

Sector: Building Products & Yarn

# Visaka Industries Ltd.

February 18, 2013



BSE	₹ 111.85
NSE	₹ 111.95

### Stock Information

Market Cap (Rs in Million)	1,776.30
Eq. Shares O/S (F.V. Rs10)	15,880,952
52 Week High / Low (BSE)	142.70 / 66.10
52 Week High / Low (NSE)	143.90 / 70.30
BSE Code	509055
NSE Code	VISAKAIND
Industry P/E	7.11
Book Value (Rs.)	180.36
Price/Book Value	0.62

**Visaka Industries Ltd. bags**

**"Best Practices in Investor Relations"**  
from IR Society.



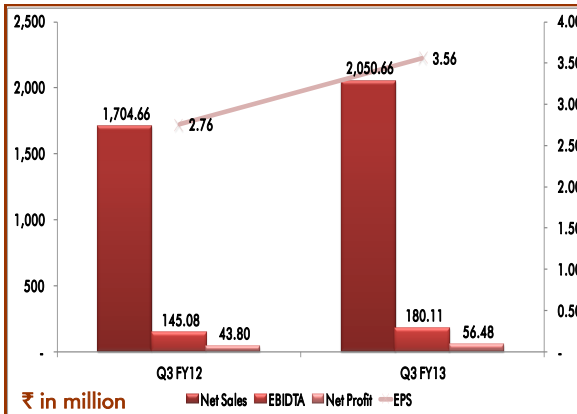
### Financial Snapshot

⇒ Visaka Industries Ltd. has registered a substantial growth of 20.30% for Net Sales at Rs. 2,050.66mn in Q3FY13 as against Rs. 1,704.66mn in Q3FY12.

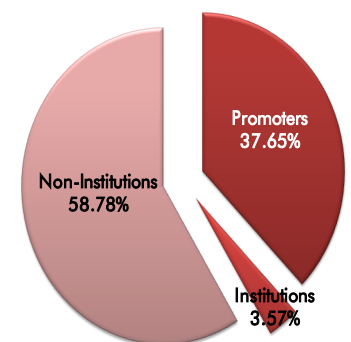
⇒ The Company earned EBIDTA (Rs. 180.11mn), **Net Profit (Rs. 56.48mn)**, EPS (Rs. 3.56) with 24.14%, 28.94% & 28.99% growth respectively when compared to Q3FY12.

⇒ Nine months ended Net Sales grew by 28.33% at Rs. 6,827.59mn in FY13 when compared to Rs. 5,320.38 in FY12.

Particulars ₹ in million	Quarter Ended			Nine Months Ended	
	31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11
Net Sales	2,050.66	1,956.95	1,704.66	6,827.59	5,320.38
Other Income	5.60	11.79	19.23	29.14	43.97
Total Income	2,056.25	1,968.73	1,723.89	6,856.73	5,364.35
Expenditure	1,876.15	1,765.05	1,578.81	5,948.42	4,810.97
EBIDTA	180.11	203.68	145.08	908.31	553.38
Depreciation	49.94	49.49	42.79	149.20	126.78
Interest	46.13	20.92	36.98	92.95	94.89
Profit before Tax	84.04	133.28	65.31	666.16	331.72
Provision for Taxation	27.56	43.14	21.51	217.02	109.23
<b>Net Profit</b>	<b>56.48</b>	<b>90.14</b>	<b>43.80</b>	<b>449.14</b>	<b>222.49</b>
Earning Per Share (₹)	3.56	5.68	2.76	28.28	14.01



Shareholding Pattern as on Dec 31, 2012



### Visaka gets attractive in Fiber Sheets industry category:

With the general elections round the corner, the outlook for cement fiber industry is expected to be positive based on the following assumptions:

◆ **Government's commitment on rural housing:** Government thrust on developing backward areas has led to an increase in construction of schools, housing and hospitals. Around 11 million houses are to be built under 11th Five Year Plan and the proposed budget for rural housing for the 12th Five Year plan is Rs 1,500 billion. There is an urge to rise the disposable income by increasing minimum support price (MPS) of primary product and different government initiatives are on to provide dwelling and employment to give more pricing power in the hands of rural people. Government's welfare schemes emphasize moving up the value chain from kuccha to pucca housing. The usage of FC sheets, for instance, increased from 12% to 16% between the year 2001 to 2011 according to Census Survey.

◆ **Visaka's brand Shakti is quite popular in FC sheet industry:** Visaka Industry has about 16% market share in the FC Sheet Industry which is pegged at Rs 34.4 billion size of FC sheet roofing industry, it has a strong marketing network across the country. Shakti, is the company's well-known brand in the building products market, particularly in FC sheets. Visaka has successfully introduced value-added products like V-Panels and V-Board to leverage the brand value.

◆ **Strategically placed plants lowers logistics cost efficiently:** Visaka has strengthened its presence across India with a strong and extensive manufacturing and distribution network spread across the country, services by its 8 manufacturing locations. Visaka has a wide distribution network all across India with 36 sales depots and more than 8000 sales points. The company will continue focus on its vast network of dealers to penetrate further into smaller towns for deeper market penetration.

### Warehousing- Big opportunity

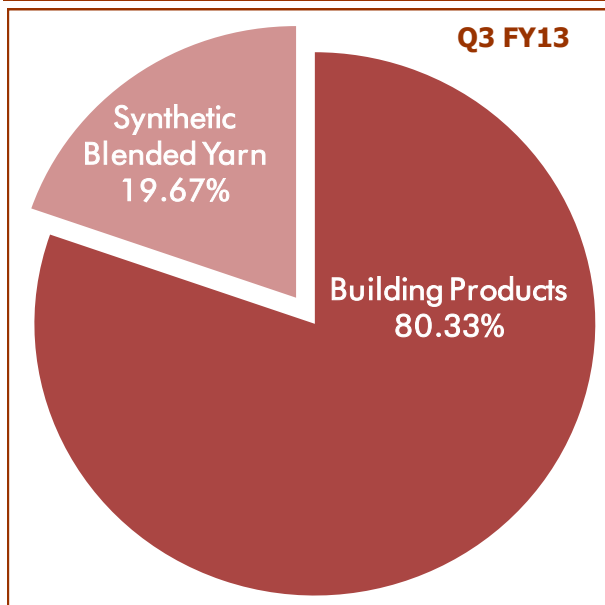
A large number of food grains are stored traditional way in India by using structures with cheaper materials like mud, bamboo, wood, and paddy. Because of such weak structure, nearly 10% of total production are damaged due to moisture, fungi and insects. The renovation cost of these warehouses is estimated at Rs 40 billion. An allocation of Rs.20 bn has been announced by GOI for setting up of warehousing infrastructure under the Gramin Bhandaran Yojana scheme for Financing Warehousing Infrastructure under Rural Infrastructure Development Fund.



Financial performance as on December 31, 2012 (₹ in millions)

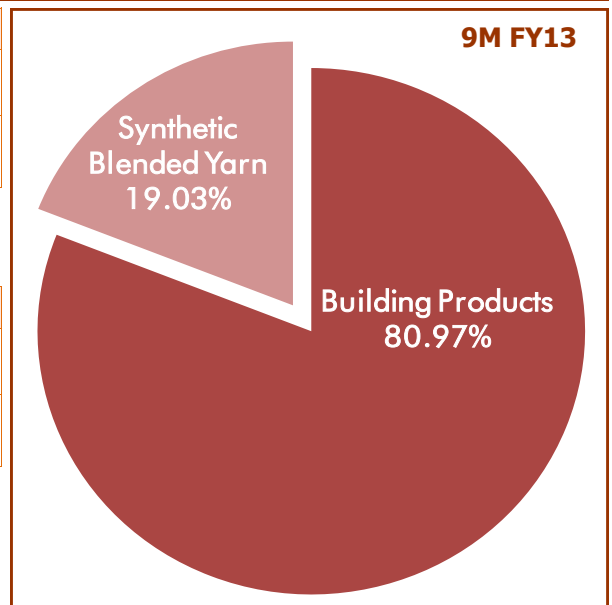
PARTICULARS	Quarter Ended			Nine Months Ended		Year ended
	31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	31.03.2012
	Audited	Audited	Audited	Audited	Audited	Audited
Net Sales / Income from Operations	2,040.74	1,939.28	1,701.96	6,781.89	5,291.45	7,447.16
Other Operating Income	9.92	17.67	2.70	45.70	28.94	57.34
<b>Total</b>	<b>2,050.66</b>	<b>1,956.95</b>	<b>1,704.66</b>	<b>6,827.59</b>	<b>5,320.38</b>	<b>7,504.49</b>
(Increase) / Decrease in stock in trade & WIP	-431.73	-444.09	-98.18	-643.02	3.41	-43.77
Consumption of raw material / Direct exp.	1,592.28	1,489.36	1,105.15	4,470.82	3,168.26	4,478.83
Purchase of Stock in Trade	1.66	0.84	-	5.06	-	-
Employees cost	103.60	103.88	94.61	352.79	296.47	418.99
Depreciation	49.94	49.49	42.79	149.20	126.78	176.44
Other expenditure	610.33	615.06	477.23	1,762.77	1,342.83	1,867.10
<b>Total</b>	<b>1,926.09</b>	<b>1,814.54</b>	<b>1,621.60</b>	<b>6,097.62</b>	<b>4,937.75</b>	<b>6,897.59</b>
<b>Profit from Operations before Other Income, Interest and Exceptional Items</b>	<b>124.57</b>	<b>142.41</b>	<b>83.06</b>	<b>729.96</b>	<b>382.64</b>	<b>606.90</b>
Other Income	5.60	11.79	19.23	29.14	43.97	47.16
<b>Profit from Operations before Interest and Exceptional Items</b>	<b>130.17</b>	<b>154.20</b>	<b>102.29</b>	<b>759.11</b>	<b>426.61</b>	<b>654.06</b>
Interest	46.13	20.92	36.98	92.95	94.89	141.68
<b>Profit after Interest but before Exceptional Items</b>	<b>84.04</b>	<b>133.28</b>	<b>65.31</b>	<b>666.16</b>	<b>331.72</b>	<b>512.37</b>
Exceptional Items	-	-	-	-	-	-
<b>Profit before Tax</b>	<b>84.04</b>	<b>133.28</b>	<b>65.31</b>	<b>666.16</b>	<b>331.72</b>	<b>512.37</b>
Provision for Taxation	27.56	43.14	21.51	217.02	109.23	168.96
<b>Profit after Tax</b>	<b>56.48</b>	<b>90.14</b>	<b>43.80</b>	<b>449.14</b>	<b>222.49</b>	<b>343.41</b>
Extraordinary Items	-	-	-	-	-	-
<b>Net Profit</b>	<b>56.48</b>	<b>90.14</b>	<b>43.80</b>	<b>449.14</b>	<b>222.49</b>	<b>343.41</b>
Paid-up Equity Share Capital	158.81	158.81	158.81	158.81	158.81	158.81
Reserves (excluding revaluation reserve)	-	-	-	-	-	2,705.55
Earning Per Share before Extra Ordinary Items						
Basic (₹)	3.56	5.68	2.76	28.28	14.01	21.62
Diluted (₹)	3.56	5.68	2.76	28.28	14.01	21.62
Earning Per Share After Extra Ordinary Items						
Basic (₹)	3.56	5.68	2.76	28.28	14.01	21.62
Diluted (₹)	3.56	5.68	2.76	28.28	14.01	21.62
Public Share Holding						
-Number of equity shares	9,901,697	9,901,697	9,901,697	9,901,697	9,901,697	9,901,697
-Percentage of shareholding	62.35%	62.35%	62.35%	62.35%	62.35%	62.35%

Revenue Break-up for



Q3 FY13 (₹ in mn)	
Building Products	1,639.32
Synthetic Blended Yarn	401.42

9M FY13 (₹ in mn)	
Building Products	5,491.50
Synthetic Blended Yarn	1,290.38




**Shareholding Pattern as on December 31, 2012**

Category of Shareholder	No. of Share holders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	3	5,979,255	5,979,255	37.65	37.65	-	-
<b>Sub Total</b>	<b>3</b>	<b>5,979,255</b>	<b>5,979,255</b>	<b>37.65</b>	<b>37.65</b>	-	-
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	<b>3</b>	<b>5,979,255</b>	<b>5,979,255</b>	<b>37.65</b>	<b>37.65</b>	-	-
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	5	2,118	0	0.01	0.01	-	-
Financial Institutions / Banks	9	199,921	196,571	1.26	1.26	-	-
Foreign Institutional Investors	3	365,411	365,411	2.30	2.30	-	-
<b>Sub Total</b>	<b>17</b>	<b>567,450</b>	<b>561,982</b>	<b>3.57</b>	<b>3.57</b>	-	-
(2) Non-Institutions							
Bodies Corporate	435	3,390,877	3,375,767	21.35	21.35	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	13,553	4,008,060	3,495,586	25.24	25.24	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	43	1,749,862	1,696,952	11.02	11.02	-	-
Any Others (Specify)	<b>197</b>	<b>185,448</b>	<b>184,278</b>	<b>1.17</b>	<b>1.17</b>		
NRIs/OCBs	134	153,625	152,455	0.97	0.97	-	-
Trusts	2	1,445	1,445	0.01	0.01	-	-
Clearing Members	61	30,378	30,378	0.19	0.19	-	-
<b>Sub Total</b>	<b>14,228</b>	<b>9,334,247</b>	<b>8,752,583</b>	<b>58.78</b>	<b>58.78</b>	-	-
Total Public shareholding (B)	<b>14,245</b>	<b>9,901,697</b>	<b>9,314,565</b>	<b>62.35</b>	<b>62.35</b>	-	-
<b>Total (A)+(B)</b>	<b>14,248</b>	<b>15,880,952</b>	<b>15,293,820</b>	<b>100.00</b>	<b>100.00</b>	-	-
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
<b>Total (A)+(B)+(C)</b>	<b>14,248</b>	<b>15,880,952</b>	<b>15,293,820</b>	<b>0.00</b>	<b>100.00</b>	-	-



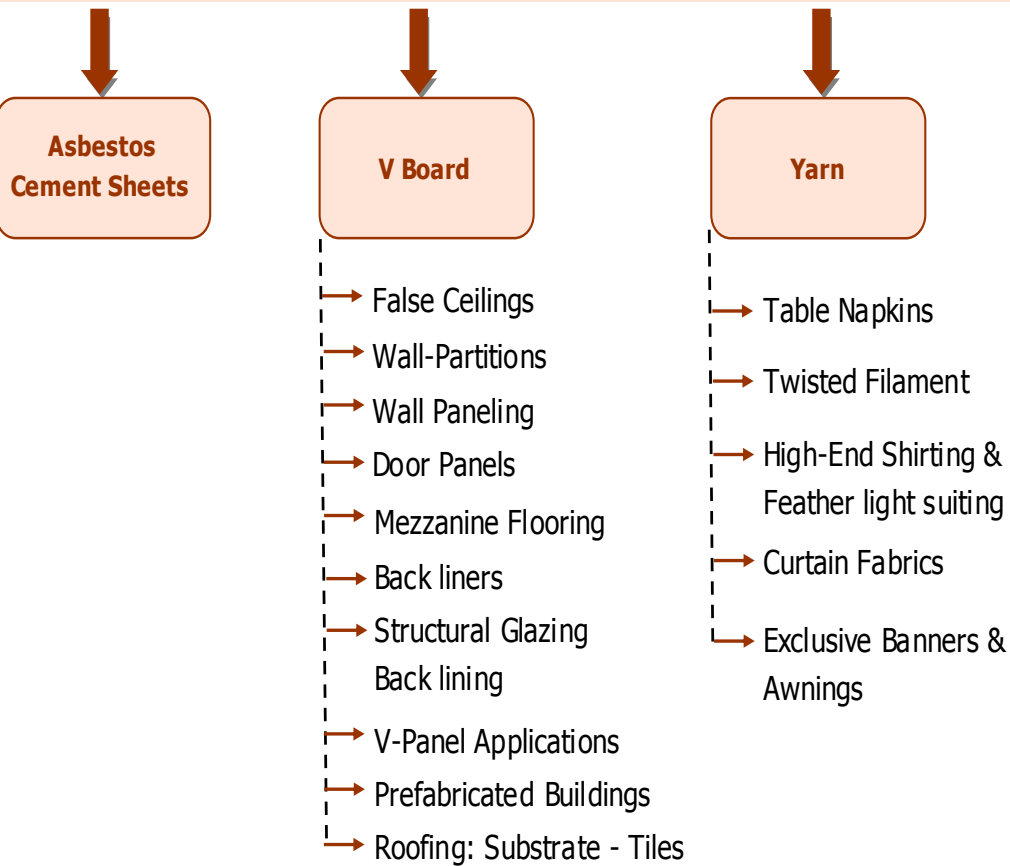
About Visaka Industries

Visaka Industries Ltd., established in 1985, is a well diversified company with sizeable presence in Fibre cement sheets, yarn, and building products. By adhering to stringent quality control measures and being sincere to quality systems, the yarn business division of Visaka obtained ISO certificate in 1995 which has been later upgraded by ISO 9001-2000.

The company today enjoys an installed capacity of 7,00,000 tones of Fibre sheets with a strong network of 5000 Stockists/Dealers throughout India. This apart the company has depots in 36 major cities and towns, country-wide to ensure smooth supply of its products. Favorable industry developments, diversified portfolio and rich expertise in tapping the potential opportunities are going to mark a remarkable business for Visaka Industries in the coming years.

Business Verticals of Visaka Industries

Business Verticals



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**Karvy Computershare Pvt. Ltd.**

*If you are interested to meet the company's management please do contact at [ir@irkcpl.com](mailto:ir@irkcpl.com), we are glad to facilitate the meeting.*