II of the Companies Act, 2013. Computer Software is amortized 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.

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.



## Notes to the Financial Statements (contd.)

### Note 1 Significant Accounting Policies (contd.)

#### 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:

- 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.
- 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.

### Note 2 Share Capital

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
<b>AUTHORIZED CAPITAL:</b>		
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
<b>TOTAL</b>	<b>3,500.00</b>	<b>3,500.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
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
<b>TOTAL</b>	<b>1,592.07</b>	<b>1,592.07</b>

#### 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, dividend per share recognised as distributions to equity shareholders was ₹5/- (Previous Year ₹2.5).

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, 2015		31st March, 2014	
	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



## Notes to the Financial Statements (contd.)

**Note 2.3** The reconciliation of the number of shares as at 31st March 2015 is set out below

	31st March, 2015	31st March, 2014
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

**Note 3** Reserves & Surplus

	31st March, 2015	31st March, 2014
	(₹ Lacs)	
<b>Capital Reserve</b>	169.29	169.29
<b>Securities premium reserve</b>	4,903.45	4,903.45
<b>General reserve</b>		
i) Opening balance	25,500.00	24,900.00
ii) Transferred from Surplus	-	600.00
	<b>25,500.00</b>	<b>25,500.00</b>
<b>Surplus</b>		
i) Opening balance	1,172.07	1,039.82
Less: Adjustment for depreciation difference on fixed assets (Refer Note 3.1)	(1,286.45)	-
Add : Net profit transferred from Statement of Profit & Loss	2,123.61	1,196.75
<b>Less Appropriations</b>		
a) Final dividend	794.05	397.02
b) Corporate dividend tax	161.65	67.48
c) Transferred to general reserve	-	600.00
	<b>955.70</b>	<b>1,064.50</b>
<b>Surplus - Closing balance</b>	<b>1,053.53</b>	<b>1,172.07</b>
<b>TOTAL</b>	<b>31,626.27</b>	<b>31,744.81</b>

**Note 3.1**

Consequent to the enactment of the Companies Act, 2013, the company has charged depreciation based on the useful life of the assets as prescribed as per Schedule II of the companies Act 2013. Accordingly, where the remaining useful life of the assets expired as on 1st April, 2014 the carrying amount of those assets has been adjusted against the opening retained earnings by ₹1286.45 lacs (net of deferred tax of ₹662.42 lacs).

**Note 4** Long term borrowings

	31st March, 2015	31st March, 2014
	(₹ Lacs)	
<b>Particulars</b>		
a) Secured loans		
Term loans from banks	3,778.50	5,152.50
Loans from others	2,436.64	1,626.65
b) Unsecured loans		
Deferred payment liabilities	221.25	221.25
Public deposits	261.41	249.63
<b>TOTAL</b>	<b>6,697.80</b>	<b>7,250.03</b>

## Notes to the Financial Statements (contd.)

### 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 ₹6870.00 lacs in the year 2012-13, 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 2014-15, the company has repaid an amount of ₹1374 lacs and ₹343.50 lacs is repayable each quarter from the financial year 2015-16 to 2018-19 (upto December, 2018).

### Note 4.2

- (i) Loans from others include interest free loans of ₹2333.74 lacs availed (₹1523.75 lacs in 2012-13 and ₹809.99 lacs in 2014-15) 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 and personal guarantee of Managing Director. The loan is repayable (each installment drawn) after 10 years from the date of disbursement.
- (ii) 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.

### Note 4.3

Deferred payment liabilities represent sales tax deferment relating to Cement Asbestos Unit at Patancheru, Medak District. 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 5 Deferred tax liabilities (Net)

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
a) Deferred tax Assets		
i) Doubtful debts	22.36	22.36
ii) Other disallowances	35.24	35.07
	57.60	57.43
b) Deferred tax Liabilities (Depreciation)		
Opening Balance	3,026.07	2,692.13
Addition during the year	276.77	333.94
Less: Reversed during the year (Refer Note 5.1)	(662.42)	-
	2,640.42	3,026.07
Deferred tax Liabilities (Net)	2,582.82	2,968.64

### Note 5.1

On account of depreciation adjustment in compliance with Schedule II of the Companies Act, 2013.



## Notes to the Financial Statements (contd.)

### Note 6 Other Long term liabilities

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
a) Security deposits	2,655.54	2,344.28
b) Rent Deposit	3.00	19.20
<b>TOTAL</b>	<b>2,658.54</b>	<b>2,363.48</b>

#### Note 6.1

Security deposits include deposits received from stockists (i.e Dealers) ₹2575.16 Lacs (P.Y ₹2267.58 lacs), transporters ₹28.34 lacs (P.Y ₹26.34 lacs), sales agents ₹52.04 lacs (P.Y ₹50.36 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

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
a) Secured loans		
From Banks		
Working capital loans	10,630.86	8,241.22
b) Unsecured loans		
From Banks		
Short term loans	10,869.84	9,040.91
From Others		
Inter corporate deposits from related parties	-	9.16
Inter corporate deposits from others	400.00	74.97
<b>TOTAL</b>	<b>21,900.70</b>	<b>17,366.26</b>

#### 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 ₹2442.50 lacs (P.Y ₹670.88lacs), b) HDFC Bank Limited of ₹2066.16 Lacs (P.Y ₹2466.86 lacs), c) Yes Bank Limited of ₹654.61 lacs (P.Y ₹903.17 lacs) d) RBL Bank Ltd of ₹1706.57 lacs (P.Y ₹ Nil) and e) short term loan of ₹4000 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 Bank Limited is repayable in June'15.

#### Note 7.3

The Company has taken Inter Corporate Deposit of ₹400.00 Lacs from Vinutha Infrastructure Pvt Ltd.

## Notes to the Financial Statements (contd.)

### Note 8 Trade Payables

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
a) Trade Payables		
Dues to micro and small enterprises (Refer Note No.38)	11.53	13.59
Others	1,937.08	1,664.42
b) Others		
Expenses payable	3,923.96	2,963.36
<b>TOTAL</b>	<b>5,872.57</b>	<b>4,641.37</b>

### 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

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
a) Current maturities of long term debts (Refer Note 4.1)	1,374.00	1,374.00
b) Current maturities of finance lease obligations	-	16.22
c) Current maturities of Public deposits (Refer Note.4.4)	462.77	487.48
d) Interest accrued but not due	67.75	62.71
e) Unpaid dividend	66.69	67.90
f) Statutory liabilities	2,517.67	1,896.60
g) Advances from customers	432.94	458.52
<b>TOTAL</b>	<b>4,921.82</b>	<b>4,363.43</b>

### Note 9.1

Statutory liabilities include liabilities accounted towards sales tax, value added tax, service tax, excise duty and tax deducted at source.

### Note 10 Short Term Provisions

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
a) Provision for Employee benefits		
- Leave encashment	18.04	27.94
- Gratuity	92.66	59.38
b) Proposed dividend & Corporate dividend tax	955.70	464.50
c) Provision for income-tax (Net of Advance tax)	103.37	-
<b>TOTAL</b>	<b>1,169.77</b>	<b>551.82</b>





## Notes to the Financial Statements (contd.)

### Note 11 Fixed Assets

(₹ Lacs)

	Gross Block				Depreciation					Net Block	
Name of the Asset	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	As at 01.04.2014	Adjustments (Note 11.1)	For the year (Note 11.2)	Other Adjustments	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Land	3,602.27	359.23	3.76	3,957.74	-	-	-	-	-	3,957.74	3,602.27
Buildings	18,067.02	474.62	-	18,541.64	2,591.52	154.28	1,040.68	-	3,786.48	14,755.16	15,475.50
Plant & Equipment	28,887.99	3,108.55	10.10	31,986.44	15,687.33	1,683.18	2,900.47	9.51	20,261.47	11,724.97	13,200.66
Furniture & Fixtures	293.23	4.61	-	297.84	198.20	13.30	22.47	-	233.97	63.87	95.03
Office Equipment	286.24	6.86	-	293.10	117.37	51.34	54.41	-	223.12	69.98	168.87
Vehicles	551.08	114.92	126.07	539.93	170.36	1.70	76.06	46.51	201.61	338.32	380.72
Data Processing Equipment	691.60	37.69	-	729.29	384.98	45.07	128.77	-	558.82	170.47	306.62
Assets taken on Finance Lease											
Data Processing Equipment	114.99	-	-	114.99	42.34	-	19.76	-	62.10	52.89	72.65
Intangible Assets											
Computer Software	199.31	-	-	199.31	56.98	-	66.44	-	123.42	75.89	142.33
TOTAL	52,693.73	4,106.48	139.93	56,660.28	19,249.08	1,948.87	4,309.06	56.02	25,450.99	31,209.29	33,444.65
Previous Year	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

#### Note 11.1

Consequent to the enactment of the Companies Act, 2013, the company has charged depreciation based on the useful life of the assets as prescribed as per Schedule II of the companies Act 2013. Accordingly, where the remaining useful life of the assets expired as on 1st April, 2014 the carrying amount of those assets has been adjusted.

#### Note 11.2

The Company has provided depreciation as per Schedule II of the Companies Act, 2013. Had the Company followed Schedule XIV of the companies Act 1956, the depreciation would have been lower by ₹1821.74 lacs.

### Note 12 Non-current investments

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
<b>Non Trade at cost</b>		
Long term - Unquoted		
<b>a) Investments in Equity Instruments</b>		
Visaka Thermal Power Limited	207.86	255.85
20,78,600 (P.Y 25,58,468) shares of ₹10 each		
Percentage of holding 18.05% (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>b) Advance against share capital</b>	-	1.52
	<b>1,457.86</b>	<b>1,507.37</b>
<b>TOTAL</b>	<b>1,457.86</b>	<b>1,507.37</b>

## Notes to the Financial Statements (contd.)

### Note 13 Long term loans & advances

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
<b>Unsecured Considered good</b>		
a) Capital Advances	847.39	692.44
b) Deposits with Government and Others	632.23	584.26
c) Deposit with Central Excise (Refer Note No.36)	450.00	450.00
<b>Unsecured Considered doubtful</b>		
Capital Advances	224.00	224.00
Less: Provision for doubtful advances	(224.00)	(224.00)
<b>TOTAL</b>	<b>1,929.62</b>	<b>1,726.70</b>

### Note 14 Inventories

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
(Valued at lower of cost or net realizable value)		
a) Raw Material	11,427.51	8,052.63
{including material in transit of ₹587.33 lacs (P.Y of ₹178.84lacs)}		
b) Work-in-progress	3,167.79	2,618.09
c) Finished goods	9,710.34	7,413.86
{including goods in transit of ₹296.54 lacs (P.Y of ₹192.39 lacs)}		
d) Stores and spares	707.03	669.13
<b>TOTAL</b>	<b>25,012.67</b>	<b>18,753.71</b>

### Note 15 Trade Receivables

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
a) Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	57.37	30.41
Unsecured, considered good	192.77	75.13
Doubtful	68.05	68.05
Less: Allowance for bad and doubtful debts	(68.05)	(68.05)
b) Others		
Secured, considered good	1,767.22	1,506.98
Unsecured, considered good	10,872.24	8,112.59
<b>TOTAL</b>	<b>12,889.60</b>	<b>9,725.11</b>

### Note 16 Cash and Bank balances

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
<b>Cash and cash equivalents</b>		
a) Cash on hand	76.50	156.35
b) Balances with banks	2,731.08	2,454.26
<b>TOTAL</b>	<b>2,807.58</b>	<b>2,610.61</b>
<b>Balance with banks includes -</b>		
Unpaid dividend account	66.69	67.90



## Notes to the Financial Statements (contd.)

### Note 16.1

During the year, the Company has transferred unclaimed dividend of ₹6.90 Lacs pertaining to the financial year 2006-07 to the Investor Education and Protection Fund on expiry of 7 years.

### Note 17 Short term loans & advances

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
<b>Unsecured Considered good</b>		
Inter corporate deposits (Note 17.1)	595.00	550.00
Supplier Advances	1,638.93	894.04
Employee Advances	240.68	227.62
Interest Receivable	124.09	65.00
Prepaid expenses & Other receivables	213.87	113.51
Advance Income tax (Net of Provision for Income tax)	-	253.18
MAT credit entitlement	-	91.80
Cenvat & Vat credit available	855.93	779.71
<b>TOTAL</b>	<b>3,668.50</b>	<b>2,974.86</b>

### Note 17.1

The Company has given an inter corporate deposit to Yeshwant Realtors Private Limited for its short term working capital requirements.

### Note 18 Revenue from Operations

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
<b>Sale of products</b>	<b>111,335.98</b>	<b>97,032.64</b>
<b>Other operating revenue</b>		
Export incentives	366.98	321.56
State Government incentives	290.89	460.82
Sale of scrap	145.22	135.77
<b>Revenue from operations (Gross)</b>	<b>112,139.07</b>	<b>97,950.79</b>
Less: Excise Duty	10,025.85	8,740.49
<b>Revenue from operations (Net)</b>	<b>102,113.22</b>	<b>89,210.30</b>
<b>Details of products sold</b>		
a) Cement Asbestos	80,919.14	70,995.97
b) Textile Yarn	17,963.88	17,812.85
c) Boards	11,039.71	6,831.79
d) Panels	1,413.25	1,392.03
<b>TOTAL</b>	<b>111,335.98</b>	<b>97,032.64</b>

### Note 19 Other Income

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
Interest	159.86	131.05
Insurance Income	53.75	61.25
Provision for doubtful advances written back	-	145.51
Miscellaneous Income	28.40	198.06
<b>TOTAL</b>	<b>242.01</b>	<b>535.87</b>

## Notes to the Financial Statements *(contd.)*

### 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

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
<b>Cement Asbestos</b>		
- Asbestos Fibre/ Wood Pulp	26,983.38	25,417.40
- Cement	13,929.46	10,441.30
- Others	5,465.74	3,297.56
<b>TOTAL</b>	<b>46,378.58</b>	<b>39,156.26</b>
<b>Textile Yarn</b>		
- Polyester Staple Fibre	8,671.21	9,460.50
- Viscose Staple Fibre	793.60	715.82
- Others	21.09	10.96
<b>TOTAL</b>	<b>9,485.90</b>	<b>10,187.28</b>
<b>Fibre Cement Boards</b>		
- Wood pulp	1,640.70	1,056.49
- Cement	1,118.50	700.95
- Others	1,447.54	924.73
<b>TOTAL</b>	<b>4,206.74</b>	<b>2,682.17</b>
<b>Panels</b>		
- Cement	152.65	149.26
- Others	264.62	323.68
<b>TOTAL</b>	<b>417.27</b>	<b>472.94</b>
<b>GRAND TOTAL</b>	<b>60,488.49</b>	<b>52,498.65</b>

Note: During the year Boards costing ₹288.52 lacs have been used in Panels Division (Previous year ₹288.28 lacs)

### Note 21 Changes in inventories

(₹ Lacs)		
Particulars	31st March, 2015	31st March, 2014
<b>Finished Goods</b>		
Closing Inventory	9,710.34	7,413.86
Opening Inventory	7,413.86	10,549.35
Trial Run Production	-	94.57
(A)	2,296.48	(3,230.06)
<b>Work in Progress</b>		
Closing Inventory	3,167.79	2,618.09
Opening Inventory	2,618.09	2,801.07
(B)	549.70	(182.98)
<b>Changes in Inventories (A+B)</b>	<b>2,846.18</b>	<b>(3,413.04)</b>



## Notes to the Financial Statements (contd.)

### Note 21 Changes in inventories (contd.)

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
<b>Details of Closing Inventory</b>		
<b>Finished goods</b>		
a) Cement Asbestos	7,514.82	4,960.59
b) Textile yarn	901.56	1,158.61
c) Boards	1,132.72	1,114.23
d) Panels	161.24	180.43
<b>TOTAL</b>	<b>9,710.34</b>	<b>7,413.86</b>
<b>Work-in-progress</b>		
a) Cement Asbestos	2,852.33	2,206.19
b) Textile yarn	315.46	411.90
<b>TOTAL</b>	<b>3,167.79</b>	<b>2,618.09</b>
<b>Details of Opening inventory</b>		
<b>Finished goods</b>		
a) Cement Asbestos	4,960.59	8,908.66
b) Textile yarn	1158.61	920.60
c) Boards	1114.23	530.43
d) Panels	180.43	189.66
<b>TOTAL</b>	<b>7,413.86</b>	<b>10,549.35</b>
<b>Work-in-progress</b>		
a) Cement Abestos	2,206.19	2,504.36
b) Textile yarn	411.90	296.71
<b>TOTAL</b>	<b>2618.09</b>	<b>2801.07</b>

### Note 22 Employee benefits expense

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
Salaries, wages and bonus	4,871.45	4,278.29
Contribution to provident and other funds	564.72	488.35
Staff welfare expenses	498.59	433.59
<b>TOTAL</b>	<b>5,934.76</b>	<b>5,200.23</b>

### Note 23 Finance Cost

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
Interest expense	2,107.71	2,087.59
Other borrowing cost	74.48	52.32
Interest on shortfall in payment of advance tax	20.46	-
<b>TOTAL</b>	<b>2,202.65</b>	<b>2,139.91</b>



## Notes to the Financial Statements (contd.)

### Note 24 Other Expenses

	(₹ Lacs)	
Particulars	31st March, 2015	31st March, 2014
Consumption of stores & spare parts	3,192.35	2,640.13
Cost of packing materials consumed	1,008.99	618.17
Power and fuel	5,075.26	4,775.27
Rent	118.37	118.35
Repairs to Buildings	233.02	302.13
Repairs to Machinery	732.01	497.20
Insurance	223.45	189.81
Rates & Taxes	89.32	93.59
Wages - Contract Labour	2,165.72	1,598.02
Travelling & Conveyance	819.97	743.93
Commission & Discount	483.91	442.51
Freight	8,792.73	5,856.81
Advertisement & Sales Promotion Expenses	1,343.01	1,156.10
Auditors' Remuneration	28.02	21.98
Directors' Sitting Fee	2.65	1.80
Bad Debts Written off	4.29	0.45
Foreign Exchange Loss (Net)	492.11	436.39
Loss on Sale of Fixed Assets (Net)	54.62	10.70
Non whole time Directors' Commission	39.00	19.00
Excise duty on Increase/(Decrease) in Inventories	425.25	(529.30)
Fixed Assets written off	0.59	19.16
Provision for Doubtful debts	-	25.90
Contribution towards CSR	97.00	-
Contribution to Political Party	200.00	-
Miscellaneous Expenses	3,215.76	3,229.80
<b>TOTAL</b>	<b>28,837.40</b>	<b>22,267.90</b>

### Note 24.1

During the year the company has contributed an amount of ₹97 Lacs to Visaka Charitable trust towards Corporate Social Responsibility (CSR) activities in Compliance to the Provisions of Sec 135 of the Companies Act, 2013.

### Note 24.2

During the year the company has contributed an amount of ₹200.00 Lacs to Indian National Congress, a political party registered with Election Commission of India.

### Note 25 Payment to auditor

	(₹ Lacs)	
Particulars	31st March, 2015	31st March, 2014
<b>As Auditor</b>		
For Statutory Audit	14.00	12.00
For Tax Audit	4.00	3.00
For Quarterly Audit	2.25	1.80
For Cost Audit	3.00	0.75
<b>For other services</b>		
For Certification and Taxation matters	2.85	2.46
Out of Pocket expenses	1.92	1.97
<b>TOTAL</b>	<b>28.02</b>	<b>21.98</b>



## Notes to the Financial Statements (contd.)

### Note 26 Earnings per share (EPS)

Particulars	31st March, 2015	31st March, 2014
Profit after tax (₹ Lacs)	2,123.61	1,196.75
Weighted average number of equity shares in calculating Basic and Diluted EPS (Nos in lacs)	158.81	158.81
Basic and Diluted Earnings per Share (EPS) ₹	13.37	7.54

### Note 27 Employee Benefits

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

#### Note 27.1 Defined Contribution plans

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
Company's Contribution to Provident Fund	329.53	290.39
Company's Contribution to Superannuation Fund	79.48	73.08

#### 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.

##### a) Gratuity - Disclosures as per AS 15:

(₹ Lacs)

	31st March, 2015	31st March, 2014
<b>Changes in the Present Value of Obligation</b>		
1 Present value of obligations as at beginning of the year	916.39	820.87
Interest cost	71.00	63.84
Current Service cost	57.67	50.24
Benefits paid	(57.72)	(45.82)
Actuarial (gain)/loss on obligations	88.95	27.26
Present value of obligations as at end of year	1,076.29	916.39
<b>2 Changes in Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	857.01	700.68
Expected return on plan assets	82.83	70.10
Contributions	101.75	131.23
Benefits paid	(57.72)	(45.82)
Actuarial gain/(loss) on plan assets	(0.24)	0.82
Fair value of plan assets at the end of year	983.63	857.01
<b>3 Assets recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	1,076.29	916.39
Fair value of plan assets as at the end of the year	983.63	857.01
Funded status	(92.66)	(59.38)
Net asset/(liability) recognized in balance sheet	(92.66)	(59.38)

## Notes to the Financial Statements (contd.)

### a) Gratuity - Disclosures as per AS 15: (contd.)

(₹ Lacs)

	31st March, 2015	31st March, 2014
<b>4 Expenses recognized in the Statement of Profit &amp; Loss</b>		
Current service cost	57.67	50.24
Interest cost	71.00	63.84
Expected return on plan assets	(82.83)	(70.10)
Net Actuarial (gain)/loss recognized in the year	89.19	26.44
Expenses recognized in statement of profit and loss	135.03	70.42
<b>5 Assumptions</b>		
Discount Rate	8%	8%
Salary Escalation	4%	4%

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

(₹ Lacs)

	31st March, 2015	31st March, 2014
<b>1 Changes in the Present Value of Obligation</b>		
Present value of obligations as at beginning of year	339.83	260.38
Interest cost	26.15	20.52
Current Service cost	43.04	39.65
Benefits paid	(25.90)	(7.76)
Actuarial (gain)/loss on obligations	25.99	27.04
Present value of obligations as at end of year	409.11	339.83
<b>2 Changes in Fair value of plan assets</b>		
Fair value of plan assets at beginning of year	311.89	240.74
Expected return on plan assets	31.63	24.86
Contributions	72.02	53.17
Benefits paid	(25.90)	(7.76)
Actuarial gain/(loss) on plan assets	1.43	0.88
Fair value of plan assets at the end of year	391.07	311.89
<b>3 Assets recognized in the Balance Sheet</b>		
Present value of obligations as at the end of year	409.11	339.83
Fair value of plan assets as at the end of the year	391.07	311.89
Funded status	(18.04)	(27.94)
Net asset/(liability) recognized in balance sheet	(18.04)	(27.94)
<b>4 Expenses recognized in the Statement of Profit &amp; Loss</b>		
Current service cost	43.04	39.65
Interest cost	26.15	20.52
Expected return on plan assets	(31.63)	(24.86)
Net Actuarial (gain)/loss recognized in the year	24.56	26.15
Expenses recognized in statement of profit and loss	62.12	61.46
<b>5 Assumptions</b>		
Discount Rate	8%	8%
Salary Escalation	4%	4%



## Notes to the Financial Statements (contd.)

### 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:

(₹ Lacs)

	31st March, 2015	31st March, 2014
<b>a) Outstanding balance of minimum lease payment</b>		
Not later than one year	-	16.99
Later than one year and not later than five years	-	-
<b>Total</b>	-	16.99
<b>b) Present value of (a) above</b>		
Not later than one year	-	16.22
Later than one year and not later than five years	-	-
<b>Total</b>	-	16.22
<b>Finance charge</b>	-	0.77

### Note 29

During the year, the Company has set up a Solar Photovoltaic (SPV) Power Plant of 2.5 MW at Miryalguda, Nalgonda District in Telangana. The unit has started generating power from 26th May 2014. The Power generated is used for captive use of cement fibre sheet plant at Miryalaguda and ₹158.21 Lacs being the value of power units generated during the period upto 31st March 2015 is reduced from the power cost.

### Note 30 Related Party Disclosures

#### i) Key management personnel:

Mrs. G.Saroja Vivekanand, Managing Director  
 Mr. M.P.Venkateswara Rao, Whole time Director (Upto 31st July, 2014)  
 Mr.G.Vamsi Krishna, Whole Time Director (From 1st June, 2014)  
 Mr.V.Vallinath, Whole Time Director (From 9th September, 2014) & Chief Financial Officer  
 Mr.I. Srinivas, Company Secretary & Assistant Vice-President (Corporate Affairs)

#### ii) Non-whole-time Directors

Mr. Bhagirat B. Merchant  
 Dr. G.Vivekanand  
 Mr. Nagam Krishna Rao  
 Mr. Gusti Noria  
 Mr. V. Pattabhi  
 Mr. P. Abraham  
 Mr. P. Srikar Reddy (From 6th September, 2014)

#### iii) Relatives of key management personnel:

Dr. G.Vivekanand (Spouse of Mrs. Saroja Vivekanand)  
 Mr. G.Vamsi Krishna, Son of Mrs. Saroja Vivekanand (Upto 31st May, 2014)  
 Mrs. G.Vritika (Daughter of Mrs. Saroja Vivekanand)  
 Mrs. G.Vaishnavi (Daughter of Mrs. Saroja Vivekanand)  
 Mrs. B.L. Sujata (Spouse of Mr. V.Vallinath)

#### iv) Enterprises in which key management personnel and their relatives have control:

- Aslesha Constructions Private Limited
- Visaka Thermal Power Limited
- Visaka Charitable Trust

## Notes to the Financial Statements (contd.)

### Note 30 Related Party Disclosures (contd.)

#### v) Aggregated Related Party Disclosures:

(₹ Lacs)

Nature of Transaction	Key Management Personnel	Relatives of key Management personnel	Enterprises Controlled By relatives of key management personnel	Non Whole Time Directors	Total
Remuneration	387.71 (158.96)	2.27 (11.89)			389.98 (170.85)
Gratuity		Nil (36.16)			Nil (36.16)
Commission and Sitting fees		6.30 (3.16)		35.35 (17.64)	41.65 (20.80)
Dividend paid	4.90 (7.38)	144.20 (201.88)			149.10 (209.26)
ICDs Received			Nil (6.77)		Nil (6.77)
ICDs Repaid			9.16 (131.00)		9.16 (131.00)
Interest on ICDs			0.75 (4.65)		0.75 (4.65)
ICD Outstanding			Nil (9.16)		Nil (9.16)
Public Deposits received		50.00 (12.42)			50.00 (12.42)
Public Deposits repaid		12.42 (30.00)			12.42 (30.00)
Interest on Public Deposits		3.50 (3.84)			3.50 (3.84)
Public Deposits Outstanding		50.00 (12.42)			50.00 (12.42)
Receipt of Advance paid against share capital			1.52 (Nil)		1.52 (Nil)
Contribution towards CSR			97.00 (Nil)		97.00 (Nil)

Figures in brackets represent previous year

### Note 31 Expenditure in Foreign Currency

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
Travel	62.79	30.03
Commission on Export Sales	62.36	45.48
Interest	65.61	86.32
Others	8.78	3.97
<b>Total</b>	<b>199.54</b>	<b>165.80</b>

### Note 32 Earnings in Foreign Currency

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
Export of Goods (FOB Value)	7192.95	4794.96





## Notes to the Financial Statements (contd.)

### Note 33 CIF Value of Imports

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
Raw Materials	29281.97	19534.82
Components, stores and spare Parts	403.17	329.41
Capital Goods	-	11.65

### Note 34 Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

Particulars	Currency	31st March, 2015	31st March, 2014
Sundry Creditors	USD	-	307,732
	USD	565,300	1,037,178
Sundry Debtors	GBP	14,197	16,240
	EUR	-	150,130
Others			
a) Buyers credit	USD	107,456	-
	GBP	863	984
b) Commission	USD	50,211	28,914

### Note 35 Consumption of Raw Materials and other materials

Particulars	31st March, 2015		31st March, 2014	
	(₹ Lacs)	%	(₹ Lacs)	%
a) Raw Materials				
i) Imported	28,431.31	47	26,708.33	51
ii) Indigenous	32,057.18	53	25,790.32	49
<b>TOTAL</b>	<b>60,488.49</b>	<b>100</b>	<b>52,498.65</b>	<b>100</b>
b) Components, Spares, Consumables & Packing Materials				
i) Imported	175.25	4	170.37	5
ii) Indigenous	4,026.09	96	3,087.93	95
<b>TOTAL</b>	<b>4,201.34</b>	<b>100</b>	<b>3,258.30</b>	<b>100</b>

### Note 36 Provisions, Contingent Liabilities and Contingent Assets:

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

#### Contingent Liabilities:

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
Income tax	19.14	72.61
VAT/CST	231.01	93.26
Excise duty/Service Tax*	2,839.50	2,806.96
<b>Total</b>	<b>3,089.65</b>	<b>2,972.83</b>

\*Includes ₹2647.70 lacs( P.Y. ₹2647.70 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.

## Notes to the Financial Statements (contd.)

### Note 37 Commitments:

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
Estimated amount of contracts remaining to be executed on capital account	44.38	239.08
<b>Total</b>	<b>44.38</b>	<b>239.08</b>

### Note 38

Based on the information available with the company, the amounts payable to Micro and Small enterprises are disclosed in Note no 8. Other Disclosures are given below.

(₹ Lacs)

Particulars	31st March, 2015	31st March, 2014
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

### Note 39 Segment information for the year ended 31st March, 2015

#### I) Information about Primary business segments

(₹ Lacs)

	31st March, 2015			31st March, 2014		
	Building Products	Synthetic Yarn	Consolidated	Building Products	Synthetic Yarn	Consolidated
<b>REVENUE</b>						
External Sales(Net)	83,346.25	17,963.88	101,310.13	70479.30	17812.85	88292.15
Inter Segment Sales	-	-	-	-	-	-
<b>Total Revenue</b>	<b>83,346.25</b>	<b>17,963.88</b>	<b>101,310.13</b>	<b>70,479.30</b>	<b>17,812.85</b>	<b>88,292.15</b>
Segment Result	4,863.34	2,163.34	7,026.68	2446.42	2686.24	5132.66
Unallocated Corporate expenses			(1,599.90)			(1,188.58)
Operating Profit			5,426.78			3,944.08
Interest Expense			(2,202.65)			(2,139.91)
Rental & Other Income			96.84			75.36
Income tax			(1,197.36)			(682.78)
Profit from ordinary activities			2,123.61			1,196.75
<b>Net Profit</b>			<b>2,123.61</b>			<b>1,196.75</b>
<b>Other information</b>						
Segment Assets	69,149.00	6,233.49	75,382.49	58,811.00	8,058.58	66,869.58
Unallocated Corporate Assets			3,639.87			5,972.33
<b>Total Assets</b>			<b>79,022.36</b>			<b>72,841.91</b>
Segment Liabilities	8,288.35	645.53	8,933.88	6,264.22	699.47	6,963.69



## Notes to the Financial Statements (contd.)

### Note 39 Segment information for the year ended 31st March, 2015 (contd.)

(₹ Lacs)

	31st March, 2015			31st March, 2014		
	Building Products	Synthetic Yarn	Consolidated	Building Products	Synthetic Yarn	Consolidated
Unallocated Corporate liabilities			36,870.14			32,541.34
<b>Total Liabilities</b>			<b>45,804.02</b>			<b>39,505.03</b>
Capital Expenditure	3,733.23	349.39	4,082.62	9,450.93	1,057.57	10,508.50
Unallocated Capital Expenditure			23.86			249.71
<b>Total Capital Expenditure</b>			<b>4,106.48</b>			<b>10,758.21</b>
Depreciation	3,704.18	542.55	4,246.73	1,823.58	391.74	2,215.32
Unallocated Depreciation			62.33			30.31
<b>Total Depreciation</b>			<b>4,309.06</b>			<b>2,245.63</b>

#### ii) Information about secondary business segments

##### Revenue by Geographical Markets

(₹ Lacs)

	31st March, 2015			31st March, 2014		
	India	Outside India	Total	India	Outside India	Total
External	93,437.99	7,872.14	101,310.13	83,028.18	5,263.97	88,292.15
<b>Total</b>	<b>93,437.99</b>	<b>7,872.14</b>	<b>101,310.13</b>	<b>83,028.18</b>	<b>5,263.97</b>	<b>88,292.15</b>
Carrying Amount of Segment Assets	79,022.36	-	79,022.36	72,841.91	-	72,841.91
Additions to Fixed Assets	4,106.48	-	4,106.48	10,758.21	-	10,758.21

#### 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

## Notes to the Financial Statements (contd.)

### Note 39 Segment information for the year ended 31st March, 2015 (contd.)

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 40

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  
Membership No. 18404

Place: Secunderabad  
Date: 7th May, 2015

Bhagirat B. Merchant  
Chairman

Gusti J Noria  
Director

G. Vamsi Krishna  
Whole Time Director

Dr. G. Vivekanand  
Vice-Chairman

V. Pattabhi  
Director

V. Vallinath  
Whole Time Director &  
Chief Financial Officer

For and on behalf of the Board of Directors

Smt. G. Saroja Vivekanand  
Managing Director

P. Abraham  
Director

I. Srinivas  
Company Secretary &  
AVP (Corporate Affairs)



## CORPORATE INFORMATION

### Board of Directors

Shri. Bhagirath B. Merchant	Chairman
Dr. G. Vivekanand	Vice Chairman
Shri. Nagam Krishna Rao	Director
Shri. Gusti J Noria	Director
Shri. V. Pattabhi	Director
Shri. P. Abraham	Director
Shri. P. Srikar Reddy	Director
Smt. G. Saroja Vivekanand	Managing Director
Shri. V. Vallinath	Whole-time Director and Chief Financial Officer
Shri. G. Vamsi Krishna	Whole-time Director

### Assistant Vice President (Corporate Affairs) and Company Secretary:

Shri. I. Srinivas

### Committees of the Board

#### Audit Committee

Shri Bhagirath B Merchant	Chairman
Shri V Pattabhi	Member
Shri Gusti J Noria	Member
Smt. G. Saroja Vivekanand	Member

#### Nomination and Remuneration Committee

Shri Gusti J Noria	Chairman
Shri Bhagirath B Merchant	Member
Shri V. Pattabhi	Member

#### Stakeholders Relationship Committee

Shri. V. Pattabhi	Chairman
Dr.G.Vivekanand	Member
Smt.G.Saroja Vivekanand	Member

#### CSR Committee

Shri. Gusti J. Noria	Chairman
Dr. G. Vivekanand	Member
Smt. G. Saroja Vivekanand	Member

### Risk Management Committee

Dr. G. Vivekanand	Chairman
Shri. G Vamsi Krishna	Member
Shri. V. Vallinath	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.

### Statutory 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.

### Secretarial Auditors:

M/s. Tumuluru & Co.,  
Company Secretaries  
'Anasuya', C-66, Durgabhai Deshmukh Colony,  
Ahobil Mutt Road, Hyderabad – 500 007

### 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,  
Maharashtra



## VISAKA INDUSTRIES LIMITED®

CIN L52520TG1981PLC003072

Registered Office: Survey No. 315, Yelumala 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

### NOTICE

Notice is hereby given that the 33rd 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 Saturday, the 25th day of July 2015 to transact the following business:

#### ORDINARY BUSINESS:

1. To adopt the Financial Statement of the Company for the Financial Year Ended March 31, 2015 and reports of Board of Directors of the Company and the Statutory Auditors' thereon as on that date.
2. To declare Dividend for the Financial Year ended March 31, 2015.
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 Section 139(1), 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of M/s M. Anandam & Co., [Firm Registration No. 000125S], Chartered Accountants, 7'A' Surya Towers, S.P. Road, Secunderabad - 500 003, as Statutory Auditors of the Company made pursuant to the resolution passed by the members at the 32nd Annual General Meeting held on July 25, 2014 to hold office till the conclusion of Annual General Meeting to be held in the calendar year 2018 (i.e., 4th consecutive Annual General Meeting) be and is hereby ratified and further that the Board of Directors, in consultation with the Auditors, be and is hereby authorized to fix the remuneration payable to the statutory auditors for the financial year ending March 31, 2016 as recommended by the Audit Committee."

#### 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 and clause 49 of the listing agreement; Shri. P. Srikar Reddy (DIN: 00001401), who was appointed as additional Director with effect from September 6, 2014 and holds office until ensuing Annual General Meeting in terms of Section 161 of the Companies Act 2013 and who meets the prescribed criteria of independence, 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 July, 2020 and that he shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to provisions of Section 160 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, Shri. V Vallinath (DIN: 06947291), who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 9, 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 of the Company be and is hereby appointed as a Director.

RESOLVED FURTHER THAT pursuant to Sections 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 [the 'Act'] (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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. V Vallinath as a Whole Time Director of the Company for a period of 3 years with effect from September 9, 2014 (i.e., from September 9, 2014 to September 8, 2017) on the following terms and conditions:

- A. Basic Salary per Month: Shri. V Vallinath shall be paid a basic salary of ₹245,429/- (Rupees Two Lakhs Forty Five Thousand Four Hundred and Twenty Nine Only) per Month in the scale of ₹245,429/- to ₹400,000/.
- B. Perquisites and Allowances: In addition to the aforesaid salary, Shri. V Vallinath, shall also be entitled to the following perquisites and allowances.
  - i. HRA equal to 50% of Basic Salary per month.
  - ii. Medical Reimbursement/Allowance: Expenses incurred for self and family subject to a ceiling of one month salary in a year.
  - iii. Leave Travel Concession: For self and family once in a year in accordance with the rules of the Company.
  - iv. Use of Car with Driver: The Company shall provide a car with driver for business use.
  - v. Club Fees: Fees payable subject to a maximum of one club.
  - vi. 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.
  - vii. Helper allowance ₹12,000/- (Rupees Twelve Thousand only) per month
  - viii. Children Education allowance ₹100/- (Rupees One Hundred only) per month
  - ix. Other monthly Allowances being:
    - a) Books & Periodicals/ updating allowance amounting to ₹1,000/- per month;
    - b) Dress allowance amounting to ₹4,000/- per month and
    - c) Refreshment/ Meal Coupons amounting to ₹3,750/- per month
  - x. Other benefits:
    - a) Contribution to Provident Fund, Superannuation

Fund or Annuity Fund to the extent these either singly or put together are not exceeding 27% of Salary.

- b) Gratuity payable as per the rules of the Company.
- c) Encashment of Leave at the end of tenure shall be allowed as per the Company Rules.
- d) Exgratia as per the rules of the Company
- xi. 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 effective from first day of April in respect of each financial year based on the performance appraisal, provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto."

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

"RESOLVED THAT pursuant to provisions of Section 160 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, Shri J. P. Rao [DIN: 03575950], who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 7, 2015 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 of the Company be and is hereby appointed as a Director.

RESOLVED FURTHER THAT pursuant to Sections 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 [the 'Act'], (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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 J. P. Rao as a Whole Time Director of the Company for a period of 3 years with effect from May 7, 2015 (i.e., from May 7, 2015 to May 6, 2018) on the following terms and conditions :

- A. Basic Salary per Month: Shri J. P. Rao shall be paid a



basic salary of ₹236,000/- (Rupees Two Lakhs Thirty Six Thousand Only) per Month in the scale of ₹236,000/- to ₹400,000/-.

B. Perquisites and Allowances: In addition to the aforesaid salary, Shri J. P. Rao, shall also be entitled to the following perquisites and allowances.

- i. HRA equal to 50% of Basic Salary per month.
- ii. Medical Reimbursement/Allowance: Expenses incurred for self and family subject to a ceiling of one month salary in a year.
- iii. Leave Travel Concession: For self and family once in a year in accordance with the rules of the Company.
- iv. Use of Car with Driver: The Company shall provide a car with driver for business use.
- v. Club Fees: Fees payable subject to a maximum of one club.
- vi. 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.
- vii. Helper allowance ₹12,000/- (Rupees Twelve Thousand only) per month
- viii. Children Education allowance ₹100/- (Rupees One Hundred only) per month
- ix. Other monthly Allowances being
  - a) Books & Periodicals/ updating allowance amounting to ₹1,000/- per month;
  - b) Dress allowance amounting to ₹4,000/- per month and
  - c) Refreshment/ Meal Coupons amounting to ₹3,750/- per month
- x. Other benefits:
  - a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not exceeding 27% of Salary.
  - b. Gratuity payable as per the rules of the Company.
  - c. Encashment of Leave at the end of tenure shall be allowed as per the Company Rules.
  - d. Ex gratia as per the rules of the of the Company
- xi. 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 effective from first day of April in respect of each financial year based on the performance appraisal, provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto."

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 Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), a remuneration of ₹1,50,000/- exclusive of out of pocket expenses and applicable taxes as was fixed by the Board of Directors of the Company with regard to appointment of M/s. Sagar & Associates, Cost Accountants, Hyderabad, as the Cost Auditors for the financial year ended March 31, 2015, be and is hereby ratified"

9. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid a remuneration of ₹1,50,000/- exclusive of out of pocket expenses and applicable taxes

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 94 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded for keeping the Register of Members, Index of Members, copies of Annual Returns under Section 88 and 92 of the

Act together with copies of certificates and documents required to be annexed thereto, at the office of Company's Registrar and Share Transfer Agent of the Company, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008 and/or at the corporate office of the Company situated at 1-8-303/69/3, S.P. Road, Secunderabad – 500 003.

"RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorised to do all such things and take all such actions

as may be required from time to time for giving effect to the above resolution and matters related thereto."

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

**I SRINIVAS**

Date : 7th May, 2015 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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. The Register of members and transfer Books of the Company will be closed from July 19, 2015 to July 25, 2015 (both days inclusive).
4. The members are requested to –
  - a) Intimate changes if any, in their registered address at an early date to the Company or its Registrar and Transfer Agents, Karvy Computershare Pvt. Ltd., in case they hold shares in physical form and to their Depository Participants in case they hold shares in electronic form.
  - b) Quote Ledger Folio/Client ID in all the correspondence.
  - c) Intimate to their respective Depository Participant

about changes in bank particulars registered if any, in case members are holding shares in electronic form. The Company or its Registrar and Transfer Agents, Karvy Computershare Pvt. Ltd., cannot act on any request received directly from such members for any change of bank particulars or bank mandates.

- d) Bring the copy of the Annual Report and attendance slip with them to the Annual General Meeting.
5. If the dividend on shares as recommended by the Directors is passed at the meeting, payment of such dividend will be made to those shareholders or their mandate (s) whose names appear in the Company's register of members as on July 18, 2015.
6. Members desiring any information as regards accounts are requested to write to the Company at least fifteen days before the date of the meeting to enable the management to keep the information ready at the meeting.
7. As per the provisions of Section 205 C of the Companies Act, 1956, Unpaid/Unclaimed Dividend for the Year 2006 – 07 has been transferred to Investor Education and Protection Fund on August 5, 2014 upon expiry of 7 years period. Unpaid/Unclaimed Dividend for the Year 2007 – 08 will be transferred to Investor Education and Protection Fund on September 2, 2015. Shareholders who have not claimed Dividend for the year 2007 – 08 are requested to claim the dividend on or before September 1, 2015.
8. All documents referred to in the notice and explanatory statement are open for inspection at the Corporate Office of the Company during office hours on all working days except





public holidays, between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.

9. The business set out in the Notice will also be transacted through electronic voting system (e-voting facility) and as required the Company is providing the said e-voting facility to its members. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members, 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 an e-mail.
10. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility. The e-voting facility will be available at the link <https://evoting.karvy.com> and instructions and other information relating to e-voting are given in this Notice under Note No. 16.
12. The members are requested to note that apart from aforesaid e-voting facility, ballot or polling paper will also be made available at the meeting to enable them to exercise their voting right at the meeting.
13. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. **Brief Profile of Shri. Nagam Krishna Rao, Director liable to retire by rotation and being eligible, seeking reappointment in 33rd Annual General Meeting of the Company is provided here under:**

Shri. Nagam Krishna Rao has been on the Board of your Company since 1994. He has a rich experience in jewellery business. He is former member of Andhra Pradesh Legislative Assembly and also was the Chairman of Hyderabad Urban Development Authority.

Shri. Nagam Krishna Rao does not hold any directorship or any membership/chairmanships of any Committees of other Companies.

He is also not relative of any other Director or KMPs of the Company.

He along with his relatives holds 118450 shares of the Company.

17. Information and other instructions relating to e-voting are as under:

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Clause 35B of the Listing Agreement, the Company is extending facility of voting by electronic means (e-voting facility) to its members enabling them to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
- ii. Under this mode the members may either cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') or at the venue of the meeting (insta poll). The insta poll facility shall be made available at the Meeting to enable the members attending the Meeting who have not cast their vote by remote e-voting can vote at the Meeting through 'Insta Poll'.
- iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iv. July 18, 2015 is fixed as cut-off date for e-voting facility purpose and accordingly a person whose name is recorded in the register of members (either in physical form or in dematerialisation form) as on the cut-off date only are entitled to avail the e-voting facility based on the paid up value of shares held as on that date.
- v. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. July 18, 2015, is requested to contact Karvy to get the details relating to his/her user-id and password. Members may call the Karvy's toll free number 1-800-34-54-001 or send an email request to [e-voting@karvy.com](mailto:e-voting@karvy.com) or [vil\\_evoting2015agm@visaka.in](mailto:vil_evoting2015agm@visaka.in)

- vi. The Board of Directors of the Company has appointed M/s.Ramana Kumar & Associates, Practicing Chartered Accountants, as scrutinizer to scrutinize the insta poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed as such.
- vii. The Scrutinizer, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.visaka.biz](http://www.visaka.biz) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
- viii. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. July 25, 2015.
- ix. Members are requested to note that the remote e-voting will open at 09.00 A.M. (IST) on July 21, 2015 and shall remain open till 05.00 P.M. (IST) on July 24, 2015 and the remote e-voting module will be disabled by Karvy after 05.00 P.M. on July 24, 2015.
- x. The procedure and instructions for remote e-voting are as follows:
  - a. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
  - b. Enter the login credentials (i.e. User ID & Password) provided to you as mentioned at point No.9 supra.
  - c. Please contact our toll free No. 1-800-34-54-001 for any further clarifications.
  - d. After entering these details appropriately, click on "LOGIN".
  - e. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through Karvy 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.

- f. You need to login again with the new credentials.
- g. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- h. If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and cast your vote earlier for any company, then your exiting login id and password are to be used.
- i. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast his vote, select 'ABSTAIN'.
- j. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- k. Once you 'CONFIRM' your vote on each of the resolutions, you will not be allowed to modify your vote.
- l. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- m. Corporate/Institutional Members (Corporate /FIs/ Flls/Trust/Mutual Funds/Banks, etc.) are required to send a scanned (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [vil\\_evoting2015agm@visaka.in](mailto:vil_evoting2015agm@visaka.in) with copy to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."
- n. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts
- o. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- p. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.



## ANNEXURE TO THE NOTICE

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

#### Item Nos. 5

Considering the recommendations of the Nomination and Remuneration Committee of the Board made in pursuance of Section 177 of the Companies Act, 2013, the Board of Directors of your Company had, in terms of the provisions of Section 161 of the Act read with provisions of Articles of Association of the Company appointed Shri. P. Srikar Reddy, as an Additional Director of the Company effective from September 6, 2014. He holds office as such up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri. P Srikar Reddy for the office of the Director of the Company.

Shri. P Srikar Reddy has furnished a declaration under Section 149(7) to the effect that he meets the criteria of independent Director and in the opinion of Board of Directors, he fulfils the criteria of independence as mentioned under Companies Act, 2013 ('the Act') read with Schedule IV and relevant rules made thereunder and clause 49 of the listing agreement ('Clause 49'). Shri. P Srikar Reddy is independent of Management of the Company and possesses appropriate skills, experience and knowledge. In view of the same, he is eligible for appointment as Independent Director of the Company.

Shri. P. Srikar Reddy aged about 57 years, has been with Sonata Software Limited since 1986 and has been pivotal in building Sonata as a trusted and reliable IT services partner and presently he is the Managing Director & CEO of the Company. He holds an Engineering degree from REC, Tiruchirapalli and Post Graduate degree in Management from the Indian Institute of Management, Calcutta.

He is a Director of Sonata Information Technology Limited and Sonata Software FZ LLC, Dubai. He is also a member of the Audit Committee of Sonata Information Technology Limited and a member of the Investors' Grievance Committee of the Company.

He does not hold any share in the Company and is not related to any other Director of the Company.

Keeping in view his vast experience and knowledge, it is proposed to appoint Shri. P Srikar Reddy as Independent Director of the Company to hold office for a period of 5 years i.e. upto July 24, 2020 in pursuance of provisions of Section 149 of the Act read with Schedule IV and relevant rules issued thereunder and Clause 49. He shall not be liable to retire by

rotation during the said period.

This statement may also be regarded as a disclosure under Clause 49.

Shri. P. Srikar Reddy, is deemed to be interested in the proposed Resolution with respect to his appointment and the relatives of Shri. P. Srikar Reddy may be deemed to be interested in the said resolution to the extent of their shareholding, if any, in the Company.

Save and except the same, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution as set out at Item No.5 of the Notice.

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

#### Item No. 6

Shri. V. Vallinath, has been associated with the Company for the last 26 years and during the said period, he dealt with various key operations of the Company such as Finance, Business Strategy, Management Information System, taxation, Costing and other related areas. He was heading the finance department since 1997 and was working as a Chief Financial Officer.

Considering the rich experience and contributions made by Shri. V. Vallinath over the years in aforesaid areas and recommendations of the Nomination and Remuneration Committee of the Board made in pursuance of Section 177 of the Companies Act, 2013 in that regard, the Board of Directors of your Company had, in terms of the provisions of Section 161 and 197 of the Act read with Schedule V thereto and provisions of Articles of Association of the Company appointed Shri. V. Vallinath, as an Additional Director as well as Whole-time Director of the Company effective from September 9, 2014. In addition, he continues as the Chief Financial Officer of the Company. The terms of appointment are stated in the resolution.

He holds his office as an Additional Director of the Company up to the date of ensuing Annual General Meeting.

The Company has received notice in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri. V. Vallinath for the office of the Director of the Company.

Further in terms of provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto; appointment of

Shri. V. Vallinath as whole-time Director as per the terms mentioned above requires the approval of shareholders. The appointment shall be subject to the superintendence, guidance and control of the Board of Directors.

Shri. V Vallinath is a commerce graduate and a member of Institute of Chartered Accountants of India (qualified in the year 1985). He is also a member of Institute of Cost Accountants of India (qualified in the year 1987).

He has rich and varied experience of over 33 years in addition to a 3 years period of articleship. Before joining the Company in the year 1988, he worked in various Private and Public Sector Companies.

He does not hold directorships in other companies.

He does not hold any share in the Company and is not related to any other Director of the Company.

Keeping in view his contributions, it is proposed to appoint Shri. V. Vallinath as Whole-time Director of the Company for a period of 3 years i.e. upto 08.09.2017 in pursuance of provisions of Section 160, 197 of the Act read with Schedule V and relevant rules issued thereunder.

This statement may also be regarded as a disclosure under Clause 49.

Shri. V. Vallinath, is deemed to be interested in the proposed Resolution with respect to his appointment and the relatives of Shri. V. Vallinath may be deemed to be interested in the said resolution to the extent of their shareholding, if any, in the Company.

Save and except the same, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution as set out at Item No.6 of the Notice.

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

#### Item No. 7

Shri J. P. Rao has been associated with the Company for the last 31 years in versatile roles in sales, distribution and marketing and presently heading the Marketing-AC Sheets Division of the Company.

Considering the rich experience and contributions made by Shri J. P. Rao over the years in growth of AC Sheets Division of the Company and recommendations of the Nomination and Remuneration Committee of the Board made in pursuance of Section 177 of the Companies Act, 2013 in that regard; the Board of Directors of your Company had, in terms of the provisions of Section 161 and 197 of the Act read with

Schedule V thereto and provisions of Articles of Association of the Company, appointed Shri J. P. Rao, as an Additional Director as well as Whole-time Director of the Company effective from May 7, 2015. The terms of appointment are stated in the resolution.

Before the aforesaid appointment Shri J. P. Rao was working as President (Marketing-AC Sheets Division) of the Company.

He holds his office as an Additional Director of the Company up to the date of ensuing Annual General Meeting.

The Company has received notice in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri J. P. Rao for the office of the Director of the Company.

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

Shri J. P. Rao holds a Bachelor degree in public Administration and did his M.B.A. He has rich and varied experience of over 31 years spreading into sales, distribution and marketing of AC Sheets business.

He does not hold directorships in other companies.

He does not hold any share in the Company and is not related to any other Director of the Company.

Keeping in view his contributions, it is proposed to appoint Shri J. P. Rao as Whole-time Director of the Company for a period of 3 years i.e. upto 06.05.2018 in pursuance of provisions of Section 160, 197 of the Act read with Schedule V and relevant rules issued thereunder.

This statement may also be regarded as a disclosure under Clause 49.

Shri J. P. Rao, is deemed to be interested in the proposed Resolution with respect to his appointment and the relatives of Shri J. P. Rao may be deemed to be interested in the said resolution to the extent of their shareholding, if any, in the Company.

Save and except the same, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution as set out at Item No.7 of the Notice.

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



#### **Item No. 8 and 9**

As per the Companies (Cost Records and Audit) Rules, 2014, issued on 30th June, 2014 under Companies Act, 2013, Company's products were not included under the purview of Cost Audit. However, Ministry of Corporate Affairs vide their Notification dated 31st December, 2014 amended the said rules, pursuant to which, the requirement of cost audit of cost accounting records is applicable to the Company as follows:-

Building Products - From Financial Year 2014-15.

Textiles Products - From Financial Year 2015-16.

As indicated in the last annual report of the Company i.e. 32nd Annual report for 2013-14; Board of Directors of the Company in its meeting held on February 9, 2015 based on the recommendations of the Audit Committee, had appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad 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 2014-15 at a remuneration of ₹1,50,000/- exclusive of out of pocket expenses and applicable taxes. This is in compliance of the aforesaid amended notification dated December 31, 2014. The said remuneration is subject to your ratification.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration paid to the Cost Auditors for the financial year ending March 31, 2015.

Further, the Board has, in its meeting held on May 7, 2015 after considering the recommendations of its Audit Committee, approved to appoint the aforesaid firm as cost auditors for the financial year 2015-16 subject to your ratification in the ensuing Annual General Meeting of the Company at a remuneration of ₹1,50,000/- exclusive of out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 & 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 and 9 of the Notice.

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

#### **Item No. 10**

In terms of the provisions of Section 94 of the Companies Act, 2013 ("the Act"), the Register of members, the index of members, the register and index of debenture holders and copies of all annual returns prepared under sections 88 and 92 of the act together with the copies of certificates and documents required to be annexed thereto, shall be kept at the Registered Office of the Company or with the approval of the shareholders at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside.

Karvy Computershare Private Limited, Company's Registrar and Share Transfer Agent intimated that they would be shifting their office premises to a larger integrated facility situated at the address mentioned in the resolution, wherein they would be maintaining the Register of members, the index of members etc., of the Company.

The Special resolution at item no. 10 is proposed for the purpose of enabling the Company to keep the records at the new premises of the registrar and transfer agents as stated in the resolution.

Karvy Computershare Private Limited has confirmed that the places mentioned in the resolution satisfies the requirement as stipulated above.

An advance copy of the proposed special resolution set out in item no.10 will be delivered to the registrar of Companies, Telangana, Hyderabad.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

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 : 7th May, 2015 Assistant Vice President (Corporate Affairs)  
Place : Hyderabad & Company Secretary



If undelivered, please return to:



[www.visaka.in](http://www.visaka.in)

**Visaka Industries Limited**

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