



VISAKA INDUSTRIES LIMITED[®]

CIN: L52520TG1981PLC003072

CORP. OFF : "VISAKA TOWERS", 1-8-303/69/3, S.P. ROAD, SECUNDERABAD - 500 003.
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Ref: VIL/SEC/ST.EX/2017-18-Annual Report/2018-19/19

Date: 20.06.2018

To,

National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Plot No. C/1G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	BSE Limited, The Senior General Manager, Listing Compliances, Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001
Scrip Code – VISAKAIND	Scrip Code – 509055

Sub: Annual Report – 2017-18

Ref: Regulation 34(1) of SEBI (LODR) Regulations, 2015

Dear Sir/s,

With reference to above, we submit herewith the soft copy of FY 2017-18 Annual Report adopted by the shareholders of the Company at the 36th Annual General Meeting of the Company held on June 12, 2018.

This is for your information and records please.

Thanking you,

Yours faithfully,

for **VISAKA INDUSTRIES LIMITED**

I SRINIVAS

Vice President (Corporate Affairs)
& Company Secretary



Encl. a/a

Regd. Office & Factory	: A.C. Division I, Survey No. 315, Yelumala Village, R.C. Puram Mandal, Medak District - 502 300. T.S.
Factory : A.C. Division II	: Behind Supa Gas Manikantham Village, Paramathi-Velur Taluq, Namakkala District - 637 207. Tamil Nadu.
Factory : A.C. Division III	: 70/3A, 70/3, Sahajpur Industrial Area, Nandur Village, Daund Taluka, Pune District - 412 020. Maharashtra.
Factory : A.C. Division IV	: Changsol Mouza, Bankibundh, G.P.No. 4, Saliboniblock, Midnapore West. W.B 721147
Factory : A.C. Division V	: No. 27/1, G. Nagenahalli Village, Kora Hobli, Tumkur - 572138, Karnataka State
Factory : A.C. Division VI	: Vill. Kannawan, PS Bachrawan, Tehsil Maharajgunji, Dist Raibareli, UP - 229 301
Factory : A.C. Division VII	: Survey No. 385, 386, Jujjur Village, Veerullapadu Mandal, Near Kanchika Cherla, Krishna District - 521 181. A.P
Factory : A.C. Division VIII	: Plot No. 2006, 1994, Khata No. 450, At-Paramanapur Manejwan, Navamunda Village Sambalpur Dist - 768200
Factory : Textile Division	: Survey No. 179 & 180, Chiruva Village, Mouda Taluk, Nagpur District, Maharashtra.
Factory : V-Boards Division I	: Gajalapuram Village, Peddadevalapally Post, Tripuramam Mandal, Near Miryalaguda, Nalgonda Dist. - 508 207. T.S
Factory : V-Boards Division II	: Gate No : 262 to 269, Delwadi Village, Daund Taluq, Pune Dist, Maharashtra - 412 214.

TRANSFORMING

V I S A K A I N D U S T R I E S L I M I T E D

Annual
Report, 20¹⁷₁₈

WELCOME TO OUR
2018 ANNUAL REPORT

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

Corporate identity

This section will communicate the ten most important things that readers need to know about Visaka Industries Limited as well as the Company’s corporate journey over the years.

02 Corporate identity

06 Milestones

Financial performance

This section captures the Company’s performance during the past four years on the basis of all the major performance indicators so that readers can assess how Visaka has improved year-on-year.

08 Financial performance

Senior management review

In this segment, Visaka’s senior management, the Joint Managing Directors and the Chief Financial Officer present their views on their Company’s performance during FY2017-18 and what shareholders can look forward to in the coming years.

14 Joint Managing Director’s review

18 The CFO’s financial review

Operational review

This section details the various strengths, business drivers and risk management protocols of Visaka Industries. Readers can also get incisive insights into the various business segments of the Company, their performance highlights for the year under review, their strengths and their outlooks for FY2018-19.

20 Our competencies

22 Our business drivers

24 Review of our business segments

40 Risk management

Statutory reports

This segment contains reports which need to be part of the Company’s annual report in accordance to the guidelines laid down under the Companies Act, 2013.

42 Board’s report:

84 Report on corporate governance

Financial statements and notes

This segment contains Visaka’s financial statements and notes prepared in accordance with Ind-AS.

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100 Financial statements

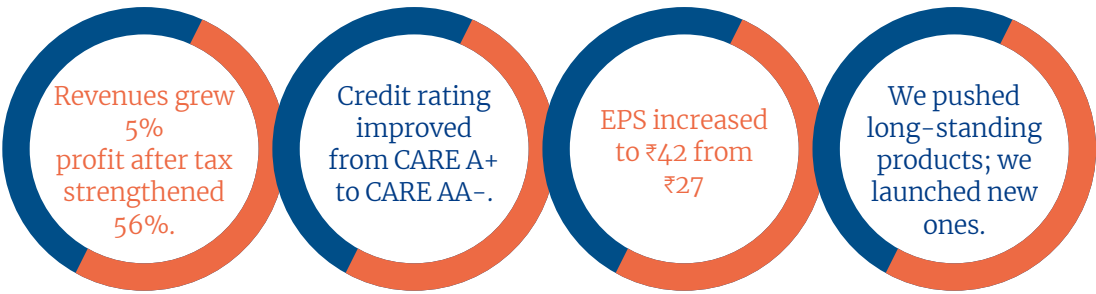
Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be 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.

TRANSFORMING...

THE YEAR 2017-18 WAS CHALLENGING FOR MOST INDIAN COMPANIES; IT WAS ONE OF THE BEST YEARS AT VISAKA INDUSTRIES.

THE COMPANY REPORTED PROFITABLE GROWTH IN A SLUGGISH ECONOMY DUE TO PROACTIVE TRANSFORMATIONAL INITIATIVES.



AT VISAKA, OUR AGENDA CAN BE ENCAPSULATED IN ONE WORD.
TRANSFORMING.


10 THINGS YOU NEED TO KNOW ABOUT VISAKA INDUSTRIES LIMITED



OUR PROMOTERS

1


Visaka Industries Limited was established in 1981 by Mr. G. Vivekanand, a first-generation entrepreneur. Over the years, the Company has emerged as a sustainable business enterprise on account of proactive future-facing investments translating into leadership position in the Company's product segments and niches.



OUR BUSINESSES

2

Visaka commenced the manufacture of corrugated cement fibre sheets in 1985 and seven years later, diversified into the manufacture of synthetic yarn. In 2008, the Company commenced the manufacture of fibre cement boards. The result is that the Visaka of today comprises two business verticals - Building products (Cement asbestos products and fibre cement boards marketed under the V-Boards and V-Panels brands) and synthetic yarn



OUR SPIRIT

3

The Company is a spirited outperformer. Even as it was the seventh largest cement asbestos product manufacturer in India in 1996, it invested and outperformed the sector to emerge as the number two brand within the sector. Besides, the Company could have selected to be a commodity textiles player; it grew its presence in the twin airjet spun yarn segment. The Company could have remained a cement asbestos player; it extended to fibre cement boards. The Company could have waited to consolidate; it launched a solar roofing product.



OUR MANAGEMENT

4

Visaka reconciles the entrepreneurial vision of its promoters with the professional commitment of its executive management. The Company is stewarded by second-generation entrepreneur Mr. G. Vamsi Krishna (son of Dr. G. Vivekanand and Mrs. Saroja Vivekanand) who is an alumnus of Purdue University. Having worked as Chief Business Strategist from July 2012 to May 2014 and Whole Time Director from June 2014 to May 2017, he was elevated to Joint Managing Director in May 2017. He was responsible for the development of the Company's V-Next business.



OUR LOCATIONS

5

Visaka is a pan-India company (12 manufacturing locations) headquartered out of Hyderabad. The Company's manufacturing units are supported by 13 marketing offices across India.



OUR FOOTPRINT

6

Visaka's products are available pan-India through a distribution channel that comprises 7000 dealer outlets. The Company's products are also exported to many countries.



OUR REVENUES

7

~ 90 % of the Company's cement asbestos product revenues are derived from suburban and rural India. Almost the entirety of its V-Next (V-Boards and V-Panels) revenues are derived from urban markets. 25% of the revenues from the yarn division are derived from exports and the rest from the domestic market.

OUR CAPACITIES

8

Visaka has invested in adequate scale to service the growing appetite of downstream customers across its three business segments. The Company's aggregate capacity of 8,02,000 TPA for cement asbestos products accounted for 18% of the industry capacity; the Company's textile capacity is the highest in the twin air-jet yarn segment; the Company's V-Next products accounted for 26% of the sectoral share as on March 31, 2018.

Cement asbestos products	Fibre cement products	Textiles
Total capacity of 8,02,000 metric tonnes per annum Capacity utilisation of 88 % during FY2017-18	Total capacity 1,29,750 metric tonnes per annum Capacity utilisation of 83 % during FY2017-18	Annual production capacity of 2752 twin-jet spinning positions, translating to 82,560 spindles Capacity utilisation of 78% during FY2017-18

OUR LISTING AND RESPECT

9

Visaka's equity shares are listed and actively traded on the Bombay and National Stock Exchanges. The Company enjoyed a market capitalisation of ₹1,031 crores as on March 31, 2018. The promoters owned 41.28 % of the Company's equity share capital. CARE, the prominent credit rating company, upgraded Visaka's rating related to bank facilities and fixed deposit programmes from CARE A+ to CARE AA- in December 2017.

OUR ETHICAL MOORING

Vision

Committed to be a 'credible', 'passionate' and 'innovative' solutions-providing company

Mission

- To be a complete cost effective and qualitative building solutions provider
- To identify potential products, which, add value to the societal needs
- To explore and enhance our niche textile markets
- To create value and trust among all the stakeholders

Values

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

Business divisions		
Cement asbestos	V-Next	Yarns
Corrugated cement fibre sheets	V-Board	Cotton-touch airjet-spun polyester yarns
Close-fitting adjustable ridges	V-Premium	
Apron pieces	V-Designer	
Cladding/Walling	V-Plank	
North light ridges	V-Panel	
Barge boards	ATUM	
North light curves		
Serrated adjustable ridges		
Roof lights		



THIS IS WHAT WE HAVE ACHIEVED OVER THE DECADES

1981

Incepted in 1981 to manufacture corrugated cement fibre sheets.

1985

Commenced the commercial production of cement sheets at its factory in Patancheru, Andhra Pradesh, with a capacity of 36,000 metric tonnes per annum.

1992

Diversified into textile yarn manufacturing by establishing a factory in Nagpur to produce about 2,000 metric tonnes of man-made fibre yarns per annum.

2006

Emerged as the seventh-largest cement asbestos product manufacturer in India

2009

Established the fibre-cement board and panel division in Miryalaguda, Andhra Pradesh, with a capacity of 50,000 MTPA to cater to the needs of modern construction designs

2013

Set up the second factory in Daund, Maharashtra, and thereby more than doubled the boards & panels capacity to 129,750 metric tonnes per annum

2017

Achieved a cement asbestos capacity of 802,000 metric tonnes per annum coupled with boards and panels capacity of 129,750 metric tonnes; emerged as the second largest player in India and also installed 41MTS Machines with 2,752 spinning positions.

2018

- Launched V-Infill (a load bearing wall solution)
- ATUM (solar roofing solution), a first of its kind product in India
- Fibre Cement Plant at Haryana with a capacity 50,000 TPA.

HOW WE HAVE TRANSFORMED IN A POSITIVE WAY ACROSS THE YEARS

Revenues (₹ / crores)

FY14-15

1013

FY15-16

990

FY16-17

951

FY17-18

997

Definition

Growth in sales net of taxes and duties

Why is this measured?

It is an index that showcases the Company's ability to understand the market and customer needs and efficiently meet their demands.

What does it mean?

Aggregate sales increased by 5% to reach ₹997 crores in FY2017-18 due to increasing demand for existing products and the strategic launch of new ones.

Value impact

Improved product offtake enhanced the Company's reputation in the market.

Net profit (₹ / crores)

FY14-15

21.24

FY15-16

24.44

FY16-17

42.78

FY17-18

66.55

Definition

Profit earned during the year after deducting all expenses and provisions

Why is this measured?

It highlights the strength in the business model in generating value for its shareholders.

What does it mean?

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to not run out of steam.

Value impact

The Company's net profit grew every single year through the last four years. The Company reported a 56% increase in its net profit in FY2017-18 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.

ROCE (%)

FY14-15

8.02

FY15-16

8.60

FY16-17

13.43

FY17-18

16.31

Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

Why is this measured?

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

What does it mean?

Enhanced ROCE shows how much return the Company generated on every rupee of capital employed, potentially driving valuations and perception

Value impact

The Company reported a 285 bps increase in ROCE during FY2017-18.

EBITDA margin (%)

FY14-15

9.71

FY15-16

9.90

FY16-17

12.93

FY17-18

15.51

Definition

EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency

Why is this measured?

The EBITDA margin gives an idea of how much a company earns (before accounting for depreciation, interest and taxes) on each rupee of sales.

What does it mean?

Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses.

Value impact

The Company reported a 258 bps increase in EBITDA margin during FY2017-18.

EBITDA (₹ / crores)

FY14-15

98.33

FY15-16

97.96

FY16-17

122.90

FY17-18

154.73

Definition

Earning before deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

Why is this measured?

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures and can be easily compared with retrospective averages of sectoral peers.

What does it mean?

Helps create a robust growth engine and allows the Company to build profits in a sustainable manner.

Value impact

The Company's EBITDA grew every single year through the last 4 years. The Company reported a 26% increase in its EBITDA in FY2017-2018 – an outcome of painstaking efforts of its team in improving operational efficiency.

We didn't just report better numbers during FY2017-18; we brightened our long-term sectoral prospects.

Gearing (x)

FY14-15

1.00

FY15-16

1.02

FY16-17

0.64

FY17-18

0.63

Definition

This is derived through the ratio of debt to net worth (less revaluation reserves)

Why is this measured?

This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

What does it mean?

Adds value in the hands of the shareholders by keeping the equity side constant and boosts flexibility by progressively moderating debt costs.

Value impact

The Company's gearing stood at .63 in FY2017-18 compared to .64 in FY2016-17. This ratio should ideally be read in conjunction with net debt/operating profit (a reduction indicating greater ease in terms of servicing debt). Net debt/operating profit was 1.65 in FY2017-18 vs 1.72 in FY2016-17.

Net block (₹ / crores)

FY14-15

312

FY15-16

294

FY16-17

326

FY17-18

321

Definition

Net block is the total worth of all the assets currently in the possession of a business operation.

Why is this measured?

This measure helps in understanding exactly how much is the investment in each of the assets currently held.

What does it mean?

By understanding the value of the assets, it is easy to determine the amount of actual profit generated as a result of holding those assets. Simply looking at the purchase price or even the current market value of the assets cannot provide an accurate understanding of whether the assets are generating a return or failing to earn enough profit to justify holding onto those assets.

Definition

This is derived through the calculation of the average cost of the consolidated debt on the Company's books

Why is this measured?

This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

What does it mean?

Enhanced cash flows; strengthened credit rating for successive declines in debt cost

Value impact

The Company's debt cost has progressively declined from a peak of 7.11 % in 2014-15 to 6.90 % in FY2017-18. This ratio should ideally be read in conjunction with net debt/operating profit (an decrease indicating higher liquidity).

Working capital cycle (%)

FY14-15

114

FY15-16

115

FY16-17

104

FY17-18

103

Definition

The working capital cycle (WCC) for a business is the length of time it takes to convert net working capital (current assets less current liabilities) all into cash.

Why is this measured?

This is measured to understand the ability and efficiency of an organisation to manage its short-term liquidity.

What does it mean?

Businesses typically try to manage this cycle by selling inventory quickly, collecting revenue from customers quickly and paying bills slowly to optimise cash flow.

Value impact

The Company strengthened its WCC through a reduction in the number of days to 103 days from a peak 115 days.

Interest cover (%)

FY14-15

4.5

FY15-16

4.6

FY16-17

6.3

FY17-18

8.5

Definition

This is derived through the division of EBITDA by interest outflow.

Why is this measured?

Interest cover indicates the Company's comfort in servicing interest – the higher the better.

What does it mean?

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in guaranteeing sizeable returns to shareholders.

Value impact

The Company strengthened its interest cover from 6.3 in FY2016-17 to 8.5 in FY2017-18.

TRANSFORMING FOR SCALE

This year we
achieved the highest
PAT in the history of
the Company.

The second largest
cement asbestos
manufacturing
company.

The largest player
in V-Next fibre
cement board
segment.

The largest Twin
Airjet spinner in
the country.

At Visaka, change is a constant. There is always a need to widen the product mix, deepen the range, enhance capacity and widen the footprint.

With the objective to moderate costs, increase value-addition and accelerate offtake.

This element of transformation is captured in our business model. We went into business as a cement asbestos manufacturing company. We diversified into the manufacture of synthetic yarn. We diversified into fibre cement boards and panels.

This was done with the objective to service growing aspirations

– across rural, semi-urban and urban India.

The result of our focus is our scale: over the years, our agenda of perpetual transformation has made it possible for us to emerge as the country's second-largest cement asbestos sheet manufacturer, the world's largest installation of Murata twin jet spinning machines at a single location and the largest fiber cement board manufacturer.

In turn, this scale has translated into enhanced economies and competitiveness, strengthening our business sustainability.

Transformation pays.

HOW VISAKA HAS TRANSFORMED OVER THE YEARS

The ability
to respond
with speed
to dynamic
market
realities

The ability to
commission
new plants
closer to
consuming
markets

The ability
to enhance
value above
the sectoral
average

The ability to
explore the
niche within
a commodity
business

The ability
to seed the
market with
new products

The ability
to extend
into new
businesses

TRANSFORMING FOR INNOVATION

The Company is gradually transforming from a large cement asbestos player to an emerging innovative building products player

The only innovative building-material company to introduce solar roof product

At Visaka, we are driven by the prospect of making the good better.

The result is an ongoing exploration of processes, materials, opportunities and market gaps.

The result is that within each of our businesses, we are widening our product mix. Within each product niche, we are deepening our range. Each product is customised around diverse applications. Each application establishes that our products work well in customer environments or on customer machines.

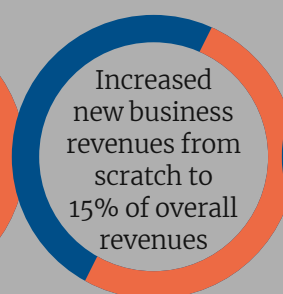
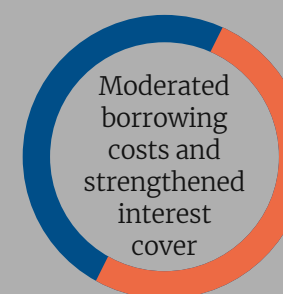
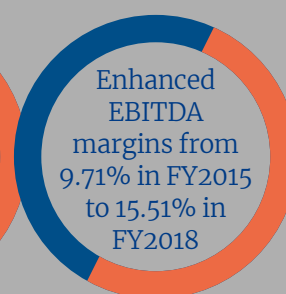
The Company possesses an attractive track record in product introduction. The

Company introduced V-next products (V-board and panels) in 2009. It introduced Visaka yarn in 1992. It launched the innovative hybrid roofing product with an integrated solar roofing system (ATUM), which combines traditional roofing with energy generation; this integrated solar panel with a cement base helps moderate thermal conductivity to lower than the traditional roof.

The product is just the answer to millions of customers – individual and institutions – who seek roofs that make a difference to self, community and the world.

Transformation excites.

HOW VISAKA'S TRANSFORMATION AGENDA ENHANCED VALUE



JOINT MANAGING DIRECTOR'S REVIEW



Dear shareholders,
I am excited to present you with an overview of where the Company has come from, where it is competitively placed and where it intends to proceed.

For years, your company was largely a cement asbestos roof manufacturer, graduating from being one of the smallest to emerging as one of the largest. During the last few years, the Company has maintained this sectoral leadership through proactive capacity creation, national dispersal of manufacturing capacity in consuming regions and maximising capacity utilisation. The business enhanced value for the Company through volume-driven growth in a relatively thin margin segment.

The Company also grew its specialised synthetic yarns business through prudent investments in advanced technologies. By selecting to address the niche end of the business, the Company protected itself from the commodity

whiplash associated with the cyclical textile industry. The business enhanced margins through the combination of volumes and value-addition.

A few years ago, the Company was faced with the prospect of scaling capacity or consolidating its position. The Company selected to consolidate its existing asbestos sheet and yarn capacities while extending into the new fibre cement board product enjoying urban residential and commercial applications.

The result is that over time, Visaka Industries has evolved from being a single business company into a three-business organisation with robust de-risking.



At Visaka, we believe that we are future-ready for some good reasons.

Each business is aligned with national priorities. Each business has been adequately scaled to address growing downstream customer appetite. As a result, we believe that when customer demand strengthens, our products are attractively positioned to ride the rebound. Our products represent the heart of rural consumption at one end and aspirational urban growth at the other, making them attractive proxies of national income and economic growth.

The big question then relates to the optimism of enhanced incomes over the foreseeable future. At Visaka, we are optimistic on account of a rare convergence of structural corrections within the country – formalisation, financialisation and efficiency gains. In the last 24 years, China's GDP has almost five-folded India's GDP on account of India's credit / GDP proportion for private non-finance entities of 57% compared with China's 211% (BIS data, 2016). This indicates a predominance of Indian savings being invested in unproductive assets

at a time when China invested in financial assets and bank deposits. Following digitisation, creation of Jan Dhan accounts, Gold Bonds and demonetisation, India has accelerated transition from the physical (cash and gold in *tijori*) to financial assets faster.

When it comes to formalisation, two inflection points have emerged: demonetisation and GST introduction, which are expected to swing the competitiveness needle away from unorganised sectors across India to organised segments.

As an extension of this argument, I believe that India is placed at the cusp of leading the global change in the use of renewable energy. India is making an unprecedented investment in solar energy, helping moderate power costs to less than half, which could enhance India's manufacturing and service competitiveness.

At Visaka, we believe that we are attractively placed to capitalise on these incipient trends, creating a foundation of our long-term sustainability.



I am pleased to report the Company's performance for FY2017-18 for some good reasons.

The Company reported profitable growth: revenues increased 5% while profit after tax strengthened 56%.

After a considerable period, the cement asbestos segment reported sales growth, indicating that the downtrend has reversed.

Even as the domestic fiber cement products market grew nearly 14%,

our sales of this business grew 8%; exports bottomed out.

The Company's spinning unit addressed challenges arising out of GST introduction and the domestic garment sales being affected on account of imports. Our yarns business revenues declined only by 2.7% during the year under review.

The concurrent improvement in working across all our businesses was a rare occurrence, resulting in a broad-based response to challenges.



The GST challenge

I am pleased to report that Visaka outperformed the sectoral and the economic growth average despite the GST challenge.

As a responsive future-facing company, we engaged the prestigious EY to guide us in GST implementation.

The impact of this landmark tax reform proved beneficial for our building products division. The GST applicable on our cement asbestos sheets and V-Next products was fixed at 18% against the erstwhile 28%, strengthening our business competitiveness.

In our yarns division, the rate applicable on raw material (polyester staple fibre) and finished product (polyester spun yarn) was fixed at 18% while GST on fabric moved from nil to 4%. This inverted duty structure posed serious implications for the textiles value-chain.

A number of textile manufacturers selected to shut operations, affecting production. After due consideration, the government reduced GST on yarn to 12%, which ensured that spinners were able to absorb the entire input credit and fabric makers could claim the entire GST as input credit.



Outlook

At Visaka, we intend to enhance awareness of cement asbestos products in rural housing as a preferred product over colour-coated steel sheets. The initiatives to increase the awareness momentum for V-Next products are expected to sustain. The result is a stronger base of our business pyramid, which should translate into superior performance.

The Company's cement asbestos business is expected to grow 5% in FY2019 subject to good monsoons. The demand for our V-Next products appears favourable and this trend is likely to sustain following 14% domestic growth and a bottoming-out of our exports. The Company

expects a growth upwards of 20%. The commissioning of the third unit in Haryana will strengthen our access to North and East India and moderate our logistics costs. We believe that our ability to sweat our spinning machines at 95% capacity utilisation should enhance our margins and segment surplus.

We expect that the interplay of the three businesses should translate into enhanced revenues, margins and profit growth, strengthening our business sustainability. The Company has started to transform in many ways.

Sincerely,
G. Vamsi Krishna



Going ahead

At Visaka, we strengthened our business by launching new products across segments. While the solar roofing product was the first of its kind in India (production from the first quarter of FY2019), we reinforced designer products in the V-Next gallery (offered a solid load bearing wall solution, V-Infill). Towards the end of the financial year under review, the third V-Board project neared completion in Jajjar (Haryana), indicating attractive prospects from June 2018.

The Company increased awareness of V-Next products through engagements with architects, dealers,

contractors, builders, interior decorators, carpenters as well as promotions in the digital and print media.

I am pleased to report that our credit rating was upgraded from A+ to AA-, which, going ahead, promises to moderate our cost of debt and enhance our profitability.

From a functional point of view, Visaka upgraded Oracle ERP to the latest R 12 version, strengthening our information access leading to informed decision-making.

OUR BUSINESS STRATEGY

Increasing our network of business constituents

Extending into new geographies

Increasing our order book

Bidding for large projects

OUR REVENUE GROWTH PLAN

Increasing turnover

Timely expansion commissioning

Engaging directly with customers (no sub-contracting)

Extending into solar roofing solutions

Climbing the value chain

Visaka. Always transforming...

Visaka entered the business of fiber cement boards in 2009

The Company's manufacturing units (Maharashtra and Telangana) addressed zonal needs

The Company's positioning of this product as a superior alternative to plywood helped

The Company invested in proprietary brands, range and distribution

The Company is now adding capacity in North India (50,000 MTPA), creating a national presence



The CFO's financial review

AT VISAKA, WE BELIEVE THAT THE EFFICIENT MANAGEMENT OF CAPITAL DIRECTLY INFLUENCES CASH FLOWS, MARGINS AND BUSINESS COMPETITIVENESS.

Dem Shacholberg,

In a company marked by three businesses, there is a premium on the need to manage cash flows and working capital with the objective to maximise profitability. Concurrently, there is also a need to reinvest cash flows into productive

segments, strengthening business sustainability.

At Visaka, we believe that fiscal management represents the heart of the enterprise, translating into a relatively smaller and optimised Balance Sheet on the one hand and enhance corporate value on the other.

Our financial highlights, 2017-18

At Visaka, we believe that the efficient management of capital directly influences cash flows, margins and business competitiveness. The management of working capital improved from 115 days of turnover equivalent in FY2016 to 104 days in FY2017 to 103 days in FY2018. This improvement was derived from improvement in inventory management, quicker receivables and extended payables cycle.

The superior liquidity within the system translated into a lower interest incidence: from ₹19.60 crores in FY2017 to ₹18.25 crores in FY2018. Correspondingly, interest cover strengthened from 6.3 to 8.5. The average cost of debt on the Company's books stands was 6.90% in FY2018.

We are pleased to report that this improvement in the Company's fiscal management was validated through improved credit rating. CARE upgraded the Company's rating related to working capital and term loan availability from banks and its fixed deposit programme in December 2017 from CARE A+ to CARE AA-.

Preparing proactively for GST implementation

At Visaka, we had recognised that the landmark introduction of GST from July 2017 would be

accompanied by trade disruptions and de-stocking. In view of this, the Company had proactively planned to address this reality. The Company engaged EY, one of the most prominent global consulting firms, to guide its GST implementation. The Company engaged in extensive training to strengthen its preparedness. A core corporate office team monitored preparedness and compliance. The Company is proud to report that its compliances were filed immediately after the portal was launched.

Our robust governance framework

At Visaka, we believe that competitiveness is derived from a robust governance framework.

This framework comprises strategic clarity, credible Board of Directors, investment in systems-led processes, future-facing investments in information technology and a complete compliance with the laws of the land. In an initiative directed at enhancing stakeholder confidence, the Company appointed PWC as auditor, selected to announce audited results each quarter and engaged with investors through a structured initiative.

Our shareholder value-creation strategy

At Visaka, we recognise that we are present in businesses marked by

large volumes and relatively thin margins. This has enhanced the understanding that shareholder value can be enhanced through a long-term focus on production efficiency, deepening sales footprint, improving realisations and strengthening brand relevance.

As an efficiency-focused company, we selected to maximise asset utilisation across our various operating plants, helping amortise fixed costs more efficiently leading to enhanced competitiveness. We deepened our sales footprint through the prudent dispersal of manufacturing facilities closer to markets of consumption. We focused on enhancing realisations through the manufacture of value-added product varieties. We strengthened the brand through relevant productisation and positioning. The result of this integrated discipline has been topline growth faster than the sectoral growth average, strengthening return on employed capital and increased market capitalisation.

An improvement in the Company's profitability resulted in an increase of 285 bps in ROCE – from 13.43% during FY16-17 to 16.31% in FY17-18. Net Fixed Asset Turnover improved from 2.9% to 3%

Our optimism

At Visaka, we are optimistic of our prospects. Stable monsoons

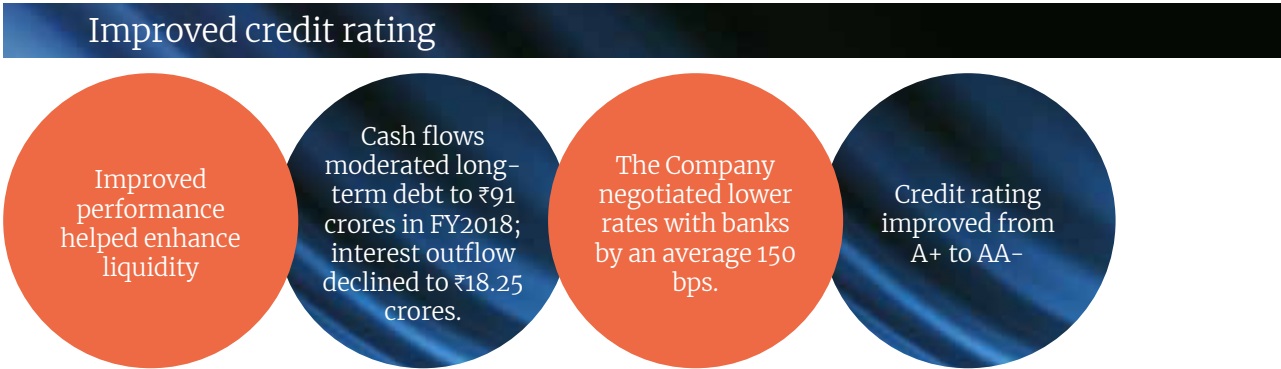
and declining rural inflation could strengthen the offtake of rural cement asbestos products (in the light of increased costs of steel sheet alternative). Even as the fiber cement boards industry is growing at 15% a year, domestic demand has been growing at ~20%+, a reality that Visaka intends to address.

A major expansion of the fiber cement board segment fully funded out of accruals is complete and could enhance revenues from 2018-19 onwards. Enhanced asset utilisation could strengthen margins. The Company continued to be relatively under-borrowed; its gearing was 0.63 at the end of FY2018, which coupled with an interest cover of more than 6.50 x, represented fiscal comfort. A proposed repayment of debt could strengthen gearing in FY2019.

Overall, Visaka's business model mirrors the India consumption story. The faster India grows, the stronger the offtake of the Company's brands. In view of this, Visaka expects its revenue growth to outperform GDP and sector growth, translating into profitable growth that enhances value in the hands of those who own shares in the Company.

Sincerely,
Vepa Vallinath








Stock price (CAGR) vis-à-vis BSE Sensex				
Year	1 year	3 years	5 years	10 years
Stock price	140%	92%	46%	30%
Sensex	11%	6%	12%	8%








THIS IS WHAT MAKES

VISAKA DISTINCTIVE

OUR COMPETENCE

	Products	The Company's products are a proxy of improved aspirations and lifestyles
	Diversified	The Company's businesses are not related, strengthening de-risking.
	Multiple markets	The Company's products are used in rural, semi-urban and urban geographies.
	Gearing	The Company is relatively under-borrowed with a debt-equity ratio of 0.63 in FY2018 and interest cover of 8.5.
	Experience	Most of Visaka's senior professionals possess rich multi-decade knowledge and experience.
	Knowledge	Visaka had an employee strength of 1,918 as on 31st March 2018; average age was 37 as on 31 March 2018.
	Technology	The Company invested in cutting-edge technologies, resulting in enhanced operating efficiencies.













RESULT OF VISAKA'S COMPETENCIES: ENHANCED SHAREHOLDER GAINS....

	High profitability	From a PAT of ₹43 crores in 2016-17, profitability rose by 56 % to ₹67 crores in 2017-18
	Substantial revenue growth	Revenues increased by 5% in 2017-18 to ₹997 crores.
	Improved working capital management	Finance costs declined by 7% to ₹18 crores; interest as a percentage of revenues declined from 2.06% in 2016-17 to 1.83% in 2017-18
	Increased ROE	Higher EBITDA margins and low debt translated into healthy return on equity of 14.93%
	Augmented shareholder value	Earnings per share and book value per share increased 56% and 14% to ₹41.91 and ₹281.

OPERATIONAL COMPETENCIES

BUILDING PRODUCTS

YARNS

Efficient equipment	The Company's equipment is automated and state-of-the-art. Visaka's manufacturing plants consume 40 units of power per ton, which is the lowest in the industry.	Margins	The products of this division enjoy attractive margins on account of specialised value-added products.
			
Distribution channels	The Company follows a direct retailer distribution network, strengthening market understanding. Its network comprises 7,000 retailers pan-India.	Scale	Visaka has invested in the single largest Twin Airjet Equipment installation in India and one of the largest such installations in the world.
			
Substantial share	Visaka accounts for a share of 18% of the nation's organised cement asbestos markets.	Quality	The Company's stringent quality control standards have resulted in ISO certification. Visaka's products feature in the top five percentile of Uster Standards in the world.
			
Fabrication capability	The Company has fabricated cement asbestos equipment for 6 out of its 8 manufacturing units, which has led to a reduction of costs and shrinkage of commissioning time.	Clientele	Visaka has long-standing relationships with clients like Grasim, Siyaram Silk and S.Kumar Nationwide Ltd., among others.
			
Presence	Visaka has manufacturing facilities in 11 locations, evenly spread across India and helping address regional needs.	Manufacturing excellence	The Company manufactures dyed yarn at a speed higher than the recommendation of the manufacturer.
			
Quality	The Company has stringent quality control measures, which translate into superior product quality. Visaka's manufacturing units are certified by ISI.	Niche	Visaka selected to specialise in a niche of a commodity business (polyester spun yarns as well as products from 30s to 76s counts - double yarn).
			

OUR BUSINESS DRIVERS

1



The nation's roofing industry, valued at ~₹42,000 crores, is expected to grow 6-7%, depending on India's GDP, increased rural incomes and monsoonal health. The high number of *kutchha* and semi-*pucca* houses in the country waiting to be converted into *pucca* roofs is the principal driver of the country's ₹4000 crores cement asbestos sheets segment. Fiber cement boards and panels represent a market size of ₹500 crores with a huge growth potential. The Company's solar roofing product enjoys attractive growth potential.

2



The implementation of GST has catalysed the industry. The post-GST rate for metal sheets has been unchanged at 18%, making cement asbestos sheets competitive in comparison. The plywood industry size of ₹20,000 crores, gypsum board industry of ~₹1,700 crores, and the immeasurable conventional brick-and-mortar industry offer a large replacement opportunity for fiber cement boards and panels. The new solar roofing products that the Company plans to introduce is likely to be well received.

3



The Company invested ₹256 crores in five years. Visaka is expected to invest ₹125 crores in two years in its building products business. The Company does not see much additional capital allocation for cement asbestos and yarn businesses in the future. Most of the capital allocation is expected to go towards modern-use products.

4



India is the fastest growing major global economy. Rural and semi-urban demand is improving along with lower GST rates on Visaka's products; there is a growing government focus on affordable housing and rural incomes. Besides, the Company's wide product portfolio, pan-India distribution and large capacity are expected to make Visaka the biggest beneficiary. The Company is also poised to launch its innovative ATUM product, which is a first of its kind in India.

5



Visaka is one of the six major players who account for a collective 76% of the market share of cement asbestos products and 100% of fiber cement board products in India. Visaka's distribution, products and manufacturing capacities are expected to sustain dominance across the foreseeable future. Visaka's goal is to achieve 50% revenues from non-asbestos products, coupled with increased margins from fiber cement boards and stable realisations from cement asbestos sheets in the next three years.

6



The Company is engaged in businesses (cement asbestos sheets, V-Next products and synthetic yarn) under two business buckets (Building Products and Textiles). The two buckets leverage superior distribution synergies; the three businesses help the Company address diverse market opportunities.

7



The cement asbestos sheet industry has been cyclical. Improved offtake and favourable GST rate is expected to arrest the downtrend in realisations. The Company enjoys a first-mover's advantage (in a literal sense) in the fiber cement board segment coupled with one of the highest capacities in the sector. The yarns segment performance is expected to be stable. Enhanced off take and market share of the building products business is expected to strengthen performance.

8



The Company intends to enhance capacity expansion to increase sales volumes, deepen geographical penetration and catalyse product innovation. The Company intends to launch ATUM aggressively and strengthen product mix and better realisations.

LONG-TERM STRATEGY



OUR BUSINESS VERTICALS

Overview of
our business
segments

Cement asbestos sheets	Capacity at inception 36,000 MTPA	Total capacity as on 31st March 2018 802,000 MTPA	Total utilisation as on 31st March 2018 88%
Fiber cement products	Capacity at inception 57,750 MTPA	Total capacity as on 31st March 2018 129,750 MTPA	Total utilisation as on 31st March 2018 83%
Textiles division	Spinning capacity at inception 600 spinning positions	Total spinning capacity as on 31st March 2018 2,752 spinning positions	Total utilisation as on 31st March 2018 78%



Roof Underlay- Vpremium

Business segment 1
BUILDING PRODUCTS

Overview
Visaka’s building products division commenced operations in 1985 following the manufacture of cement asbestos sheets. The Company is now one of the most prominent Indian rural and semi-rural cement asbestos brands. Visaka enjoys a market share of 18% and is the second largest player in this space. Even with an improvement in alternative products and growing competition, cement asbestos products continue to enjoy rural traction. Besides cement asbestos products, the Company embarked on fiber cement board manufacture (non-asbestos) in 2008 with the objective to capture urban markets.

Strengths
Visaka is one of the most prominent players in the building products sector. The business is respected for the following realities:

Market leadership: The Company was the seventh largest cement asbestos product manufacturer in the country in 1996; it is the second largest today. The Company’s Visaka and Shakti brands account for a significant 18% share of India’s cement asbestos market.

Technological excellence: The Company’s automated fibre cement plant was certified by ISI; these manufacturing plants consume the lowest electricity consumption per unit of production compared with the sectoral average.

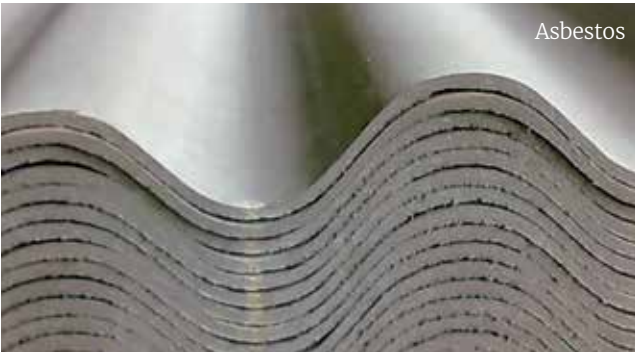
Distribution network: The Company marketed products directly to retailers as against the conventional Company-distributor-retailer approach, facilitating a superior understanding of marketplace realities. The Company’s distribution network comprises more than 7000 dealers in urban, rural and semi-urban markets.

Manufacturing presence: The Company’s cement asbestos manufacturing facilities are spread across the country, making it possible to address regional needs – 4 in South India, 1 in North India, 2 in East India and 1 in Western India. One of the Company V-Next facilities is located in South India and one in West India while a third plant is being commissioned at Jhajjar (Haryana) with a capacity of 50,000 MTPA.

De-risked product mix: The Company’s building products division comprised cement asbestos sheets that were largely consumed in rural India, whereas fibre cement boards (non-asbestos) were consumed in urban and semi-urban markets – a prudent balancing. The non-asbestos component of overall business is growing and is expected to touch 50% (currently 35%) over the next three years.

Superior quality: The Company’s fibre cement products are ISI-certified. The V-Board division invested in the superior HPSC technology.

CEMENT ASBESTOS BUSINESS



Asbestos



Overview

Visaka began business with the manufacture of cement asbestos products. These continue to be in demand on account of the industry’s unrelenting efforts to make inroads into India’s rural markets by banking on affordability, corrosion resistance and weather resistance, among others. As per the 2011 Census, 60% of the rural population use thatched roofs and tiles (*kuccha* in nature) and require replacement every two or three years. There are ~20 players in the sector with 53 manufacturing plants rolling out approximately 4 million metric tonnes of cement asbestos sheets per annum. Reinforcing rural infrastructure in the form of *pucca* roofs is a key agenda for the Central Government under the aegis of initiatives such as Housing for All. Combined with other measures such as according infrastructure status to affordable housing, the launch of the Swachh Bharat Mission and growing urbanisation, the demand for cement asbestos roofing sheets is expected to grow. The Company’s eight manufacturing units and depots

in 35 different towns and cities ensure a pan-India spread. The Company’s brands possess a load bearing capacity of 575-625 kilograms per square centimetre, higher than the ISI-mandated 525 kilograms per square centimetre.

Strengths

Industry presence: Visaka has been one of the oldest players in the cement asbestos segment with a firm foothold in the industry due to its pan-India presence and quality of its products.

Durability: The mineral fibres of asbestos blended with cement enhance product longevity. For example, cement asbestos roof sheets last an average 50 years, which is longer than other sheeting materials (wood, plastic and steel).

Inexpensive: Asbestos minerals are naturally-occurring and less expensive compared with other cement additives, which leads to a cheaper construction price but with the same durability.

Fireproof: Asbestos fibres are resistant to fire and chemical damage, making



Kitchen Cabinets: Vboard

Product portfolio

- Corrugated Cement Fibre Sheets
- Close Fitting Adjustable Ridges
- Apron Piece
- Cladding/Walling
- North Light Ridges
- Barge Boards
- North Light Curve
- Serrated Adjustable Ridges
- Roof Lights
- Ridge Finials

them safe for homes and offices.

Challenges

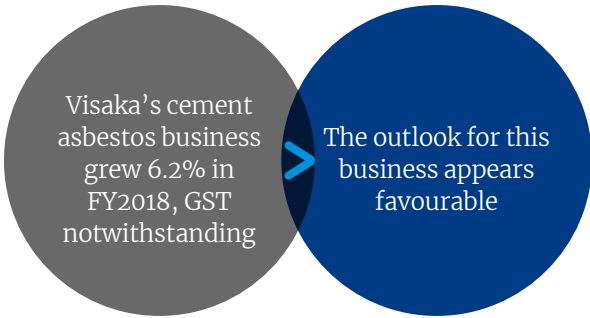
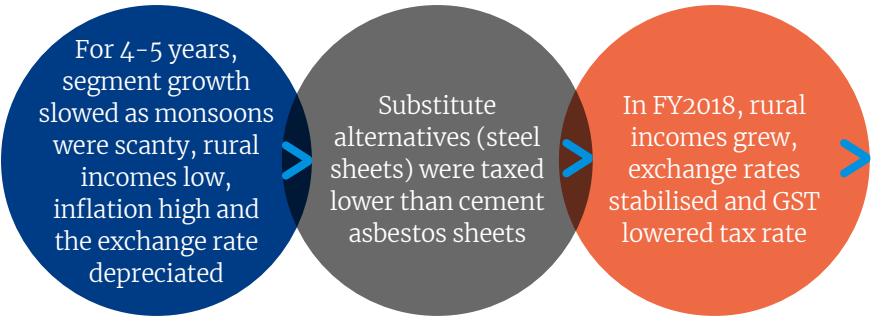
• Implementation of GST affected consumer sentiment and the growth of this division was affected slightly post its implementation. But this was mitigated by the fact that the overall growth of cement asbestos industry in the nation was favourable in the year under review. Good monsoons and

rural growth, favourable GST rates on cement asbestos products and lowering of inflation helped in making good the minor losses in sales around the period of GST implementation.

Achievements

- Cement asbestos volumes grew by 2%.
- Revenues increased 6.2% to reach ₹677 crores for the year ending 31st March, 2018 due to enhanced demand.

VISAKA’S CEMENT ASBESTOS BUSINESS BACK ON TRACK



Advantages of cement asbestos products

- Fire-resistant; thermal insulation, sound insulation.
- Higher product life
- Low cost
- Resistance to wear and tear (over steel, plastic, wood, tiles and alternatives)

- Margins improved on a y-o-y basis by 400 bps in FY2017-18.

Outlook

- Following the Central Government laying a keen emphasis on ensuring housing for all, abundant monsoons and rising rural incomes, the Company's sales are expected to grow 5% in FY2018-19.

- A reduction in the GST rate from 28% to 18% could increase demand for cement asbestos sheets as they are now taxed at par with steel sheets.
- Government's initiative of increasing farmer's incomes could deepen the cement asbestos market in rural areas.
- As families become nuclear and the number of family mem-

- bers per household declines, housing demand is estimated to grow. The incremental households-to-population ratio is at 3:1 members per household versus 4:8 earlier.
- The Company is focusing on unrepresented and under-represented markets with a good growth potential.

Demand drivers

Housing shortage in the nation

- Shortage of homes in urban India in 2017-18 (~18.78 million)
- Shortage of homes in rural India in 2017-18 (43.6 million)
- Increasing incidence of nuclear families
- Central Government's target to provide Housing for All by 2022

Rising disposable incomes

- Fastest-growing emerging economy
- Improving income levels (per capita income ₹1,11,700 in FY2018 against ₹1,03,200 during FY2017)
- Government's focus on doubling farmer incomes by 2022

Improving rural scenario

- ~60% of the rural population uses thatched roofs or tiles
- 20.2 million individuals reside in *kutcha* house in rural areas
- 65.3 million households live in houses without *pucca* roofs
- Regular replacement and continued maintenance required by thatched and tiled roofs

Result:

Increased demand for cement asbestos sheets

Percentage of total revenues in

2016-17

67

2017-18

68

Net sales revenue in (crores)

2016-17

637

2017-18

677

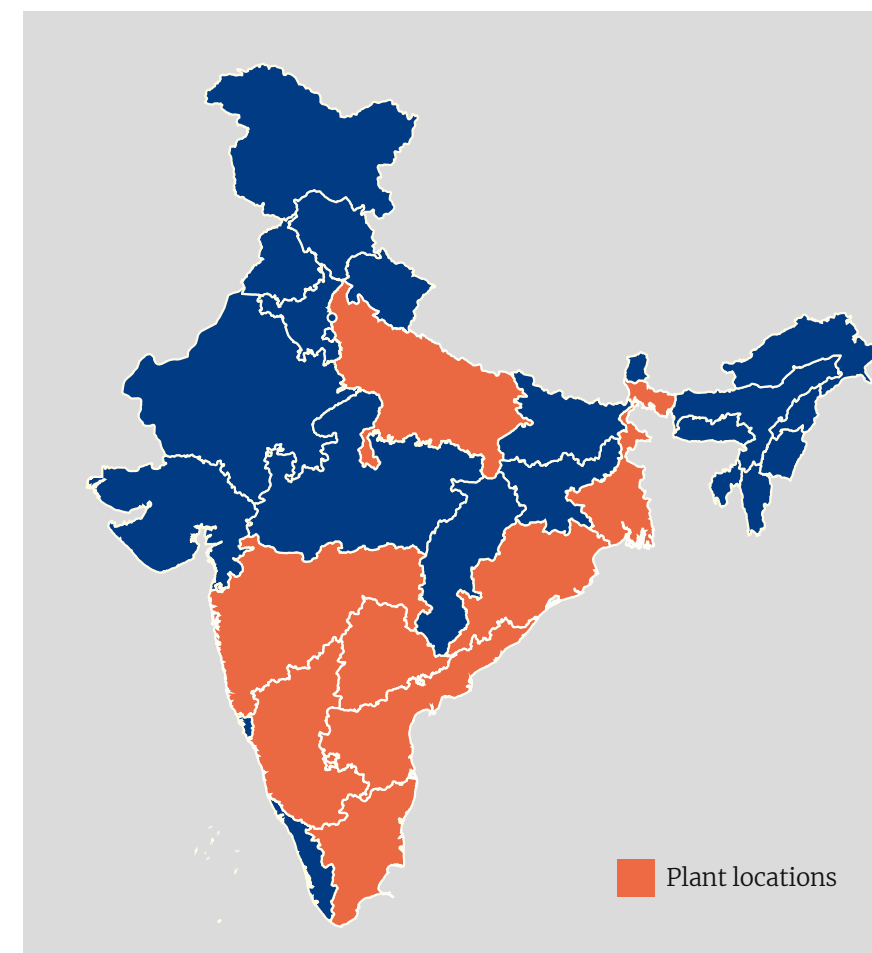
EBITDA margin (%)

2016-17

14

2017-18

18



Market share in 2017-18 (%) | 18

Number of plants | 8

Regional presence | Pan-India

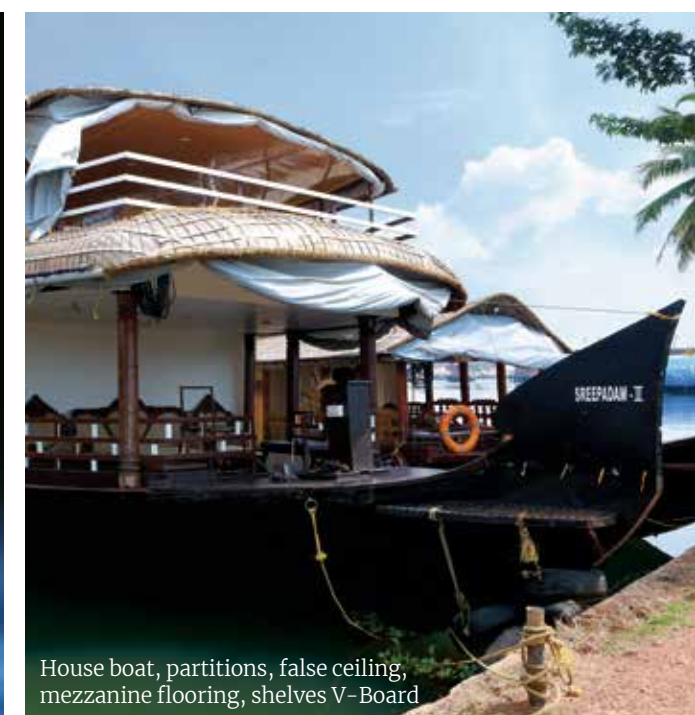
Plant locations
Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, West Bengal, Odisha, Uttar Pradesh and Maharashtra

Advantages of cement asbestos

- Thermal and sound insulation
- Durable
- Economical
- Product longevity

The GST gamechanger

The applicable GST rate on cement asbestos sheets declined from 28% to 18%, making it more competitive and affordable in a scenario wherein steel sheet prices and import levy are rising.



V-NEXT PRODUCTS, FIBRE CEMENT BOARDS AND PANELS

Overview

Fibre cement boards and panels are used across India to cover the exteriors and interiors of buildings in commercial and domestic applications. Fibre cement is a composite material comprising silica, cement and cellulose fibre. In India, there is a need for construction practices entailing the use of ‘dry construction’. This method ensures that structures are lighter, easier-to-install as well as heat- and sound-resistant. Fibre cement boards possess advantages over competing products (fire, water and termite resistance). The market for cement boards and panels is growing at a CAGR of 15% thanks to increasing awareness among contractors and carpenters. The consumption of cement boards and panels is still at a low 0.2 kilograms per person in India, indicating room for growth.

Visaka widened its portfolio by entering this segment in 2008. Visaka’s fibre cement boards and panels segment has an installed capacity of 1,20,000 tonnes per annum of V-Boards and 9,750 tonnes per annum of V-Panels. Visaka invested in a third unit (capacity 50,000 tonnes per annum in Jhajhar) for ₹100 crores. Following this, Visaka’s installed capacity will increase to 1,79,750 tonnes per annum, one

of the largest in India. The plant is located close to raw materials and key markets, saving costs and shrinking transit time. The Company possesses the highest number of design variants, a major revenue driver. Visaka’s products are exported to Saudi Arabia, UAE, Qatar, Iraq, Iran, Bahrain and Sri Lanka, among others.

The Company commissioned its V-Board business in May 2008. V-Board is a non-asbestos, autoclaved, fibre cement board manufactured using Hatschek process and High Pressure Steam Curing (HPSC) technology. V-Board is manufactured as per IS 14862-2000 norms. The product is also delivered in textured surface finishes to address modern building applications. The Company’s

V-Boards offer unmatched quality, style and durability, making it attractive for internal and external applications (false ceiling, internal walls, mezzanine flooring, partitions and doors, cupboards, shelves, wardrobes, non-movable furniture (among the others).

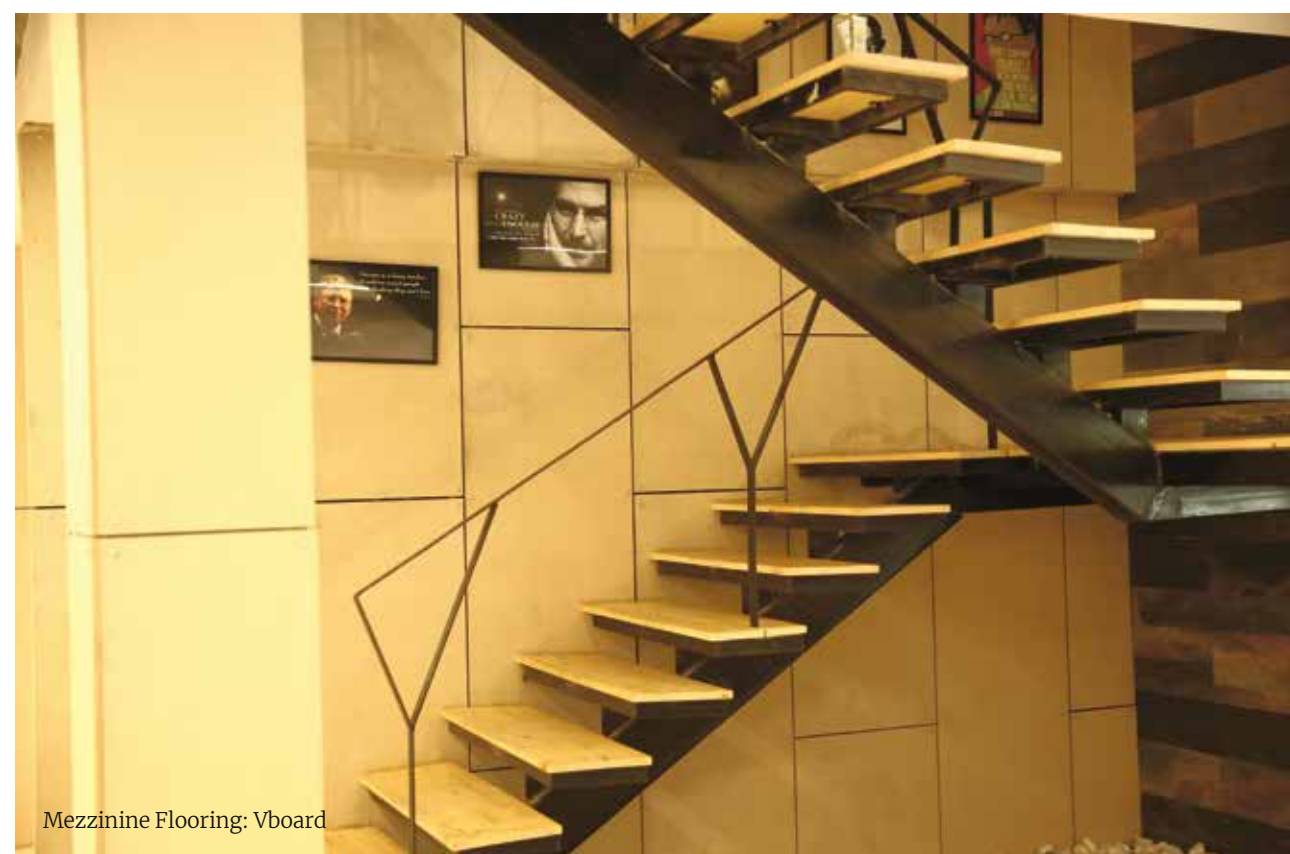
V-Boards: The production of this non-asbestos product commenced from 2008. It comprises a composite

of cellulose fibres, ordinary portland cement, fine silica, fly ash and mineral additives. 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, maintenance-free, a low erection cost, functional use by carpenters, easy transportability (rather than be mixed on site) and safety in seismic zones.

V-Panels: This non-asbestos product is ideal for use in interiors as it is created from cement, fly ash and polystyrene beads, positioned as dry wall substitute. The product ideal for disaster-prone areas, low on maintenance, enhances interior living area on account of its thinness and ideal where real estate is expensive. Its weight is lower than bricks, quicker to erect, matches wall strength and axial load. The product is preferred on account of its weight ratio and dry wall concept. It is labour-efficient as it can be erected by a few of individuals. It can be reused at different locations. The Company possesses an installed capacity of 500 panels a day, catering various customers.

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





Demand drivers

Macroeconomic factors

- Increasing awareness levels
- Faster nationwide acceptance levels
- Rising penetration in residences, hotels and hospitals
- Improving earning capacities

Company-specific factors

- Sizeable installed capacity
- Widespread presence in South, West and North India
- Ample number of dealers
- Improving capacity utilisation

Result: Enhanced offtake of fibre cement boards and panels

Result: Topline growth and improved profitability

Share of total revenues (%)

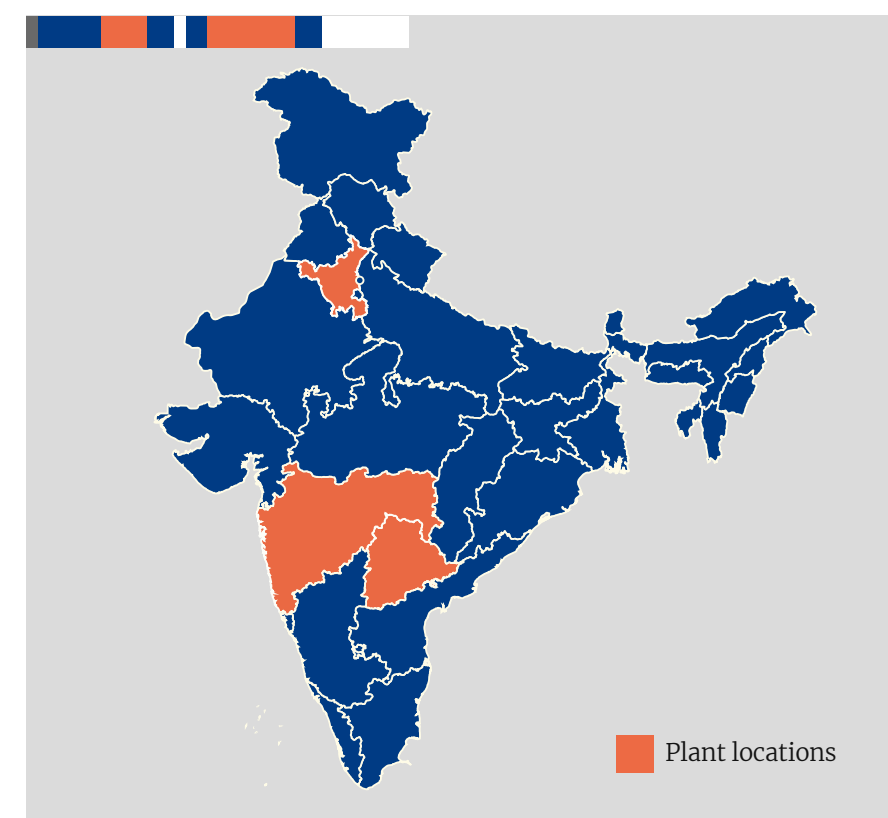
2016-17 | 2017-18
15 | **15**

Net sales revenue (crores)

2016-17 | 2017-18
140 | **152**

EBITDA margin (%)

2016-17 | 2017-18
6.8 | **7.0**



Market share in 2017-18 (%) | **26**

Number of plants | **2**

Regional presence | **Pan-India**

Plant locations

Telangana, Maharashtra and Haryana

Brands

V-Next, V-Board, V-Premium and V-Plank

Progressing towards innovation

- The Company leveraged its niche fiber cement board and panel presence to introduce products
- Our research extended us to solar roofing applications
- The Company leveraged the government thrust on renewable energy
- Visaka's ATUM emerged as India's first roof-cum-solar product

V-Next versus plywood

Parameter	V-Next	Plywood
Cost	Cheaper (by ~40%)	Costlier
Durability	15-20 years	5-10 years
Resistance to weather	Yes	No
Environment-friendly	Yes	No
Easy-to-install	Yes	Yes

The Indian fibre cement boards and panels opportunity

Segment	Low-end plywood	Medium-density fibre boards	Particle boards	Fibre cement boards and panels
Size (₹ crores)	5,400	2,000	2,000	500
Market share of organised players	0%	70%	25%	100%
CAGR growth	Flat/De-growth	20%	12%	>20%
Price (₹)	40-60 per square feet	40-60 per square feet (25,000 per cubic metre)	30-50 per square feet	18-30 per square feet



Wall Panelling: Vboard

Green Products:
V-Next products are certified as green products by the Green building council of CII.

Strengths

First-mover advantage: The Company was one of the first to enter this niche and growing fiber cement boards market. Once demand rises and the market realises its potential, Visaka would be able to grow its market share.

Distinctive product features:

Fiber cement products offer distinctive features, enhanced affordability, low maintenance cum installation costs, greater functionality, easy transportability (obviating the need for mixing onsite) and greater safety in seismic zones. The result is that these fibre cement boards have been used in prominent buildings on account of the time and resource savings on the one hand and for reasons of safety and aesthetics on the other.

Product quality: The products manufactured by Visaka possess

a uniform, factory-maintained standard quality; they accelerate construction as they are easier to transport with a better floor area.

Wide applications: Fiber cement products also enjoy a diverse set of applications such as false ceilings, partitions, mezzanine flooring, wall panelling, kitchen cabinets, wardrobes and shelves among various others.

Achievements

- Setting up a new facility at Jhajjar with a preliminary capacity of 50,000 MTPA with a scope to increase this in the future.
- Launched a new solar roofing product (ATUM), the first of its kind in India. The Company also introduced a solid load bearing wall solution (V-Infill).
- Increased awareness of V-Next products across the country through architect meets, dealer meets, contractor, builder and interior decorator

presentations, carpenter trainings, advertisements in digital and print media.

- V-Next export volumes declined by 24% in FY2017-18.
- Operating margins improved to 7% for the year ended 31st March 2018 in V-Next products.

Outlook

- Capacity expansion is expected to help the Company address demand surge (~20%)
- There is an emphasis on training application personnel of V-Next
- The Company is adding designer products to V-Next gallery.
- Visaka's installed capacity and unique product characteristics (easy-to-install, termite, fire and moisture-proof) bode well

Advantages of V-Panels

- 🔥 Fire rating 50mm – 60min
- 🔥 Fire rating 75mm – 120min
- 🚫 Asbestos-free
- 🌙 Light
- 🕒 Time-saving
- 📏 Space-saving
- ✂ Easy workability
- 🔧 Easy-to-dismantle and relocate
- ☀ Thermal insulation
- 🔊 Sound insulation
- 🌊 Water-resistant
- 🐛 Termite-resistant
- 💪 High-strength
- ♻ Eco-friendly

ATUM: OUR INNOVATIVE SOLAR ROOFING PRODUCT



ATUM factory with ATUM roof

ATUM

Key highlights	Advantage over substitute products
Longer lifespan – 10 mm roof with a density of 1,250 kg/cum	Noise free: ATUM generates no noise and minimises the effects of heat & rain compared with GV sheets
Higher efficiency – due to thermal conductivity of 0.07 W/mtK	No need of an insulation mat under the roof
Thermal insulation which reduces temperatures by 35-40%	No rust formation unlike steel sheets; product lasts more than 25 years
Innovative product first time in the country commencement of production in FY2019	Fire-resistant and electric shock-proof compared to galvalume sheets, which are dangerous and can cause shocks and electrocution
	Non-hazardous material when compared to galvalume sheets, which conduct radiation and may cause health hazards

Business segment 2

YARNS DIVISION



Overview
The Indian textile industry is estimated at USD 108 bn and projected to reach USD 223 bn by 2021. The textile sector is one of the largest contributors to India’s exports — approximately 11% of its output is exported. India’s textile exports for 2015-16 were nearly \$40 bn and expected to reach \$80 bn by 2020.

Visaka ventured into the manufacture of synthetic yarns in 1992. The Company invested in the niche value-added segment of a commodity business (polyester spun yarn synthetic double yarn from 30s to 76s counts) to insulate from threats arising from price wars with sectoral peers. Visaka invested in twin air-jet Murata spinning machines, 41 MTS machines (equivalent to 82,560 ring spindles) to manufacture qualitatively consistent yarns that were ÖEKOTEX- certified (since 2008). The Company produces yarns at a speed higher than rated recommendation. The Company widened its product range to manufacture mélange yarns, high-twist yarns and specialty yarns across blends and styles.

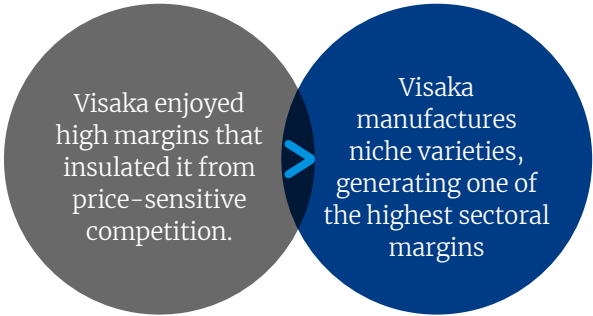
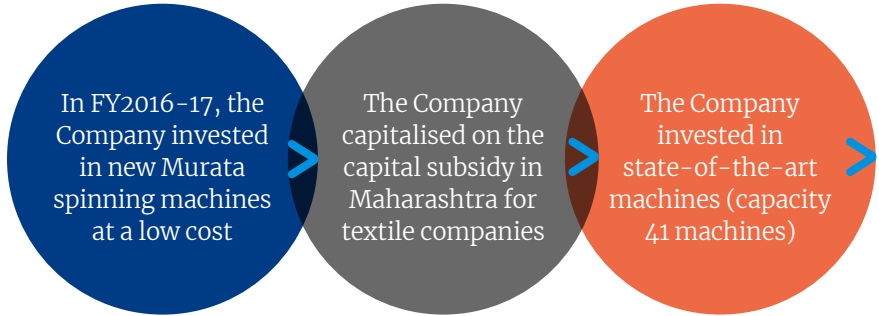
The Company’s domestic clients comprise reputed players like Grasim, Siyar-am Silk, S. Kumar Nation-wide, Shreekar Polyester, Puneet Syntex, Anand Silk, GM Knitting, DC Textiles, Kalpesh Synthetics and Raj Rajendra.

- Strengths**
- Unique products: Manufacturer of value-added yarns, strengthening realisations.
 - Quality: Yarns are marked by low piling, no singeing and excellent dye pick-up, low picks per inch, low weaving costs, low value loss/fresher piece lengths, perspiration absorption, low shrinkage, smooth appearance and cotton-touch feel.

- Challenges**
- Initially the applicable GST rate on raw materials like polyester staple fibre and finished products (polyester spun yarn) was fixed at 18%. The GST on fabrics, hitherto exempted, was fixed at 4%, which led to an inverted duty structure with repercussions for the textile value chain. Visaka continued to produce and stock inventory and



CAPITALISING ON OPPORTUNITIES



once the impact of GST was controlled, volumes increased.

Achievements

- Year-end revenues stood at ₹169 crores compared to ₹174 crores in FY2016-17
- Profitability (PBT) declined on account of

a sales slowdown in the first half of the year.

Outlook

- Operating margins are expected to reach ~13%
- Sizeable inventory should allow the Company to address demand growth



Twin air-jet spinning machines – sliver feeding view

Demand drivers

Macroeconomic factors

- India is the second-largest textile manufacturing infrastructure in the world after China.
- Textile sector revenues expected to reach USD 223 billion by FY2021
- Textile exports expected to double to USD 80 billion by 2020
- India's looms account for a 63% share of the global market

Company-specific factors

- Enhanced capacity utilisation
- Qualitative excellence
- ÖEKOTEX certification
- Marquee clients

Result: Steady demand for yarns manufactured by Visaka

Result: Improvement in topline

Percentage of total revenues in

2016-17

18

2017-18

17

Sales revenue in (crores)

2016-17

174

2017-18

169

EBITDA margin (%)

2016-17

10.5

2017-18

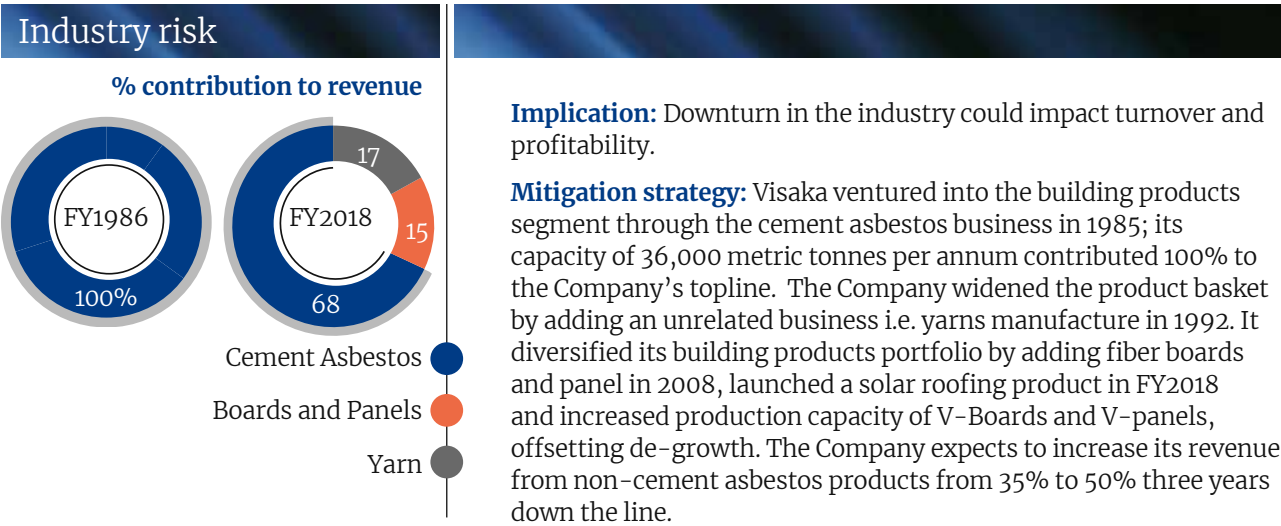
8.0

What makes Visaka's yarn division efficient

- High asset productivity
- Long-standing customer relationships
- Wide products range
- High quality

MANAGING RISKS AT VISAKA

At Visaka, we are proactively managing risks by identifying them and using the resources available to mitigate them in a way that their effect on the Company is minimal.





Boards' Report



Dear members

Your Directors are pleased to present the 36th Annual Report of the Company with Audited Financial Statement for the year ended March 31, 2018. The financial highlights are as follows:

(₹ in Lakhs)		
Particulars	2017-18	2016-17
Total Revenues	104781	106127
Profit before depreciation and Taxes	13647	10330
Profit before taxes	10164	6922
Provision for taxes (Including deferred tax)	3508	2644
Total Comprehensive Income	6456	4115
Dividend (including corporate dividend tax)*	1147	382
Balance brought forward from previous year	5761	2029
Profit available for appropriation	11071	5761

*Dividend paid during the respective years.

Performance review and the state of company's affairs

The year under review was marked by various structural reforms. The turbulence of sudden note ban coupled with indirect tax overhaul resulted to a three-year low growth rate of 5.7% in the first quarter, however, towards end of the year it had shown signs of picking up, though lower than that of last financial year.

Initial teething problems associated with the adoption of new indirect tax regime in the form of GST, other structural reforms like initiating significant steps towards resolution of NPA problems, introduction of RERA etc., together with increase in crude oil prices world over have slowed down the growth. However, growth is picking up and the rural sector is showing signs of recovery.

Your company's significant scale, broad geographical

exposure focussing on value added applications coupled with cost control measures have helped it to register a decent growth in the profits of the company during the financial year under review.

The Company's key performance indicators are as under:

- Revenue from operations decreased marginally by 1% to ₹1048 Crores from ₹1061 Crores of previous year.
- Cash Profit increased by 32% to ₹136 Crores from ₹103 Crores of previous year.
- Net Profit increased by 56% to ₹67 crores from ₹43 crores of previous year.
- The capital expenditure for 2017-18 was ₹106.00 Crores, which was principally on account of setting up new V-Boards plant at Jhajjar in Haryana and new ATUM plant at Miryalguda in Telangana state. There is no change of business during the year under review.

Your Company's shares are listed on the National Stock Exchange (NSE) and BSE Limited. Variations in the market capitalisation and price earnings ratio are provided hereunder:

(₹ in Crores except for ratio)		
Parameter	As at March 31, 2018	As at March 31, 2017
Market Capitalisation	1031.39*	430.05**
P/E ratio	15.50	10.05

*based on closing price at BSE Limited, being the higher of two exchanges

**based on closing price at National Stock Exchange of India Limited, being the higher of two exchanges

Your Company 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, 2018 and March 31, 2017 are 3247% and 1354% respectively over the price of last public offer made in the year 1991-92.

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

Global economic growth for 6 years

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

A review of the growth rates of various national economies is provided below:

The US: The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with US\$1.5 trillion worth of tax cuts stimulating investments.

Dividend

Your Directors recommend payment of Final Dividend of ₹7 (i.e. 70%) per share of ₹10/- each for the current Financial Year (previous year ₹6/- per share (i.e. 60%)). The Company is absorbing Corporate Dividend Tax of ₹228.51 Lakhs on the said Dividend.

Management Discussion and Analysis Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival in the global economy became visible. Consider the realities: Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, a good 60 bps higher than the previous year.

Crude oil prices increased in 2017, the prices at the beginning of the year bring \$54.13 per barrel, declining to a low of \$46.78 per barrel in June 2017 and closing the year at \$61.02 per barrel, the highest since 2013.

Euro zone: This region experienced the upside arising out of cheap money provided by the central bank. In 2017, Euro zone is estimated to grow 2.4% compared with 1.8% in 2016, the broad-based growth visible in all Euro-zone economies and sectors. (Source: WEO January 2018, focus economics).

China: The Chinese economy grew faster than expected in



the fourth quarter (October to December) of 2017 at 6.8%, aided by a recovery in exports. For the full year, China's growth is estimated at 6.9% which is its highest economic growth since 2010 and this growth easily beat the the nation's slowest growth of 6.7% in 2016 (weakest pace in 26 years). In 2018, China's growth is projected at 6.6%. (Source: WEO, NBS data)

Emerging Asia: Emerging Asia GDP is estimated at 6.5% in 2017. The region is being transformed by technologies and Internet, strengthening the digital economy. The region is being driven by infrastructure spending and stable economies. (Source: World Bank Global Economics Prospects)

GCC: Being highly oil dependent economies, GCC countries were affected by the oil price decline (60% since 2013), resulting in macro-economic instability that affected job creation and growth. The GDP growth across the region remained subdued at 1.8% in 2017. (Source: World Bank)

Russia: The economy appeared to have exited a two-year recession that, thanks to the authorities' effective policy response and existence of robust buffers, proved shallower than past downturns. In 2017, Russia was estimated to grow 1.9% following negative growth of 0.6% in 2016 (WEO) and a projected GDP growth of 1.8% in 2018. (Source: MOMR)

Brazil: In 2017, Brazil grew at 1.1% following a deceleration of 3.5% in 2016 boosted mainly by the agricultural sector which grew by 13%. According to IMF predictions, the nation is expected to clock a growth of 1.9% in 2018. (Source: Focus Economics, Rio Times)

Outlook

The outlook for advanced economies improved, notably for the Euro area, but in many countries inflation remained weak, indicating that slack was yet to be eliminated, and prospects for growth in GDP per capita were held back by weak productivity growth and rising old-age dependency ratios. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum and impact of tax policy changes in the US. (Source: WEO, IMF)

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy is headed

for somewhat slower growth, estimated to be 6.6% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies, and achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP.

The year under review was marked by various structural reforms by the Government and after remaining in negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to US\$ 414 billion as on January 2018. (Source: CSO, economic survey 2017-18)

Key government initiatives

Bank recapitalisation scheme: The Central Government announced capital infusion of ₹2.1 lac crore in public sector banks. The measure entailed a budgetary allocation of ₹76,000 crore by the Central Government, while the remaining amount is to be raised by the sale of recapitalisation bonds. (Source: KPMG)

Expanding road network: The Government of India announced a ₹6.9 lac crore investment outlay to construct 83,677 kilometres of road network, over a period of five years. The ambitious programme is expected to generate 14.2 crore man-day jobs for the country and boost road infrastructure. (Source: KPMG)

Improving business ecosystem: The country was ranked at the hundredth position, an improvement of 30 places in the World Bank's Ease of Doing Business 2017 report, a result of the Central Government's pro-reform agenda. In addition, Aadhaar-based identification approach could streamline the regulatory regime. (Source: KPMG)

Goods and Services Tax: The Government of India carried out a significant overhaul of the indirect tax regime and launched the GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). Post-GST implementation a 50% increase was recorded in unique indirect taxpayers. (Source: KPMG)

Foreign Direct Investment: The ability to attract large scale Foreign Direct Investment (FDI) into India has been a key driver for policy making by the Government. Foreign direct investment into India steadily increased from

approximately USD 24 billion in FY2012 to approximately USD 60 billion in FY2017, which was an all-time high.

Coal mining opened for private sector: Ending state monopoly, the government has opened coal mining to the private sector firms for commercial use. The move for energy security through assured coal supply is expected to attract major players, enhance sectoral efficiency, widen competition, increase competitiveness and induct the best technologies. (Source: The Hindu, Business Today)

Doubling farm incomes: To improve the living conditions of farmers, the government initiated a seven-point action plan to double incomes by 2022. (Source: PIB).

Outlook

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Over the medium-term, GST introduction is expected to catalyse economic activity and fiscal sustainability. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit to the private sector and spur investment. (Source: IMF, World Bank)

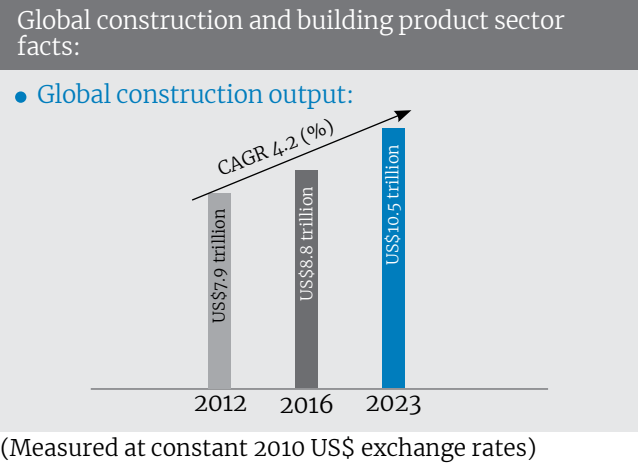
Global construction and building products industry overview

Global construction industry has been witnessing change, reflected in the growing demand for green construction products, lower carbon footprint and bridge lock-up device systems to enhance the life of structures, building information systems for efficient building management and using fiber-reinforced composites for the rehabilitation of aging structures.

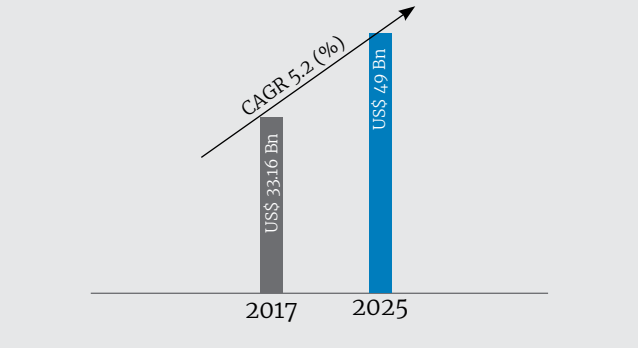
The market is primarily constituted by brick, stone, concrete and cement (including cement asbestos sheets used for roofing) in addition to wood, lumber, wood paneling and mill work products; the latest addition has been Fibre Cement Boards which can be used both in the interiors and exteriors of buildings. In the global construction industry, the residential segment is expected to remain the largest. Financing for residential construction projects is increasingly available with lower interest rates. (Sources: lucintel.com, IIFL)

Outlook

The global construction industry is forecast to grow at a CAGR of 4.2% from 2018 to 2023 and expected to reach an estimated \$10.5 trillion by 2023. The future of the global construction industry appears favorable (opportunities in residential, non-residential and infrastructure). The residential segment is expected to report above-average growth during the forecast period. The Asia-Pacific region is expected to remain the largest market due to higher expenditure on infrastructure development and affordable housing projects. (Source: www.prnewswire.com)



- Asia-Pacific will continue to account for the largest share of the global construction industry, given that it includes the large markets of China, Japan and India
- Global building products industry growth:



- Asia Pacific is the fastest growing region and will dominate the global market with an estimated market value of about US\$ 24 Bn by the end of 2025. (Source: Time Metric, www.prnewswire.com)

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



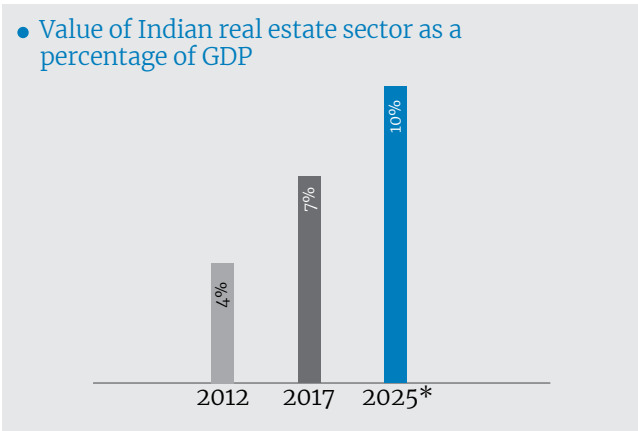
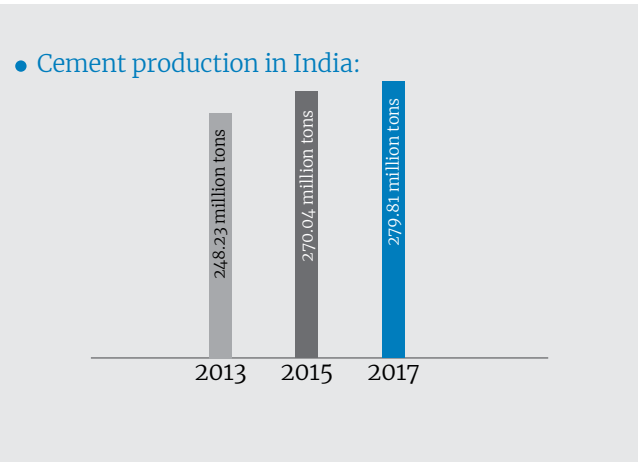
Indian construction and building products industry overview

The November 2016 demonetisation affected the Indian economy until the first quarter of 2017, moderating land prices. By April 2017, when the markets were appearing to stabilise, RERA and GST were announced in succession, which enhanced sectoral hesitation.

A segment of the Indian construction and building products industry reported healthy growth on the back of improving real estate dynamics. By 2028, India's real estate market size is expected to increase sevenfold to US\$ 853 billion from US\$ 126 billion in 2015. The shortage of houses in urban and rural India is pegged at 18.78 million and 43.6 million, respectively. 20.2 million people reside in kuccha houses in rural areas and 65 million people live in houses without pucca roofs. The Government of India targeted to provide housing for all by 2022, catalyzing the building products industry (Source: IBEF, IIFL, Business Today).

Outlook

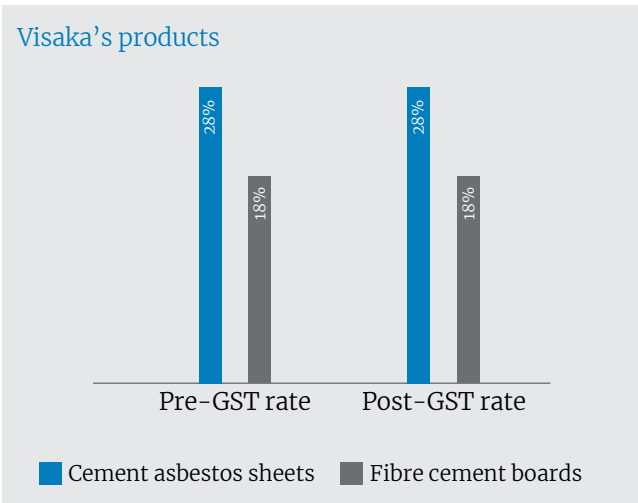
India's construction industry is expected to grow at a CAGR of 4.16% until 2021, outperforming retrospective (2012 to 2016) growth of 3.95%. Huge sums are being invested in comprehensive construction projects - major infrastructure upgrades, sweeping residential housing programmes and wholesale city building. India is facing a large housing backlog - estimates claim as many as 30 million families need homes to try and tackle the ever-expanding need for affordable housing and the government plans to build 20 million low cost units by 2022. (Source: Timetric)



*estimated
(Source: www.prnewswire.com)

The impact of GST on the building materials sector

Unorganised players in the building material segment are largely non-tax compliant, resulting in a significant price gap between organised and unorganised players. For the past five years, the building material segment grew at 12% CAGR versus 10% for the industry. The reduction in GST rate 10% is likely to bridge the price gap and accelerate consumption shift from the unorganised to organised segment and stronger preference for branded products. (Source: IIFL)



Governmental initiatives

Pradhan Mantri Awas Yojana (PMAY): The government, under Pradhan Mantri Awas Yojana (PMAY), an affordable housing initiative, has plans to provide homes to 20mn households in urban India and nearly 30mn in rural India. There is a shortage of about 60mn housing units currently

— 20mn in urban areas and 40mn in rural areas. (Source: thehindubusinessline)

Government's focus on doubling farmers' income by 2022: Farmers' household income has doubled every seven years in nominal terms, so the government's target appears optimistic. Higher rural incomes will boost discretionary spending, thereby spurring stronger growth in the country. It is envisaged that rising income levels will spur housing demand. Being cost effective, cement asbestos sheets are expected to be the first alternative change choice and should pick up first with rural housing demand. (Source: Budget, 2018)

Budget allocation: In the Annual Budget 2018-19, the Government announced it would create a dedicated 'Affordable Housing Fund' in collaboration with the National Housing Bank (NHB), another step towards its 'Housing for All' ambition by 2022. (Source: Economic Times)

National Health Protection Scheme: In the 2018 Union Budget, the Finance Minister presented the National Health Protection Scheme which aims to cover over 10 crore poor and vulnerable families (or around 50 crore people). Under this program healthcare and wellness infrastructure worth Rs. 1200 crore would be needed for treatment of non-communicable diseases and to provide maternal, child health and diagnostic services. (Source: TOI)

SWOT analysis / Building products and construction industry

Strengths

- High demand of commercial buildings and private sector housing
- Governmental push on the nation's infrastructure sector
- Easy availability of raw materials
- Availability of low-cost labor
- Increased inflow of FDI

Weaknesses

- High logistics costs between service providers and customers
- Labor up-skilling
- High competition
- Lack of defined efficient and defined operating procedures
- The need for large capital

Opportunities

- Stable growth of the private housing sector
- Opportunities for PPP projects
- Increasing disposable incomes
- Ease in loan availability
- The sector provides numerous employment opportunities
- Reducing rural inflation

Threats

- Safety issues
- Natural calamities

Visaka's standpoint

Visaka's building products business manufactures two products – cement asbestos sheets and fibre cement boards (V-Boards and V-Panels).

- **Cement asbestos sheets:** There was a 2% growth in the volumes of the Company's cement asbestos products in FY18. Cement asbestos sheets contributed to the Company's overall revenues by 68%. Margins also improved significantly by 400 basis points in the year under review. With increasing government focus on housing and bettering rural infrastructure by promoting pucca roofing, the cement asbestos division is expected to do well in the foreseeable future.
- **Fiber cement boards & panels (V-Next products):** The Company's fiber cement products business (V-Next products) achieved an 8 % growth in volumes in FY18 backed by a robust domestic growth of 14 %. The contribution of fiber cement boards & Panels to the Company's overall revenues was 15 %. The products from this division are currently only for the urban markets. With increasing awareness, the market for these products is expected to expand and have a wider outreach in the coming years.
- **ATUM:** The Company has launched a new solar roofing product called ATUM which is a first of its kind in the nation. It is eco-friendly, energy efficient and energy generating roof. The Company conducted pilot projects for this product in FY18. Full-fledged production is expected to commence in FY19.

Indian cement asbestos sector overview

Cement asbestos roofing sheets have been in use for 80



years in India, representing a convenient roofing product in rural and suburban India. 50% of the country’s rural population lives in kuccha or semi-pucca dwellings wherein this product represents a convenient fit due to its wide availability and low costs.

The roofing industry was valued at ₹42,000 crore in 2017-18, expected to grow 6-8% based on GDP growth, rural incomes and abundant monsoons. The reduction in GST rate for roofing products from 28% to 18% has made cement asbestos sheets price-competitive compared to metal sheets still at the pre-GST level of 18%.

In India, almost 60% of rural folk use thatched roof/tiles for shelters. Since thatched roofs need regular replacement and tiled roofs need continued maintenance, whenever economic conditions improve, the preferred rural choice is to replace the existing roof with affordable and durable products i.e. cement asbestos sheets.

Outlook

With better monsoons, a decline in rural inflation and declining competition from the colour-coated steel sheets, following an increase in steel prices, reduction in the GST rate from 28% to 18%, the demand for cement asbestos sheets is expected to increase.

Properties such as fire-resistance, insulation against heat and sound, rust-proof, life of over 50 years and resistance to wear and tear (over plastic and steel) are expected to catalyze the off-take of cement asbestos sheets.

- Over 85% of asbestos production is used to manufacture products in Asia and Eastern Europe
- Top users of cement asbestos today include:
 - China
 - Russia
 - India
 - Kazakhstan
 - Brazil
- Size of the cement asbestos sheets industry in India is about 4 Million Tonnes.

SWOT analysis of the cement asbestos industry

Strengths

- Low cost
- Low maintenance

- Long-lasting products
- Fire and water-resistant
- Rust-Proof

Weaknesses

- Highly fragmented
- Low-value commodity

Opportunities

- Increasing demand for housing
- Increased governmental thrust upon low-cost housing
- Improvement in economic conditions in rural India
- Improved competitiveness--reduction in taxation from 28% to 18%

Threats

- Lack of entry barriers

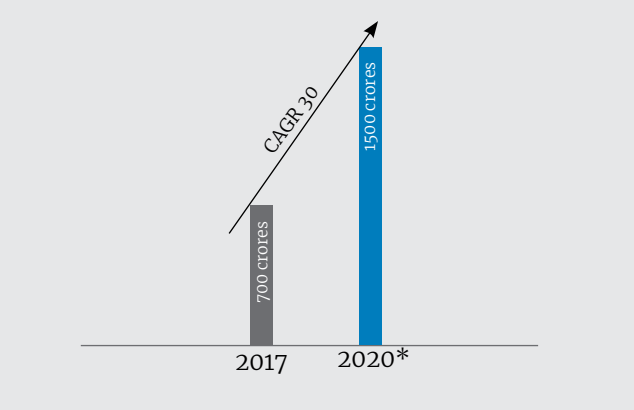
Fibre cement boards and panels (V-Next products)

Fibre cement boards and panels enjoy advantages of dry construction products in their water resistance, termite resistance, acoustic and thermal insulation and diversified use. This is driving penetration in the Commercial, iIndustrial and residential segment (particularly wet areas), hotels and hospitals, colleges, auditoriums

There are six industry players producing similar products with an annual capacity of 5, 00,000 metric tonnes (92% of total industry). However, consumption of fibre cement boards is still low at 0.2 kilograms per person in India. The market was valued at Rs. 700 crore in FY17 and expected to reach Rs. 1,500 crore by FY 20. Sandwich panels are being preferred in use as partition material. The ‘reinforced building board sandwiched panels’ comprises two fibre-reinforced cement sheets enclosing a lightweight core and are cheaper compared to masonry /wood partitions, easier to fix and taking lower installation time.

Panels: Sandwich Panels are increasingly used 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 in the factory and ready to use. These panels are cheaper compared to masonry partitions / wood partitions and easy to fix and take lower installation time.

• Growth of the Indian market of fiber cement boards:



*estimated

Australia	Thailand	USA	Vietnam	Indonesia	India
12.5	5	3.4	1.1	0.6	0.2

SWOT analysis of fibre cement boards and panels industry

Strengths

- Low-cost labour
- Low maintenance
- Fire, Water & Termite Resistant
- Quick installation
- Minimal competition
- Eco-Friendly green products
- High acoustic and thermal insulation properties
- Very good premium aesthetic appeal

Weaknesses

- Workability
- Slightly heavier
- Higher labour cost

Opportunities

- Rising need for housing facilities and warehouses
- High demand for shorter on-site labour cycles
- Rising urbanisation
- Improvement in rural demand
- Need for more office space
- Increase in the number of hotels, hospitals, colleges, auditoriums

Threats

- None perceived currently

Outlook

Fiber cement boards and panels are a substitute for plywood, gypsum boards and masonry. The size of the plywood industry is estimated at ₹18,000 crore out of which ₹5,400 crore is the size of the low-end plywood segment (100% unorganised). This is in addition to the vast size of gypsum board and conventional brick and mortar construction. These offer a good replacement opportunity for fibre cement boards.

Currently these boards are used only in metro cities and government projects but if worked well, there could be sizeable demand in tier II and III cities in the next few years. Due to the superior finishing and large variety of fibre cement products, their demand is slowly increasing. The market for fiber cement boards and panels is growing at a CAGR of 15% y-o-y. Growth is likely to be sustained/increase on account of increasing adoption in a variety of applications.

Global textiles industry overview

The value of the global textile market was \$667.5 billion in 2015 (83.1% fabrics and 16.9% yarns), up 1.5% over a year. The global textile mills market is forecast to reach \$842.6 billion in value in 2020, an increase of 26.2% since 2015. China, India, Pakistan, Indonesia and Thailand are among leaders by installed capacity. [Source: shenglufashion.com, indiainfoline.com]

Indian textiles industry overview

The Indian textile industry was US\$ 150 billion in July 2017. Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021 from US\$ 36.66 billion in FY17. India’s textiles industry contributes 10 per cent to the manufacturing production of India, account for 2 per cent of India’s GDP and employing more than 45 million people. The sector contributes 13 per cent to the export earnings of India. India is the second largest global producer of man-made fibre and filament with production of around 211 million kg in 2016-17 .The central government plans to launch a new textile policy to achieve US\$ 300 billion textile exports by 2024-25 and create an additional 35 million jobs. [Source: IBEF]



Outlook

The Indian textile industry is projected to reach US\$ 250 billion by 2019. India has the youngest population in the world with more than half below 35years, catalyzing textile demand growth.

Man-made yarns

The sector saw almost 9% per annum growth in the domestic market but exports stagnated during the last couple of years. Accumulated credit under GST from raw materials and capital goods investments affected industry growth. Though the production cost for man-made fibres sector was lower compared to China, India was not competitive due to taxes. The domestic man-made fiber industry mainly comprises of two components i.e., polyester and viscose, which together accounts for about 94% (in volume terms). Under this, polyester accounts for about 83% while viscose accounts for the remaining share.

India can potentially capture the international textile space vacated by China by focusing on man-made fibres. Synthetic textiles made from man-made fibres account for 70% of the world textile supply.

The domestic man-made yarn industry is on a revival path and is expected to improve going forward. With a downward revision of GST rates from 18% to 12% and an increase in import duties on various synthetic yarns and fibres, the domestic industry is expected to remain competitive vis-à-vis global players. (Source: fashionatingworld.com, CARE Ratings)

Outlook: The global share of man-made fibers is expected to grow further as the world cotton production is almost nearing its physical maximum and the MMF industry is expected to fulfill the incremental demand. In India as well, limited area under cultivation and erratic rain affects the cotton availability. Further the demand for man-made fibers from the technical textiles and home textile segment are expected to be major industry drivers.

The GST impact

The GST regime ushered several firsts. Cotton fibre, yarn and fabric which were not taxed, attracted 5% GST. Though silk and jute remained at 0%, synthetic fibre yarn was taxed at 18%. The high rates announced for yarn at 18% could lead to increased input costs, affecting the textile value chain. Hence GST tariff rate on synthetic yarn such as nylon, polyester, acrylic, etc. was reduced from

18% to 12% in October 2018. [Source: Outlook, Citi India]

Budgetary provisions benefiting India’s textile sector

Initiative: Allocated ₹7,148 crore for the textiles sector.

Probable implication: Will promote exports and production in the labor-intensive sector.

Initiative: Allocated ₹2,300 crore under Technology Up-gradation Fund Scheme (TUFS).

Probable implication: Encourage players to undertake capacity expansion.

Initiative: Allocated ₹2,163.85 crore under Remission of State Levies (ROSL).

Probable implication: Will allow made-ups and apparel export backlog to be cleared; will release working capital.

Initiative: Proposed to channelise 12% of the new employees’ wages towards EPF over three years, extend fixed term employment and reduce women employees’ contribution to 8% for the first three years from 12% to increase their take home salaries.

Probable implication: Likely to boost hiring in the apparels segment; attract more women into the textile industry workforce.

Initiative: Allocated ₹87.15 crore towards schemes for power loom units.

Probable implication: Should decentralise power loom industry across various clusters.

Initiative: Develop a national logistics portal as a single window online marketplace to link stakeholders.

Probable implication: Simplify marketing problems faced by MSME exporters; reduce transaction costs.

Visaka’s standpoint

Visaka manufactures niche, value added cotton touch air-jet spun polyester yarns and its products have among the highest margins in the synthetic yarn industry. Sales growth slowed for the Visaka’s yarn business in the first half of FY18 due to GST. The Company took a strategic decision to continue with the production which benefitted the Company when the sales growth picked up in the later part of FY18. The uniqueness and the superior quality of Visaka’s yarns helped the Company maintain steady revenues in FY18.

Operational performance

Building products: The net turnover of the Company from building products division improved to ₹829 crore in FY18 as compared to ₹777 crore in FY17 following improvement in the demand for V-Next products.

Yarns: The yarns division clocked a turnover of ₹169 crore in FY2017-18 as compared to ₹174 crore in FY2016-17 due to effects of inverted rate structure under GST in the initial 6 months of implementation. This was since corrected by reducing the rate on yarns from 18% to 12% and situation is getting normalized.

Financial overview

Sales and other income

Revenue during the year stood at ₹1017 crore, increased by 5 % as compared to ₹966 crore in FY17. The growth in sales was primarily driven by a surge in demand.

Interest and finance costs

The Company saw net interest and finance costs decrease by 7 % during the year due to better cashflow management and effective negotiation of interest rates.

Profit before tax

The Company registered a profit before tax of ₹101.64 crore compared to ₹69.22 crore in the previous year an increase of 47%.

Profit after tax

The Company registered a profit after tax of ₹66.56 crore compared to ₹42.78 crore in the previous year, an increase of 56%.

Key ratios		
Particulars	2017-18	2016-17
EBIDTA/Turnover (%)	15.51	12.93
EBIDTA/Net interest ratio	8.50	6.30
Debt-equity ratio	0.63	0.64
Return on equity (%)	14.93	10.90
Book value per share (₹)	281.00	247.00
Earnings per share (₹)	41.91	26.94

Human resources and industrial relations

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. As on 31st March 2018 the Company’s employee strength stood at about 4000.

Internal control systems and their adequacy

The Company’s internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Cautionary statement

The management discussion and analysis report containing your Company’s objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operation include raw material availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

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Fixed Deposits

During the year under review, your Company has accepted ₹3.05 Crores as additional deposits from the public and shareholders thus making the outstanding as on March 31, 2018 to ₹16.20 Crores.

In this regard, it is further stated that:

- a) there were no deposits lying unpaid or unclaimed at the end of the year i.e. 31.03.2018;
- b) There has been no default in repayment of deposits or payment of interest thereon during the year;
- c) There are no deposits lying with the Company which are not in compliance with the requirements of Chapter V of the Companies Act 2013 (Act) and
- d) As provided under the Act the outstanding deposits accepted under the provisions of previous Act have been repaid and squared off, fully.

Unclaimed Dividend and Shares

Your company, in compliance with provisions of Section 125 of the Companies Act, 2013 together with relevant applicable rules and circulars issued thereunder from time to time by the Ministry of Corporate Affairs, New Delhi, transferred 1,04,861 shares in respect of which no claim of dividend has been made continuously for the seven years preceding 07.09.2016 (later extended upto 31.10.2017) to the IEPF Authority.

In terms of the aforesaid provisions, consequent to expiry of 7 years period:

- a) unclaimed amounts pertaining to Final Dividend declared for the year 2009–10 and Interim Dividend declared in the year 2010–11 transferred to IEPF during the financial year under review and
- b) unclaimed amount pertaining to Final Dividend for the Year 2010–11 together with shares, if any, will be transferred to the said fund on or before August 29, 2018.

Banks and Financial Institutions

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

Corporate social responsibility

Your Company, as a responsible Corporate Citizen established Visaka Charitable Trust in the year 2000, a non-profit entity, to support initiatives that benefit the society at large. The Trust had been already undertaking various activities like provision of drinking water by digging bore wells, construction of irrigation tanks in remote villages, building of Class Rooms in Schools and Colleges, reimbursement of salaries of teachers and supply of class room furniture and conducting health camps.

Keeping in view the above, your Board, thought it appropriate to spend CSR expenditure as mandated under Section 135 of the Companies Act, 2013 either in part or full through the same trust i.e., Visaka Charitable Trust, objectives of which entail it to undertake the CSR activities as contemplated under Schedule VII of the Companies Act, 2013.

A report on CSR activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed as Annexure – 1. Your Board undertakes to spend the amount towards the aforesaid identified CSR activities through the trust as per the CSR policy of the Company. CSR policy of the Company may be accessed on the Company's website at the link: www.visaka.co.

Directors and Key Managerial Personnel

Your board with profound grief takes note of sudden demise of Shri Nagam Krishna Rao, Director on 25.05.2017. Shri P.Abraham, resigned as a director of the company effective from 11.11.2017 due to his pre-occupations. The Board places on record its appreciation for the valuable contributions made by them during their association as directors of the company.

In pursuance of Article 130(e) of Articles of Association of the Company, Shri J.P.Rao, Whole-time Director is liable to retire by rotation at the ensuing annual general meeting and being eligible, offers himself for reappointment.

All the Independent Directors have given declarations stating that for the financial year 2018-19, they meet the criteria of independence as contemplated under Section 149(6) read with Schedule IV to the Act as well as SEBI Listing Regulations 2015 and the same was taken on record by the Board in its meeting held on May 7, 2018.

Shri J.P.Rao has been reappointed as Whole-time Director of the company effective from May 7, 2018 i.e., from the expiry of his present term of office, up to 20.05.2021. The said appointment is subject to your approval at the ensuing annual general meeting.

Directors' Responsibility Statement

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

- a. in the preparation of the annual accounts for the year ended March 31, 2018, 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;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls in the company that are adequate and are operating effectively.
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Corporate Governance

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

Auditors and auditors' report

Statutory Audit:

In terms of provisions of the Companies Act, 2013 to meet the requirements of rotation of auditors in the last Annual General Meeting M/s. Price Waterhouse & Co., Chartered

Accountants LLP (FRN 304026E/E300009), Hyderabad, were appointed as statutory auditors of the company in the place of M/s. M. Anandam & Company, to hold the office till the conclusion of 40th Annual General Meeting to be held in the year 2023 subject to your ratification at every Annual General Meeting. The statutory auditors have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for reappointment.

You are aware that in terms of interim orders of the Securities Exchange Board of India's (SEBI) dated January 10, 2018, Price Waterhouse network Audit firms were restricted to undertake statutory audit and other related certification work for listed companies and intermediaries registered with SEBI for a period of 2 years including imposition of a financial penalty. However, SEBI has clarified that said order will not impact audit assignments of financial year 2017-18. PW network firms have preferred an appeal against the said orders before the Hon'ble Securities Appellate Tribunal (SAT) and Hon'ble Tribunal granted partial relief to PW network firms, allowing them to audit their existing clients till March 31, 2019 or until a new bench is formed, whichever is earlier.

In terms of the said partial relief granted to PW network audit firms, your board after considering recommendations of Audit Committee, incorporated a suitable resolution recommending the ratification of appointment of M/s. Price Waterhouse & Co., Chartered Accountants LLP (FRN 304026E/E300009), Hyderabad as statutory auditors for the financial year 2018-19, subject to outcome of SAT's order, in the notice calling ensuing annual general meeting of the company for your consideration and in the eventuality that SAT passes order in the aforesaid matter, the same shall be complied with.

Cost Audit:

In terms of the Companies (Cost Records and Audit) Rules, 2014, under Companies Act, 2013, M/s. Sagar & Associates, Cost Accountants, Hyderabad were appointed as Cost Accountants of the Company for conducting the Cost Audit of Building Products Division as well as Textiles Products Division for the financial year 2017-18 at a remuneration of ₹1,50,000/- (exclusive of out of pocket expenses and applicable taxes) and the same was ratified by you at the 35th Annual General Meeting of the Company.

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Further, the Board after considering the recommendations of its Audit Committee, appointed the aforesaid firm as cost auditors for the financial year 2018-19 and appropriate resolutions in this connection seeking your approval, has been included in the notice calling ensuing Annual General Meeting of the Company. Cost audit report for the financial year ended March 31, 2017 was filed with the Central Government on September 9, 2017.

Secretarial Audit:

Your Board has appointed M/s Tumuluru & Co., Practicing Company Secretaries, Hyderabad as Secretarial Auditors for the financial year 2017-18 and Secretarial Audit Report for the Financial Year ended March 31, 2018 is enclosed as Annexure-2.

Criteria for identification, appointment, remuneration and evaluation of performane of directors

Your Company constituted Nomination and Remuneration Committee (hereinafter referred to as “the Committee”), to oversee, inter-alia, matters relating to:

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

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

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

Formal annual evaluation made by the board of its own performance and of its committees and individual directors

Your Company believes that it is the collective effectiveness of the Board that impacts Company’s performance and thus, the primary evaluation platform is that of collective performance of the Board.

The parameters for Board performance evaluation, as laid under evaluation criteria adopted by the company, have been derived from the Board’s core role of trusteeship to protect and enhance shareholder value as well as fulfil expectations of other stakeholders through strategic supervision of the Company.

The said criteria also contemplate evaluation of Directors based on their performance as directors apart from their specific role as independent, non-executive and executive directors as mentioned below:

- a. Executive Directors, being evaluated as Directors as mentioned above, will also be evaluated based on targets / Criteria given to executive Directors by the board from time to time as well as terms of their 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 specify 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 2017-18 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 investments and inter corporate deposits made by the Company, are given in the notes to the Financial Statements (Please refer Note Nos. 5 and 11). During the year under review, your Company did not give any other loans or guarantees, provide any security or made any Investments as covered under Section 186 of the Companies Act, 2013, other than as disclosed above.

Related party Transactions

Related party transactions entered during the financial year under review are disclosed in Notes to the Financial Statements of the company for the financial year ended March 31, 2018. These transactions entered were at an arm’s length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company’s Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the note on the aforesaid related party transactions is enclosed as Annexure-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 under investor relations/listing compliances tab at www.visaka.co

Risk Management Framework

As a diversified enterprise, your Company believes that, periodic review of various risks which have a bearing on the business and operations is vital to proactively manage uncertainty and changes in the internal and external environment so that it can limit negative impacts and capitalize on opportunities.

Risk management framework enables a systematic approach to risk identification, leverage on any opportunities and provides strategies to manage, transfer and avoid or minimize the impact of the risks and helps to ensure sustainable business growth with stability of affairs and operations of the Company.

Keeping the above in view, your Company’s risk management is embedded in the business processes. As a part of review of business and operations, your Board with the help of the management periodically reviews various risks associated with the business and products of the Company and considers appropriate risk mitigation

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

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

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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 Meeting

Five meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance on page no. 86 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 under investor relations/ listing compliances tab at www.visaka.co

Remuneration of Directors, Key Managerial Personnel and 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 as Annexure-7. In terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in said rules forms part of the annual report. Considering the first proviso to Section 136(1) of the Companies Act, 2013 this annual report, excluding the aforesaid information, is being sent

to the shareholders of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

General:

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

- i. Issue of equity shares with differential rights as to dividend, voting or otherwise;
- ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- iii. The Company did not have any subsidiaries and hence receipt of remuneration from such companies by directors did not arise.
- iv. No significant or material orders were passed by any Regulator or Court or Tribunal which impacts the going concern status and Company’s operations in future.

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

Acknowledgements:

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

On behalf of the Board of Directors

Date: May 7, 2018
Place: Secunderabad

BHAGIRAT B. MERCHANT
Chairman

ANNEXURE – 1

Report on CSR activities for the financial year ended March 31, 2018

1. A brief outline of the Company’s CSR policy, including overview of Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Your company as a responsible corporate entity framed CSR policy as stipulated by the Companies Act, 2013 to undertake all or any of the objectives contained in Schedule VII.

Your company intends to actively contribute to the social and economic development of the communities in which it operate by participating actively in building a better, sustainable way of life for the weaker sections of society and raise the country’s human development index.

The CSR Policy may be accessed on the Company’s website at the link: <http://www.visaka.co>.

2. The Composition of CSR Committee:

The CSR Committee comprises Directors namely Shri Gusti J. Noria (Chairman), Shri V.Pattabhi, Dr.G.Vivekanand, Smt. G. Saroja Vivekanand and Shri J.P.Rao as other members.

3. Average net profits of the Company for last three financial years: ₹52.90 crores.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹105.80 lakhs.

5. Details of CSR spent during the financial year:
a) Total amount to be spent for the financial year 2017-18: ₹105.80 Lakhs.
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 Program-wise	Amount spent on the Projects or Program-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	Amount contributed / spent on CSR activities in backward districts of Telangana state and in the vicinities of factories of the Company			₹101.71 Lakhs	Directly by the Company itself
2	Construction of irrigation tanks	Clause X of Schedule VII				₹252.82 Lakhs	Visaka Charitable Trust
3	Building of class rooms and toilets in schools and colleges	Clause II of Schedule VII					
4	Supply of class room furniture and payment of teacher salaries						
5	Conducting health camps	Clause I of Schedule VII					
6	Sports	Clause VII of Schedule VII					

Note: Actual amount spent by the Company during FY2017-18 was ₹109.42 Lakhs as against prescribed amount of ₹105.80 Lakhs.



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

Not Applicable
7. A responsibility Statement of the CSR Committee that the implementation and monitoring of CSR policy is

in compliance with CSR objectives and Policy of the Company:
“The 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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014.)

To,
The Members,
Visaka Industries Limited
Visaka Towers, 1-8-303/69/3,
S.P.Road, SECUNDERABAD – 500 003

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of

secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of :

a) Foreign Direct Investment (Not Applicable during the Audit Period)

b Overseas Direct Investment; (Not Applicable during the Audit Period)

c) External Commercial Borrowings (Not Applicable during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable during the Audit Period);

d. The Securities and Exchange Board of India (Share Based Benefits) Regulations, 2014; (not applicable during the Audit Period);

e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; (not applicable during the Audit Period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the Audit Period) and;

h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (not applicable during the Audit Period);
- vi. We further report that having regard to the

compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) Hank Yarn Packaging Obligation – Hank Yarn Packing Notification issued by the Textile Commissioner, Mumbai dated 17th April, 2003

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards as mentioned above.

We further report that –

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act:

(ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

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We further report that during the audit period: Corporate Social Responsibility: 2% of the average net profits for three preceding financial years worked out to ₹105.80 Lakhs and incurred an amount of ₹105.80 Lakhs, out of which ₹21.16 Lakhs was spent

by the Company on the activities covered in Schedule VII of Section 135 of the Act, and the balance ₹84.64 Lakhs is transferred to Visaka Charitable Trust carrying the activities envisaged under schedule VII of Section 135 of the Act.

For **Tumuluru & Company.,**
Company Secretaries

Tumuluru Krishna Murty
Partner
FCS. NO. : 142
C. P. No. : 1293

Place : Secunderabad
Date : May 7, 2018

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

Annexure A’

To,
The Members,
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.

For **Tumuluru & Company.,**
Company Secretaries

Place : Secunderabad
Date : May 7, 2018
Tumuluru Krishna Murty
Partner
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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) constituted a Board level committee titled “Nomination and Remuneration Committee” (herein after referred as the Committee to oversee, inter-alia, matters relating to:

- a) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- b) formulate the criteria for determining qualifications, positive attributes and independence of a director;
- c) recommend to the Board a policy relating to the remuneration 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations).

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

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

- i. Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, ability to bring exercise of independent judgment and judicious thinking, qualification, expertise as strategist, eminence in his field of expertise.
- ii. Possessing appropriate skills, experience and knowledge in one or more fields of Business including International Business, Strategy and Expansion, Engineering, Medicine, finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to preferably the company’s business.
- iii. Non-disqualified under the applicable provisions of Companies Act, 2013, rules made thereunder,



- Listing Regulations 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 Listing Regulations, including any amendments made thereof from time to time.

Additional Responsibility of the Board:

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

Term / Tenure, Continuity and Renewal:

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

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

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

Matters pertaining to Remuneration:

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

General:

- 1) The Company's remuneration policy, in general,

- is driven by the success and performance of the individual employee as well as his expertise in critical areas of operations of the Company.
- 2) The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval and while recommending such remuneration, the Committee will consider, inter-alia, whether
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person of the quality required to run the company successfully;
 - b. The remuneration is comparable and in proportion to the accepted industry standards;
 - c. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - d. To the extent possible, such remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- 3) The remuneration / compensation / commission etc. so recommended shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 4) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Directors.
- 5) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- 6) Loans, advances and other similar kind of benefits to KMPs, Senior Management Personnel are governed under Company's relevant policies as applicable to all the employees of the Company read with relevant provisions of all applicable laws in that connection.

Remuneration to Executive Directors, KMP and Senior Management Personnel:

a) Fixed pay:

The Executive Directors and 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 and Joint Managing Director is eligible for 2.5% of net profits of the Company, 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

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trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

a) Sitting Fee:

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

b) Commission:

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

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 Listing Regulations 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) Part D of Schedule II of Listing Regulations stipulates that the Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors and
- e) Proviso to Regulation 17(10) of Listing Regulations 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, role, 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.

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ANNEXURE – 4

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED 31.03.2018
Form No. MGT-9

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L52520TG1981PLC003072
ii)	Registration Date [DDMMYY]	18.06.1981
iii)	Name of the Company	Visaka Industries Limited
iv)	Category / Sub Category of the Company	Limited by shares
v)	Address of the Registered Office and contact Details	Survey No. 315, Yelumala Village, R.C. Puram Mandal, Sangareddy District, Telangana, 502300 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 Karvy Selenium Tower B, Plot No.31-32, Gachibowli Financial District, Nanakramguda Hyderabad - 500 032 Ph : +91 040 6716 1770 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	68
2	Textiles	13114	17
3.	Fibre Cement Flat Board Products	23959	15

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE
Not Applicable			

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

i) Category wise Share Holding:

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6545368	-	6545368	41.22	6555273	-	6555273	41.28	0.06
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	6545368	-	6545368	41.22	6555273	-	6555273	41.28	0.06
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	2118	2118	0.01	110000	1072	111072	0.70	0.69
b) Banks / FI	36314	3350	39664	0.25	18153	3350	21503	0.13	(0.12)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	569710	-	569710	3.59	1001235	-	1001235	6.30	2.71
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	606024	5468	611492	3.85	1129388	4422	1133810	7.14	3.28
2. Non-Institutions									
a) Bodies Corp.	2272474	15110	2287584	14.40	2182074	13160	2195234	13.82	(0.58)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
* i) Individual shareholders holding nominal share capital upto ₹2 lakh	4051943	457393	4509336	28.39	3568991	335515	3904506	24.59	(3.80)
** ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1692913	-	1692913	10.66	1671805	-	1671805	10.53	(0.13)



Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify) – NBFCs Registered with RBI	20100	–	20100	0.13	55665	–	55665	0.35	0.22
Non-Resident Indians	153975	1170	155145	0.98	222824	1170	223994	1.41	0.43
Overseas Corporate Bodies	–	–	–	–	–	–	–	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Clearing Members	59009	–	59009	0.37	35799	–	35799	0.23	(0.14)
Trusts	5	–	5	–	5	–	5	–	–
Foreign Bodies – D R	–	–	–	–	–	–	–	–	–
I E P F	–	–	–	–	104861	–	104861	0.66	0.66
Sub-total (B)(2):-	8250419	473673	8724092	54.93	7842024	349845	8191869	51.58	(3.34)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8856443	479141	9335584	58.78	8971412	354267	9325679	58.72	(0.06)
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	15401811	479141	15880952	100.00	15526685	354267	15880952	100.00	–

ii) Shareholding of Promoter:

SN	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Share holding at the end of the year 31.03.2018			% 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	5774366	36.36	–	5776071	36.37	1.89	0.01
2	Smt. G Saroja Vivekanand	194139	1.22	–	194139	1.22	–	–
3	Shri G. Vamsi Krishna	8730	0.06	–	8730	0.06	–	–
4	Arudra Roofing Pvt. Ltd.	568133	3.58	–	568133	3.58	–	–
5	G.Vritika	–	–	–	4000	0.025	–	0.025
6	G.Vaishnavi	–	–	–	4000	0.025	–	0.025
7	G.Vivekanand Family Trust	–	–	–	200	–	–	–
		6545368	41.22	–	6555273	41.28	–	0.06

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

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	6545368	41.22	–	–
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Date	Purchased	–	–
		21.04.2017	1705	–	–
		16.06.2017	197	–	–
		23.06.2017	3	–	–
		29.12.2017	7000	–	–
		05.01.2018	1000	–	–
	At the end of the year	–	–	–	–
				6555273	41.28

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

SN	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 01.04.2017	% 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.	1419545	8.94	23.06.2017	(50000)	Transfer	1369545	8.62
				31.03.2017	–	–	1369545	8.62
2	Ajay Shivnarain Upadhyaya	355000	2.23	08.12.2017	4334	Purchase	359334	2.26
				09.03.2018	1266	Purchase	360600	2.27
				31.03.2018	–	–	360600	2.27
3	Premier Investment Fund Limited	148083	0.93	09.06.2017	10000	Purchase	158083	1.00
				07.07.2017	(19000)	Transfer	139083	0.88
				11.08.2017	(20000)	Transfer	119083	0.75
				18.08.2017	(20000)	Transfer	99083	0.62
				31.03.2018	–	–	99083	0.62



SN	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 01.04.2017	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
4	Jupiter South Asia Investment Company Ltd.	251411	1.58	19.01.2018	(41719)	Transfer	209692	1.32
				16.02.2018	(12413)	Transfer	197279	1.24
				23.02.2018	(20110)	Transfer	177169	1.12
				02.03.2018	(117798)	Transfer	59371	0.37
				09.03.2018	(26671)	Transfer	32700	0.21
				16.03.2018	(32700)	Transfer	-	-
5	Anil Kumar Goel	220000	1.39	07.04.2017	(10000)	Transfer	210000	1.32
				26.05.2017	(1000)	Transfer	209000	1.32
				02.06.2017	(14000)	Transfer	195000	1.23
				09.06.2017	(21500)	Transfer	173500	1.09
				16.06.2017	(8500)	Transfer	165000	1.04
				23.06.2017	(15000)	Transfer	150000	0.94
				01.09.2017	(11000)	Transfer	139000	0.88
				08.09.2017	(1000)	Transfer	138000	0.87
				06.10.2017	(2000)	Transfer	136000	0.86
				13.10.2017	(1000)	Transfer	135000	0.85
				20.10.2017	(5680)	Transfer	129320	0.81
				12.01.2018	(1320)	Transfer	128000	0.81
				19.01.2018	(1000)	Transfer	127000	0.80
				31.03.2018	-	-	127000	0.80
6	Deveshwari Negi	80000	0.50	07.04.2017	(10000)	Transfer	70000	0.44
				14.04.2017	(1212)	Transfer	68788	0.43
				05.05.2017	(788)	Transfer	68000	0.43
				12.05.2017	(28000)	Transfer	40000	0.25
				26.05.2017	(15000)	Transfer	25000	0.16
				09.06.2017	(24000)	Transfer	1000	0.01
				16.06.2017	(1000)	Transfer	-	-
7	Dolly Khanna	115968	0.73	12.05.2017	(1000)	Transfer	114968	0.72
				02.06.2017	(1350)	Transfer	113618	0.72
				30.06.2017	(1010)	Transfer	112608	0.71

SN	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 01.04.2017	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
				14.07.2017	920	Purchase	113528	0.71
				25.08.2017	1930	Purchase	115458	0.73
				01.09.2017	1110	Purchase	116568	0.73
				08.09.2017	1881	Purchase	118449	0.75
				29.09.2017	(1000)	Transfer	117449	0.74
				13.10.2017	1000	Purchase	118449	0.75
				27.10.2017	1000	Purchase	119449	0.75
				10.11.2017	(2000)	Transfer	117449	0.74
				17.11.2017	(1000)	Transfer	116449	0.73
				24.11.2017	(1795)	Transfer	114654	0.72
				01.12.2017	(3000)	Transfer	111654	0.70
				02.02.2018	900	Purchase	112554	0.71
				31.03.2018	-	-	112554	0.71
8	IL and FS Securities Services Limited	173652	1.09	07.04.2017	4528	Purchase	178180	1.12
				14.04.2017	(2248)	Transfer	175932	1.11
				21.04.2017	(510)	Transfer	175422	1.10
				28.04.2017	5336	Purchase	180758	1.14
				05.05.2017	(5000)	Transfer	175758	1.11
				12.05.2017	(50)	Transfer	175708	1.11
				19.05.2017	516	Purchase	176224	1.11
				26.05.2017	(752)	Transfer	175472	1.10
				02.06.2017	15	Purchase	175487	1.11
				09.06.2017	(8773)	Transfer	166714	1.05
				16.06.2017	(1245)	Transfer	165469	1.04
				23.06.2017	(3639)	Transfer	161830	1.02
				30.06.2017	(246)	Transfer	161584	1.02
				07.07.2017	4044	Purchase	165628	1.04
				14.07.2017	(5372)	Transfer	160256	1.01
				21.07.2017	850	Purchase	161106	1.01
				28.07.2017	19747	Purchase	180853	1.14
				04.08.2017	(16616)	Transfer	164237	1.03

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SN	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 01.04.2017	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
				11.08.2017	(3942)	Transfer	160295	1.01
				18.08.2017	468	Purchase	160763	1.01
				25.08.2017	198	Purchase	160961	1.01
				01.09.2017	(7920)	Transfer	153041	0.96
				08.09.2017	1011	Purchase	154052	0.97
				15.09.2017	15926	Purchase	169978	1.07
				22.09.2017	2637	Purchase	172615	1.09
				29.09.2017	(4381)	Transfer	168234	1.06
				06.10.2017	(2285)	Transfer	165949	1.04
				13.10.2017	(8702)	Transfer	157247	0.99
				20.10.2017	(2314)	Transfer	154933	0.98
				27.10.2017	4449	Purchase	159382	1.00
				31.10.2017	1040	Purchase	160422	1.01
				03.11.2017	150	Purchase	160572	1.01
				10.11.2017	(154)	Transfer	160418	1.01
				17.11.2017	616	Purchase	161034	1.01
				24.11.2017	(303)	Transfer	160731	1.01
				01.12.2017	(405)	Transfer	160326	1.01
				08.12.2017	(4844)	Transfer	155482	0.98
				15.12.2017	443	Purchase	155925	0.98
				22.12.2017	(1004)	Transfer	154921	0.98
				29.12.2017	(1613)	Transfer	153308	0.97
				30.12.2017	(452)	Transfer	152856	0.96
				05.01.2018	(1821)	Transfer	151035	0.95
				12.01.2018	(17451)	Transfer	133584	0.84
				19.01.2018	7690	Purchase	141274	0.89
				26.01.2018	60212	Purchase	201486	1.27
				02.02.2018	(52506)	Transfer	148980	0.94
				09.02.2018	484	Purchase	149464	0.94
				16.02.2018	(17911)	Transfer	131553	0.83
				23.02.2018	(4571)	Transfer	126982	0.80
				02.03.2018	4300	Purchase	131282	0.83
				09.03.2018	(3430)	Transfer	127852	0.81
				16.03.2018	65	Purchase	127917	0.81

SN	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 01.04.2017	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
				23.03.2018	(359)	Transfer	127558	0.80
				30.03.2018	(3005)	Transfer	124553	0.78
				31.03.2018	(1600)	Transfer	122953	0.77
				31.03.2018	-	-	122953	0.77
9	Ashoke Kumar Majethia	73000	0.46	31.03.2018	-	-	73000	0.46
10	Divyam Tie Up Private Ltd	98000	0.62	07.04.2017	(25000)	Transfer	73000	0.46
				14.04.2017	(12500)	Transfer	60500	0.38
				21.04.2017	(3409)	Transfer	57091	0.36
				28.04.2017	(29291)	Transfer	27800	0.18
				05.05.2017	(2800)	Transfer	25000	0.16
				16.06.2017	(5000)	Transfer	20000	0.13
				30.06.2017	(14000)	Transfer	6000	0.04
				21.07.2017	(6000)	Transfer	-	-
11	Goldman Sachs (Singapore) Pte	92647	0.58	07.04.2017	(12114)	Transfer	80533	0.51
				14.04.2017	(8101)	Transfer	72432	0.46
				21.04.2017	2263	Purchase	74695	0.47
				05.05.2017	3153	Purchase	77848	0.49
				12.05.2017	(3237)	Transfer	74611	0.47
				19.05.2017	(2387)	Transfer	72224	0.45
				26.05.2017	4977	Purchase	77201	0.49
				02.06.2017	5120	Purchase	82321	0.52
				09.06.2017	(4264)	Transfer	78057	0.49
				23.06.2017	(2119)	Transfer	75938	0.48
				30.06.2017	(4715)	Transfer	71223	0.45
				07.07.2017	1524	Purchase	72747	0.46
				21.07.2017	(17162)	Transfer	55585	0.35
				28.07.2017	(3654)	Transfer	51931	0.33
				04.08.2017	(10047)	Transfer	41884	0.26

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SN	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 01.04.2017	% of Total Shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
12	Vanaja Sundar Iyer*	-	-	19.01.2018	70000	Purchase	70000	0.44
				26.01.2018	105000	Purchase	175000	1.10
				02.02.2018	50000	Purchase	225000	1.42
				16.02.2018	10000	Purchase	235000	1.48
				02.03.2018	10000	Purchase	245000	1.54
				09.03.2018	5000	Purchase	250000	1.57
				31.03.2018	-	-	250000	1.57
13	Sundar Iyer*	-	-	12.01.2018	100000	Purchase	100000	0.63
				09.02.2018	50000	Purchase	150000	0.94
				16.02.2018	10000	Purchase	160000	1.01
				02.03.2018	40000	Purchase	200000	1.26
				31.03.2018	-	-	200000	1.26
14	Acadian Emerging Markets Small Cap Equity Fund LLC*	-	-	09.06.2017	14059	Purchase	14059	0.09
				23.06.2017	17443	Purchase	31502	0.20
				14.07.2017	24041	Purchase	55543	0.35
				21.07.2017	19921	Purchase	75464	0.48
				11.08.2017	12269	Purchase	87733	0.55
				25.08.2017	10782	Purchase	98515	0.62
				15.09.2017	10146	Purchase	108661	0.68
				27.10.2017	6413	Purchase	115074	0.72
				09.03.2018	12453	Purchase	127527	0.80
				16.03.2018	13322	Purchase	140849	0.89
				31.03.2018	-	-	140849	0.89
15	Union Small And Midcap Fund *	-	-	30.06.2017	35000	Purchase	35000	0.22
				07.07.2017	5000	Purchase	40000	0.25
				14.07.2017	15000	Purchase	55000	0.35
				04.08.2017	35000	Purchase	90000	0.57
				18.08.2017	5000	Purchase	95000	0.60
				01.12.2017	15000	Purchase	110000	0.69

* Not reflected in the top ten shareholders list as on 01.04.2017

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
a	Chairman: B B Merchant				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
b	Director : P Abraham*				
	At the beginning of the year	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	-	-	NA	NA
*Resigned from the Directorship of the company effective from 11.11.2017					
c	Director : V Pattabhi				
	At the beginning of the year	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
d	Director : Nagam Krishna Rao**				
	At the beginning of the year	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	-	-	NA	NA
**Expired on 25.05.2017					



SN	Shareholding of each Directors and each Key Managerial Personnel			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
e	Director : Gusti J Noria						
	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	Director : P Srikar Reddy						
	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			-	-	-	-
g	Director : Dr.G.Vivekanand						
	At the beginning of the year			5774366	36.36	-	-
	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 21.04.2017	Purchased 1705	-	-	5776071	36.37
	At the end of the year			-	-	5776071	36.37
	Key Managerial Personnel						
h	Managing Director - G Saroja Vivekanand						
	At the beginning of the year			194139	1.22	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			-	-	-	-
	At the end of the year			-	-	194139	1.22
i	Joint Managing Director : G Vamsi Krishna						
	At the beginning of the year			8730	0.055	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			-	-	-	-
	At the end of the year			-	-	8730	0.055

SN	Shareholding of each Directors and each Key Managerial Personnel		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
j	Whole-time Director & CFO : V Vallinath					
	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		-	-	-	-
k	Whole-time Director : J.P. Rao					
	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		-	-	-	-
l	Company Secretary: I. Srinivas					
	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 Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14586.27	5226.65	5015.54	24828.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	51.40	5.02	90.46	146.88
Total (i+ii+iii)	14637.67	5231.67	5106.00	24975.34
Change in Indebtedness during the financial year				
► Addition	4048.38	2036.01	441.61	6526.00
► Reduction	(1374.00)	(1975.54)	(185.21)	(3534.75)
Net Change	2674.38	60.47	256.40	2991.25
Indebtedness at the end of the financial year				
i) Principal Amount	17257.08	5235.67	5273.56	27766.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	54.97	56.47	88.84	200.28
Total (i+ii+iii)	17312.05	5292.14	5362.40	27966.59



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. 1. Remuneration to Directors other than Key Managerial Personnel : (Amount in ₹)									
SN	Particulars of Remuneration	Bhagirat B Merchant	Dr. G. Vivekanand	*Nagam Krishna Rao	V Pattabhi	Gusti Noria	**P Abra-ham	Srikar Reddy P	Total Amount
		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 per-quisites 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...	750000	750000	125000	750000	750000	500000	750000	4375000
5	Others, please specify – Sitting Fees paid for attending Board and Committee Meetings	80000	60000	-	120000	120000	5000	40000	425000
	Total (A)	830000	810000	125000	870000	870000	505000	790000	4800000
	Ceiling as per the Act	In terms of provisions of Section 198 of the Companies Act, 2013 ₹113.12 Lakhs, being 1% of the Net Profits of the Company is the ceiling payable as commission to Non-Executive Directors. However, in terms of resolution passed by the members in their meeting held on 25.07.2011, the same is restricted to ₹7.50 Lakhs per Director aggregating to ₹43.75 Lakhs. Further in terms of provisions of sub-section 2 of Section 198 read with sub-section 5 of the said section, sitting fees is excluded from the afore stated ceiling of 1% remuneration.							

*Expired on 25.05.2017
**Resigned from the Directorship of the company effective from 11.11.2017

A.2. Remuneration to Key Managerial Personnel : (Amount in ₹)							
SN	Particulars of Remuneration	Name of MD/WT/ Manager					Total Amount
		G Saroja Vivekanand	G Vamsi Krishna	V Vallinath	J.P.Rao	I Srinivas	
		MD	JMD	WTD & CFO	WTD	VP & CS	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7776000	3512903	5953288	5719882	2326452	25288525
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2676478	872496	1411470	1650495	419396	7030335
	(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...	46100000	25500000	-	-	-	71600000
5	Others, please specify	-	-	-	-	-	-
	Total (A)	56552478	29885399	7364758	7370377	2745848	103918860
	Ceiling as per the Act	₹1131.21 Lakhs (being the 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					





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		Not Applicable
(b) Nature of contracts/arrangements/transactions		
(c) Duration of the contracts / arrangements / transactions		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any		
(e) Justification for entering into such contracts or arrangements or transactions		
(f) date(s) of approval by the Board		
(g) Amount paid as advances, if any		
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188		
2. Details of material contracts or arrangement or transactions at arm’s length basis:		
(a) Name(s) of the related party and nature of relationship		* Please refer the note given below
(b) Nature of contracts/arrangements/transactions		
(c) Duration of the contracts / arrangements / transactions		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:		
(e) Date(s) of approval by the Board, if any:		
(f) Amount paid as advances, if any:		

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

Transactions like payment of remuneration and Dividend are as per the terms approved by the shareholders. Acceptance of the public deposits was done in pursuance of issue of advertisement inviting public deposits under the provisions of Schedule V of the Companies Act, 2013; terms of which are having equal and universal application to all the deposit holders. Unsecured loan availed was to meet short term requirements, the interest rate of which is below the rate applicable to working capital. Transaction relating to contribution to CSR activities was made in compliance with the requirements of the Section 135 of the Companies Act, 2013 after due approvals. Please refer CSR section in Board’s report for more details in this regard. Advances given reflects the salary advances availed as a part of the conditions of service extended by the company to all its employees.

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.

Steps taken for conservation of energy
 - Better layouts at the time of project implementation to simplify the operations;
 - Right sizing of Drives;
 - Installation of the energy efficient drives like Variable Frequency Drives (VFD) for optimum utilisation;
 - Automatic Power Factor Controllers (APFC) to maintain Power Factor Closer to unity in order to bring down the energy bills;
 - High efficiency equipment for handling Vacuum, Process Water, Compressed air and hydraulic equipment;
 - Installation of new compressors and
 - Energy Audits
- ii.

Steps taken by the company for utilising alternate sources of energy and investment made thereon:

Company has been utilising the Solar Power generated from its 2.5 MW Captive Solar Plant setup at Miryalguda, Telangana with a capacity of 42 Lac units per annum.

B. Technology absorption:

- i.

Efforts made towards technology absorption and the benefits derived therefrom:

The Company is continuously endeavouring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has successfully achieved results in reducing the cost of production, power consumption and improving technical efficiencies and productivity.
- ii.

Particulars of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):
 - a) Imported Compressors and the Air dryers improved the quality of the compressed air for the spinning process and reduced the power consumption per CFM and
 - b) The USTER testing equipment imported from Switzerland is helping in ensuring continuous

- iii.

Expenditure incurred on research & development
 - a. Expenditure on R&D:

No specific expenditure exclusively on R&D has been incurred. The indigenous technology available is continuously being upgraded to improve the overall performance of the Company.
 - b. Specific areas in which R&D carried out by the Company:

Cement Asbestos Division: The Company has been experimenting various substitutes both for cement and fibre and has also been varying the ratio of raw materials for improving quality and reducing cost.

Fibre Cement Boards Division: The company has been experimenting on the different alternatives/products, keeping in the view of varying applications to meet the customer requirements and to reduce the cost.

Spinning Division: The company has been trying various new counts, fibres and combination of blends, etc., resulting in new blends and new products. The company is also successful in increasing speeds of the machine while maintaining the quality.
 - c. Benefits derived as a result of the above R&D:

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

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

Spinning Division: Developing new customer base and new products help us sustain the volume and profitability.
 - d. Future course of action:

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

Spinning Division: The company is continuously experimenting with new blends and shades and higher speeds. Exploring to expand splicing capability to increase battery separator fabric customer base in India.
- supply of quality yarn.



C. Foreign exchange earnings / outgo:

The details of foreign exchange earnings / outgo during the year 2017 – 18 are as follows:

Total foreign exchange used and earned: (₹ in lakhs)		
	31.03.2018	31.03.2017
Earnings in Foreign Currency		
Export of Goods (FOB Value)	4225.11	6630.69
CIF value of Imports		
Raw Materials	18862.38	17642.79
Capital Goods	178.61	756.21
Components and Spare Parts	253.29	194.75
Trade and Material	-	18.20

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

The Company is exporting its yarn and premium V-Boards. Efforts are on to develop new varieties of these products to meet the requirements of export market as well as increase the volume. New markets in various countries are being continuously explored to make the market broad based.

ANNEXURE 7

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

(i)	The percentage increase in remuneration of each Director & other Key Managerial Personnel (KMP) and Ratio of the remuneration of each director to the median remuneration of the employees of the company during the financial year 2017-18 are as under:		
	Names of Director / KMP	% increase in Remuneration in the financial year 2017 – 18	Ratio to median remuneration
1	Shri Bhagirat. B.Merchant, Chairman Non-Executive Director	-	3.48
2	Shri V. Pattabhi Non-Executive Director	-	3.48
3	Shri Gusti J Noria Non-Executive Director	-	3.48
4	Shri P. Srikar Reddy Non-Executive Director	-	3.48
5	Shri P. Abraham [§] Non-Executive Director	-	3.48
6	Shri Nagam Krishna Rao [@] Non-Executive Director	-	3.48
7	Dr. G. Vivekanand, Vice Chairman	-	3.48
8	Smt. G. Saroja Vivekanand Managing Director	54.80	261.83

9	Shri G Vamsi Krishna * Joint Managing Director	774.85	138.36
10	Shri V Vallinath Whole-time Director & CFO	10.00	34.10
11	Shri J.P.Rao Whole-time Director	14.00	34.12
12	Shri I.Srinivas Company Secretary	13.80	-

@ Expired on 25.05.2017.

\$ Resigned due to his pre-occupations.

*has been elevated as Joint Managing Director effective from May 6,2017 and in terms of the appointment has been paid commission of ₹255.00 Lakhs for the financial year 2017-18 (previous year - Nil).

(ii)	Percentage increase in the median remuneration of employees in the financial year 2017-18 compared to 2016-17	5.81
(iii)	Number of permanent employees on the rolls of the company:	
	As on 31.03.2018	As on 31.03.2017
	1918	1877
(iv)	Average percentile increase in salaries of Employees other than managerial Personnel	22.41
	percentile increase in the managerial remuneration	85.47
	Comparison of above: Managerial remuneration includes commission paid to Managing Director and Joint Managing Director (previous year paid to Managing Director), which is variable and dependent upon the net profits of the Company. During the year, profit before tax is increased by 46.83% as against 64.46% of the previous year. Thus, percentile increase in managerial remuneration is more during the year.	



Corporate Governance

Report for the year 2017-18

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

Visaka Industries Limited (hereinafter "Company") believes that good corporate governance is one of the vital tools, in directing and controlling the affairs of the Company in an efficient manner and helps in achieving the goal of maximizing value of Company's stakeholders in a sustained manner. Company's Governance frame work recognizes Transparency, Integrity, Honesty and Accountability as core values, and the management believes that practice of each of these creates the right corporate culture fulfilling the purpose of Corporate Governance.

The Company's Governance code is available on the Company's website www.visaka.co for general information. However, it is to be recognized that Corporate Governance is not just a destination but a consistent journey to consolidate and enhance sustainable value creation to the company, by adhering to the core values.

2. Board of Directors:

i) The Board of Visaka Industries Limited consists of eminent persons with optimum balance of Executive Directors, Non-Executive Directors and Independent Directors, having professional expertise from different fields such as technical, business strategy and management, marketing, medicine, finance, governance and 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 SEBI(LODR) Regulations, 2015 (Listing Regulations).

- ii) While appointing new Directors on the Board, the Nomination and Remuneration Committee of the Board considers the qualifications, positive attributes and independence as per the criteria laid-down in that behalf and makes its recommendation to the Board for its consideration.
- iii) The Board, inter-alia, provides leadership, strategic guidance, objective and independent view / judgment to the Company's management. The Board meets at regular intervals for planning, assessing and evaluating all important business.
- iv) The Board members are updated from time to time, on the Company's procedures and policies as per the familiarization program devised in that behalf by the Company.
- v) None of the Board of Directors of the Company is a member on more than 10 committees or Chairman of more than 5 committees as specified under Listing Regulations, across all the listed / public limited Companies in which he is a Director.
- vi) The details of the Board of Directors of the Company as on March 31, 2018 are as under:

Name of the Director Designation / Category	No. of Board Meetings attended during 2017-18	Whether attended last AGM held on 20.06.2017	Number of Directorships held in other companies*	Number of Board Committee memberships held in other companies*	Number of Chairman- ships of Board Committees held in other companies*
Shri Bhagirat B. Merchant, Chairman Non-Executive Independent Director	3	yes	Nil	Nil	Nil
Shri V. Pattabhi Non-Executive Independent Director	5	yes	1	2	2
Shri Gusti J Noria Non-Executive Independent Director	5	yes	Nil	Nil	Nil
Shri P.Srikar Reddy Non-Executive Independent Director	4	yes	2	2	Nil
Dr. G. Vivekanand, Vice Chairman Non-Executive Promoter Director	5	yes	2	Nil	Nil
Smt. G. Saroja Vivekanand Managing Director	5	yes	1	1	Nil
Shri G.Vamsi Krishna Joint Managing Director	5	yes	Nil	Nil	Nil
Shri V.Vallinath Whole-time Director & CFO	5	yes	Nil	Nil	Nil
Shri J.P.Rao Whole-time Director	4	yes	Nil	Nil	Nil

* Other companies include Public Limited Companies.

Note: Shri P. Abraham, Independent Director resigned from the directorship of the company effective from 11.11.2017 due to his preoccupations. He attended the last AGM.

Shri Nagam Krishna Rao, Director expired on 25.05.2017



- vii) As per the information available with the Company, except Dr. G. Vivekanand, Smt. G. Saroja Vivekanand and Shri G. Vamsi Krishna, none of the Directors are related interse.
- viii) None of the Independent Directors have any material pecuniary relationship or transaction with the Company.
- ix) 5 Board Meetings were held during the year ended March 31, 2018 on 05.05.2017, 20.06.2017, 11.08.2017, 11.11.2017 and 12.02.2018. The gap between any two meetings did not exceed one hundred and twenty days. Board meetings are usually held at the corporate office of the Company.
- x) Necessary information as mentioned in Schedule II of the Listing Regulations has been placed before the Board for their consideration.
- xi) A meeting of Independent Directors was held on 05.05.2017, inter-alia, discussed on matters pertaining to Company's affairs and reviewed performance of the Chairman, Executive Directors etc.

3. Audit Committee:

- i. The terms of reference of the Audit Committee cover the matters specified for Audit Committees under Listing Regulations and Section 177 of the Companies Act, 2013.
- ii. The composition of the Audit Committee as on March 31, 2018 and particulars of meetings attended by the members are as follows:

Name	No. of Meetings during the year 2017-18	
	Held	Attended
Shri Bhagirat B. Merchant, Chairman	4	2
Shri V.Pattabhi	4	4
Shri Gusti J Noria	4	4
Smt.G.Saroja Vivekanand	4	4

- iii. The Chairman is a fellow member of the Institute of Chartered Accountants of India. All the members of the committee are financially literate. Accordingly, the Composition of the Audit Committee is in conformity with Section 177 of the Companies Act, 2013 and Listing Regulations.
- iv. 4 Audit Committee Meetings were held during the year ending March 31, 2018, i.e., on 05.05.2017, 11.08.2017,

11.11.2017 and 12.02.2018. The gap between any two meetings did not exceed one hundred and twenty days and necessary quorum was present at all meetings.

- v. The Audit Committee meetings are usually held at the corporate office of the Company and are attended by Shri V.Vallinath, Whole-time Director & Chief Financial Officer of the Company. Auditors are invitees to the meetings. The Company Secretary acts as the Secretary of the Audit Committee.
- vi. The Chairman of the Audit Committee attended last Annual General Meeting of the Company held on June 20, 2017.

4. Nomination and Remuneration Committee:

- i. The terms of reference of the Committee cover the matters specified for the Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 and Listing Regulations.
- ii. The Composition of the Remuneration Committee and details of meetings attended by the Directors are given below.

Name	No. of Meetings during the year 2017-18	
	Held	Attended
Shri Gusti J Noria, Chairman	3	3
Shri V.Pattabhi	3	3
Shri Bhagirat B Merchant	3	3

- iii. The constitution and composition of the Committee thus satisfy the requirements of Section 178 of the Act, read with Listing Regulations.
- iv. The Committee during the financial year 2017-18, met on 05.05.2017, 20.06.2017 and 12.02.2018.
- v. The Chairman of the Nomination and Remuneration Committee has attended last Annual General Meeting of the Company held on June 20, 2017.
- vi. Share holdings of the Directors in the Company as on March 31, 2018:

Name	No. of Shares of ₹10/- each
Dr G Vivekanand	5776071
Smt. G. Saroja Vivekanand	194139
V Pattabhi	500
Shri G.Vamsi Krishna	8730

- vii) The details of Remuneration paid to Directors during the year 2017-18 are given below:

(Amount in ₹)

Director	Designation	Salary	Perqui-sites	Commis-sion	Sitting Fees	Total
Shri Bhagirat B. Merchant	Chairman	Nil	Nil	750000	80000	830000
Dr. G. Vivekanand	Vice – Chairman	Nil	Nil	750000	60000	810000
Smt. G. Saroja Vivekanand	Managing Director	7776000	2676478	46100000	Nil	56552478
Shri G.Vamsi Krishna	Jt. Managing Director	3512903	872496	25500000	Nil	29885399
Shri Gusti Noria	Director	Nil	Nil	750000	120000	870000
Shri V. Pattabhi	Director	Nil	Nil	750000	120000	870000
Shri P.Srikar Reddy	Director	Nil	Nil	750000	40000	790000
Shri V.Vallinath	Whole-time Director	5953288	1411470	Nil	Nil	7364758
Shri J.P.Rao	Whole-time Director	5719882	1650495	Nil	Nil	7370377
Shri P. Abraham ^{\$}	Director	Nil	Nil	500000	5000	505000
Shri Nagam Krishna Rao*	Director	Nil	Nil	125000	Nil	125000

^{\$} Resigned effective from 11.11.2017.

* Expired on 25.05.2017.

viii. Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employees as well as his expertise in critical areas of operations of the Company.

The Company's Remuneration Policy as applicable to Directors, KMPs and other Senior management personnel of the Company forms part of Document setting out criteria of identification, appointment, remuneration, evaluation of performance of directors which is annexed as Annexure – 3 to the Boards' Report.

5. Stakeholders' Relationship Committee:

- i. The Committee, inter-alia, approves issue of duplicate share certificates as well as oversees and reviews all matters connected with the securities transfer, transmission, nomination, dematerialization and
- v. Details of complaints received and redressed:

Opening Balance as on 01.04.2017	Received during the period 01.04.2017 to 31.03.2018	Resolved during the period 01.04.2017 to 31.03.2018	Closing Balance as on 31.03.2018
Nil	11	11	Nil

rematerialisation including redressing grievances related thereto. The Committee also considers redressing of shareholder's complaints relating to non-receipt of notices/annual reports and non-receipt of declared dividends etc.

- ii. The Committee consists of three directors and Shri V. Pattabhi is the Chairman of the Committee and thus the constitution of the Committee is in compliance with section 178 of the Act read with Listing Regulations.
- iii. During the financial year ended March 31, 2018 the Committee met 24 times and the necessary quorum was present at all meetings. Company Secretary is the Compliance Officer.
- iv. The Chairman of the Committee has attended last Annual General Meeting of the Company held on June 20, 2017.



6. General Body Meetings

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

Year	Particulars of the AGM	Day, Date & Time	Venue	Special Resolutions Passed, if any.
2016-17	20.06.2017	11.30 A.M	Regd. Office: Survey No. 315, Yelumala village, R.C. Puram Mandal, Sangareddy* District – 502 300, Telangana	Yes
2015-16	26.07.2016	11.30 A.M	Regd. Office: Survey No. 315, Yelumala village, R.C. Puram Mandal, Medak District – 502 300, Telangana	Yes
2014-15	25.07.2015	11.00 A.M	Regd. Office: Survey No. 315, Yelumala village, R.C. Puram Mandal, Medak District – 502 300, Telangana	Yes

*Consequent to the issue of a notification by Government of Telangana vide G.O.M.S.No.249 dated 11.10.2016, Ramchandrapuram Mandal falls into Sangareddy District effective from 11.10.2016.

- ii. The Company during the financial year ended March 31, 2018 did not pass any special resolutions through postal ballot.

7. Disclosures:

- i. During the financial year ended March 31, 2018 there are no materially significant related party transactions, which have potential conflict with the interest of Company at large. Related party transactions entered during the financial year under review are disclosed in the notes to the audited financial statements of the company for the financial year ended March 31, 2018. These transactions entered were at an arm's length basis and in the ordinary course of business.
- ii. There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years ending March 31, 2018.
- iii. Vigil Mechanism (Whistle Blower Policy):
The Company has a Vigil mechanism (Whistle blower policy) in place enabling the employees or other connected persons having interest in any transactions with the company are free to report of any unethical or improper practices noticed in the organization. The Policy also provides the procedure of making such representation and dealing with the

said representation and also provides protection from victimization. During the year under review, no employee was denied access to the Audit committee in this behalf.

- iv. The Company is in compliance with all the applicable mandatory requirements and has fulfilled the following non-mandatory / discretionary requirements as prescribed in Listing Regulations.
- a. **Audit qualifications:** There were no qualifications by the statutory auditors on the financial statements for the year ended March 31, 2018.
- b. **Separate post of Chairman and CEO:** The Company has separate Chairman and Managing Director.
- c. **Reporting of Internal Auditor:** The Internal auditor reports to the Audit Committee
- v. **Code of conduct:** The code of conduct as adopted by the Board of Directors is applicable to all directors, senior management and employees in above officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance to the laid down ethical standards. The code is available on the Company's website: www.visaka.co.

Declaration as to adherence to the Code of Conduct

All the directors and senior management of the Company have affirmed compliance with the Company's code of conduct for the financial year ended March 31, 2018.

Date: 07.05.2018 **Smt. G. Saroja Vivekanand**
Secunderabad **Managing Director**

- vi. **CEO & CFO certificate:** The Managing Director and Whole-time Director cum Chief Financial Officer of the Company have given a Certificate as contemplated in Listing Regulations.
- vii. The company's website contains all information, disclosures, policies etc., as applicable to the entity.
- viii. Share Capital Audit: A practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository

Limited (NSDL) and Central Depository services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

8. Means of Communication:

Audited financial results of the Company are published in Business Standard or Economic Times or Financial Express (English edition) and Namaste Telangana / Nava Telangana (Regional edition) newspapers respectively on quarterly basis, in addition to being displayed on the Company's website – "www.visaka.co". Presentations made to institutional investors and details of Conference Calls etc., are intimated to stock exchanges apart from being uploaded on the website of the company.

9. General Shareholder's information:

1. Annual General Meeting	
Date	June 12, 2018
Time	11.30 A.M.
Venue	Survey.No.315, Yelulmala Village, R.C.Puram Mandal, Sangareddy District, Telangana – 502 300
2. Financial Calendar	
Year ending	March 31, 2018
AGM	June 12, 2018
3. Date of Book Closure	09.06.2018 to 12.06.2018 (Both days inclusive)
4. Dividend Payment Date	On or after June 25, 2018
5. Listing on Stock Exchanges	National Stock Exchange of India Ltd and BSE Limited (The Company has paid the listing fee for 2018-19 to the BSE and NSE)
6. Stock Code / Symbol on NSE / BSE Respectively	VISAKAIND / 509055
7. International Securities Identification Number (ISIN) allotted to the Company's Shares	INE392A01013

**10. Market Price Data:**

Details of monthly high and low market price as per stock exchanges data for the Financial Year ended March 31, 2018 are as follows:

S. No.	Month	Price at BSE		Price at NSE	
		High	Low	High	Low
1	April -17	354.00	271.85	354.00	270.50
2	May - 17	401.00	325.00	401.90	325.05
3	June - 17	569.70	385.00	569.70	378.00
4	July - 17	548.00	458.50	559.70	439.35
5	August - 17	713.00	405.00	713.80	410.10
6	September - 17	699.00	568.10	699.40	566.25
7	October - 17	733.90	594.05	733.95	592.00
8	November - 17	708.00	588.10	705.00	586.00
9	December - 17	674.40	607.00	673.50	605.20
10	January - 18	839.90	646.55	838.60	645.00
11	February - 18	775.65	590.80	776.75	587.95
12	March - 18	708.10	615.50	709.00	613.35

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

S. No.	Month	Visaka's Closing Price (₹)	BSE Sensex Closing
1	April - 17	335.15	29918.40
2	May - 17	391.75	31145.80
3	June - 17	505.35	30921.61
4	July - 17	473.90	32514.94
5	August - 17	683.30	31730.49
6	September - 17	592.55	31283.72
7	October - 17	657.75	33213.13
8	November - 17	653.05	33149.35
9	December - 17	652.80	34056.83
10	January - 18	743.60	35965.02
11	February - 18	689.70	34,184.04
12	March - 18	649.45	32,968.68

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

12. Registrar and Transfer Agents**Name & Address:****Karvy Computershare Private Limited**

Unit: Visaka Industries Limited

Karvy Selenium Tower B, Plot No. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 058

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

Website: www.karvy.com

Toll Free No: 1800-3454-001

13. Share Transfer System

The Company's shares are traded in the stock exchanges compulsorily in Demat form. The Company's Registrar and Transfer agent is the common agency to look after physical and demat registry work. Shares lodged for transfer with the registrar are processed and returned to shareholders within the stipulated time. M/s. Tumuluru & Co., Practicing Company Secretaries, Hyderabad has given half yearly certificates as to the compliances made by the Company with regard to transfer and transmissions of shares lodged with the company during the financial year ended March 31, 2018.

14. Shareholding (as on March 31, 2018)**a) Distribution of shareholding as on March 31, 2018**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	20460	92.76	1925501	19255010	12.12
5001- 10000	835	3.79	655890	6558900	4.13
10001- 20000	407	1.85	602692	6026920	3.80
20001- 30000	114	0.52	2899470	2899470	1.83
30001- 40000	58	0.26	206050	2060500	1.30
40001- 50000	35	0.16	163535	1635350	1.03
50001- 100000	56	0.25	390751	3907510	2.46
100001 & Above	90	0.41	11646586	116465860	73.34
Total	22055	100.00	15880952	158809520	100.00

b) Categories of Shareholders as on March 31, 2018

Category	No. of shareholders	No. of shares	Percentage
Indian Promoters	7	6555273	41.28
Foreign Promoters	-	-	-
Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-Government Institutions)	13	132575	00.83
Private Corporate Bodies	394	2250904	14.17
Indian Public	21104	5576311	35.11
NRI's / OCBs	473	1225229	07.72
Clearing Members	63	35799	00.23
IEPF	1	104861	00.66
TOTAL	22055	15880952	100.00



15. Dematerialization of shares and liquidity:

As on March 31, 2018, 97.77% of the paid-up share capital of the Company has been dematerialized.
16.

As on March 31, 2018, the company did not have any outstanding GDRs / ADRs / Warrants or any convertible instruments
17. Manufacturing facility:

Plant Locations are given at page no 153 of this Annual Report.
18. Address for Correspondence/registering investor grievances:

Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, receipt of dividend warrants, loss of share certificates etc., and related grievances may be addressed to Karvy Computershare Private Limited (Karvy), Unit: Visaka Industries Limited.
- The Company Secretary

Visaka Industries Limited

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

S.P. Road, Secunderabad.

Pin: 500 003.

Email: 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.co

Auditors’ Certificate regarding compliance of conditions of Corporate Governance

To
The Members of Visaka Industries Limited

We have examined the compliance of conditions of Corporate Governance by Visaka Industries Limited, for the year ended March 31, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as “SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company’s management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Hyderabad

Date: May 7, 2018

Sunit Kumar Basu

Partner

Membership Number 55000

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



Independent Auditors' Report

To
The Members of
Visaka Industries Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of Visaka Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. 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 Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 05, 2017 and May 10, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 38.
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration No.: 304026E/ E-300009

Place: Hyderabad
Date: May 7, 2018

Sunit Kumar Basu
Partner
Membership Number 55000



Annexure A to Independent Auditors’ Report

Referred to in paragraph 11(f) of the Independent Auditors’ Report of even date to the members of Visaka Industries Limited on the financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Visaka Industries Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and

maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co
Chartered Accountants LLP
Firm Registration No.: 304026E/ E-300009

Sunit Kumar Basu
Partner
Place: Hyderabad
Date: May 7, 2018
Membership Number 55000

Annexure B to Independent Auditors’ Report

Referred to in paragraph 10 of the Independent Auditors’ Report of even date to the members of Visaka Industries Limited on the financial statements as of and for the year ended March 31, 2018.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 4.1 on fixed assets to the financial statements, are held in the name of the Company
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management

during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or



- any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations

given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, professional tax, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, service-tax, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, duty of customs, duty of excise, value added tax, entry tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lacs)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	14.86	August 2013 to January 2016	Assistant commissioner Central excise Pune
Central Excise Act, 1944	Excise duty	57.49	March 2006 to November 2015	Commissioner (Appeals), Bangalore
Customs, Central Excise & Service tax Drawback Rules, 1995	Duty draw back	152.1	July 2009 to March 2011	Joint Secretary, Revisionary Authority, New Delhi.
Central Sales tax Act, 1956	Central Sales tax	9.02	2008-09	Telangana VAT Appellate Tribunal, Hyderabad
Central Sales tax Act, 1956	Central Sales tax	7.92	2008-09	Commercial Taxes Tribunal, Lucknow
Bihar VAT Act, 2005	VAT/Interest	3.77	2005-06	Joint Commissioner (Appeals), Patna
Orissa VAT Act, 2004	VAT/Penalty	10.97	October 2009 to March 2011	Orissa Sales Tax Tribunal, Bhubaneswar
Kerala VAT Act, 2003	VAT/Interest	4.28	2015-16	Deputy Commissioner Appeals, Commercial Taxes, Ernakulam
Jharkhand VAT Act, 2005	VAT/Penalty	20.38	2010-11	Commissioner of commercial taxes, Ranchi
West Bengal VAT Act, 2005	VAT	85.09	2009-10	Additional Commissioner of Sales tax, Kolkata
Orissa Entry tax Act 1999	Entry tax/ Penalty	10.38	October 2009 to March 2011	Orissa Sales Tax Tribunal, Bhubaneswar

*Net of amount paid under protest- ₹46.77 Lacs.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any noncash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse & Co**
Chartered Accountants LLP
Firm Registration No.: 304026E/ E-300009

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Hyderabad
Date: May 7, 2018

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



Balance Sheet as at 31 March 2018

(₹ in lakhs)				
Particulars	Note	31 March 2018	31 March 2017	1 April 2016
I. ASSETS				
Non-current Assets				
(a) Property, plant and equipment	4.1	32,080.33	32,568.25	29,401.12
(b) Capital work-in-progress		6,902.88	1,170.44	409.16
(c) Intangible assets	4.2	77.05	115.56	9.27
(d) Financial assets				
Investments	5.1	-	-	1,009.19
Other financial assets	5.2	50.50	93.45	71.23
(e) Other non-current assets	6	3,472.35	1,512.20	2,569.41
Current Assets				
(a) Inventories	7	24,179.56	19,601.70	23,203.72
(b) Financial assets				
(i) Trade receivables	8	15,101.44	15,014.75	14,022.96
(ii) Cash and cash equivalents	9	1,992.55	3,592.39	7,294.04
(iii) Other bank balances	10	299.85	237.81	207.79
(iv) Loans	11	84.00	279.00	407.00
(v) Other financial assets	12	396.02	360.88	347.54
(c) Current tax assets (net)	13	-	4.00	169.46
(d) Other current assets	14	3,816.74	1,483.81	1,974.23
TOTAL ASSETS		88,453.27	76,034.24	81,096.12
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	1,592.07	1,592.07	1,592.07
(b) Other equity	16	42,974.00	37,664.58	33,932.16
Liabilities				
Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	17	9,120.21	7,677.27	5,225.20
(ii) Other financial liabilities	18	41.94	26.02	24.88
(b) Deferred tax liabilities (net)	19	1,741.63	1,838.02	1,928.50
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	20	11,932.91	10,584.82	24,578.50
(ii) Trade payables	21	9,820.60	5,613.29	4,565.45
(iii) Other financial liabilities	22	7,098.58	7,143.34	5,731.16
(b) Other current liabilities	23	3,354.01	3,561.34	3,379.15
(c) Provisions	24	278.63	333.49	139.05
(d) Current tax liabilities (net)	13	498.69	-	-
TOTAL EQUITY AND LIABILITIES		88,453.27	76,034.24	81,096.12

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

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

Sunit Kumar Basu
Partner
Membership Number: 55000

Place: Hyderabad
Date: 7th May, 2018

Bhagirat B. Merchant
Chairman

Gusti J Noria
Director

V. Pattabhi
Director

Dr. G. Vivekanand
Vice-Chairman

G. Vamsi Krishna
Joint Managing Director

V. Vallinath
Whole-time Director &
Chief Financial Officer

On behalf of Board of Directors

Smt. G. Saroja Vivekanand
Managing Director

J. P. Rao
Whole-time Director

I. Srinivas
Company Secretary &
VP (Corporate Affairs)

Secunderabad, 7th May, 2018

Statement of Profit & Loss for the year ended 31 March, 2018

(₹ in lakhs)			
Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017
I. Revenue from operations	25	1,04,323.50	1,05,555.74
II. Other income	26	457.06	571.23
III. Total revenue (I + II)		1,04,780.56	1,06,126.97
IV. Expenses			
Cost of materials consumed	27	50,075.08	49,690.15
Excise duty		3,091.32	9,499.22
Purchases of stock-in-trade		95.76	109.21
Changes in inventories of finished goods and work in progress	28	(779.40)	(254.21)
Employee benefits expense	29	9,223.52	7,490.29
Finance costs	30	1,825.76	1,959.81
Depreciation and amortization expense	31	3,483.56	3,407.62
Other expenses	32	27,601.03	27,302.80
Total expenses		94,616.63	99,204.89
V. Profit before tax (III - IV)		10,163.93	6,922.08
VI. Tax expense:			
(1) Current tax		3,604.60	2,734.11
(2) Deferred tax		(96.39)	(90.48)
VII. Profit for the period (V-VI)		6,655.72	4,278.45
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
(a) Remeasurement of defined employee benefit plans		(305.02)	(250.42)
(b) Income tax relating to item (a) above		105.56	86.67
Other comprehensive income (net of tax)		(199.46)	(163.75)
IX. Total comprehensive income for the year		6,456.26	4,114.70
X. Earning per equity share attributable to owners of Visaka Industries Limited:			
(1) Basic	41	41.91	26.94
(2) Diluted		41.91	26.94

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

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

Sunit Kumar Basu
Partner
Membership Number: 55000

Place: Hyderabad
Date: 7th May, 2018

Bhagirat B. Merchant
Chairman

Gusti J Noria
Director

V. Pattabhi
Director

Dr. G. Vivekanand
Vice-Chairman

G. Vamsi Krishna
Joint Managing Director

V. Vallinath
Whole-time Director &
Chief Financial Officer

On behalf of Board of Directors

Smt. G. Saroja Vivekanand
Managing Director

J. P. Rao
Whole-time Director

I. Srinivas
Company Secretary &
VP (Corporate Affairs)

Secunderabad, 7th May, 2018



Cash Flow Statement for the year ended 31 March 2018

(₹ in lakhs)		
Particulars	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit before tax	10,163.93	6,922.08
Adjustments for:		
Depreciation and amortisation expense	3,483.56	3,407.62
Loss on disposal of property, plant and equipment	-	2.27
Property, plant and equipment written off	10.19	2.53
Interest income on financial assets carried at amortized cost	(94.49)	(89.85)
Gain on disposal of property, plant and equipment	(61.81)	-
Provision for doubtful debts	108.14	63.26
Bad Debts written off	11.39	28.98
Amortisation of government grants	(229.03)	(194.34)
Finance costs	1,825.76	1,959.81
Fair valuation on forward contracts	-	7.42
Provision for diminution in the value of Investment	-	1,009.34
Remeasurement of defined employee benefit plans	(305.02)	(250.42)
Change in operating assets and liabilities		
(Increase) in Trade Receivables	(206.22)	(1,084.03)
Decrease in financial assets other than trade receivables	201.91	105.03
(Increase) / Decrease in other assets	(2,371.42)	488.41
(Increase) / Decrease in Inventories	(4,577.86)	3,602.02
Increase in Trade payables	4,207.32	1,047.84
Increase / (Decrease) in other financial liabilities	(108.97)	348.96
Increase / (Decrease) in provisions	(54.86)	194.44
Increase / (Decrease) in other liabilities	(207.33)	182.19
Cash Generated from Operations	11,795.19	17,753.56
Income taxes paid	(2,996.35)	(2,481.98)
Net cash inflow (outflow) from operating activities	8,798.84	15,271.58
Cash flows from investing activities		
Payments for property plant and equipment	(10,636.76)	(6,256.32)
Interest received	95.38	77.11
Proceeds from sale of property, plant and equipment	88.70	17.43
Movement in other bank balances	(62.04)	(30.02)
Net cash inflow (outflow) from investing activities	(10,514.72)	(6,191.80)

Cash Flow Statement for the year ended 31 March 2018 (contd.)

(₹ in lakhs)		
Particulars	31 March 2018	31 March 2017
Cash flow from financing activities		
Proceeds from non current borrowings	3,629.50	4758.31
Repayment of non current borrowings	(2,139.57)	(1,374.00)
Proceeds/(repayment) from current borrowings	600.59	(13,500.19)
Repayment of loan to related party	(1,654.00)	(808.50)
Receipt of loan from related party	2,401.50	315.00
Dividend paid to company's shareholders (Including corporate dividend tax)	(1,141.91)	(408.93)
Finance cost	(1,580.07)	(1,763.12)
Net cash inflow (outflow) from financing activities	116.04	(12,781.43)
Net increase (Decrease) in cash and cash equivalents	(1,599.84)	(3,701.65)
Cash and Cash equivalents at the beginning of the financial Year	3,592.39	7,294.04
Cash and Cash equivalents at the end of the Year	1,992.55	3592.39

Cash flow statement has been prepared under the indirect method as set out in Ind AS – 7 specified under Section 133 of the Companies Act, 2013

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP		On behalf of Board of Directors	
Firm Registration Number: 304026E/E-300009	Bhagirat B. Merchant Chairman	Dr. G. Vivekanand Vice-Chairman	Smt. G. Saroja Vivekanand Managing Director
Sunit Kumar Basu Partner Membership Number: 55000	Gusti J Noria Director	G. Vamsi Krishna Joint Managing Director	J. P. Rao Whole-time Director
Place: Hyderabad Date: 7th May, 2018	V. Pattabhi Director	V. Vallinath Whole-time Director & Chief Financial Officer	I. Srinivas Company Secretary & VP (Corporate Affairs) Secunderabad, 7th May, 2018



Statement of changes in equity for the year ended 31 March 2018

a. Equity share capital

(₹ in lakhs)		
Particulars	Note	Equity share capital
As at 01 April 2016	15	1,592.07
Changes in equity share capital		-
As at 31 March 2017		1,592.07
Changes in equity share capital		-
As at 31 March 2018		1,592.07

b. Other equity

(₹ in lakhs)					
Particulars	Note	Reserves and Surplus			Total
		Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1 April 2016	16	4,903.45	27,000.00	2,028.71	33,932.16
Dividends (including corporate dividend tax)		-	-	(382.28)	(382.28)
Profit for the year		-	-	4,278.45	4,278.45
Other comprehensive income		-	-	(163.75)	(163.75)
Balance as at 31 March 2017		4,903.45	27,000.00	5,761.13	37,664.58
Profit for the year		-	-	6,655.72	6,655.72
Other comprehensive income		-	-	(199.46)	(199.46)
Dividends (including corporate dividend tax)		-	-	(1,146.84)	(1,146.84)
Balance as at 31 March 2018		4,903.45	27,000.00	11,070.55	42,974.00

Notes to the financial statements

1. Background
- Visaka Industries Limited was incorporated in 1981 having it’s registered office in Survey No. 315, Yelumala Village, R.C. Puram Mandal, Sangareddy District-502 300, Telangana State. The Company is into the business of manufacture of cement fibre sheets, fibre cement boards & panels and synthetic yarn. The Company has twelve manufacturing locations spread across India.
2. Significant Accounting Policies
- This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.
- a) Basis of preparation
- i) Compliance with Ind AS
- The financial statements comply in all material aspects with Indian Accounting Standards(Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.
- These financial statements are the first financial statements of the Company under Ind AS, refer note 42 for an explanation of how the transition from previous GAAP to Ind AS has affected the company’s financial position, financial performance and cash flows.
- ii) Historical cost convention
- The financial statements have been prepared on a historical cost basis, except for the following:
- Certain financial assets and liabilities that are measured at fair value;

• Defined benefit plans – plan assets measured at fair value;
- b) Segment reporting
- Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director and Joint Managing Director as chief operating decision maker. Refer note 37 for segment information presented.
- c) Foreign currency translation
- i) Functional and presentation currency
- Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (₹), which is the Company’s functional and presentation currency.
- ii) Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.



Notes to the financial statements (contd.)

d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company’s activities as described below.

Sale of products

Timing of recognition– Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale.

Measurement of revenue– Revenue from sales is based on the price specified in the sales contracts, net of all discounts and returns at the time of sale.

e) Government grants

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

The benefit of a government loan at below current market rate of interest is treated as a government grant.

f) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Notes to the financial statements (contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g) Leases

As a lessee:

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease’s inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

h) Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

k) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and traded goods comprise of cost of purchase. Cost of work-in-progress



Notes to the financial statements (contd.)

and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from

Notes to the financial statements (contd.)

equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the company’s management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company’s right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

m) Income recognition

Interest income

Interest income from debt instruments is recognised using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company

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estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses.

n) Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted at fair value through profit or loss and are included in profit and loss account.

o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

p) Property, plant and equipment

Freehold land is carried at historical cost. Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortised over the period of lease.

The residual values are not more than 5% of the original cost of the asset. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal are determined by comparing proceeds with carrying amount.

q) Intangible assets

i) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

ii) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortised over a period of three years.

Notes to the financial statements (contd.)

iii) Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

s) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

t) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

u) Provisions

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value



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is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

v) Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund and superannuation fund.

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

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Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations and superannuation fund to LIC. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

w) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

y) Earning per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

z) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

aa) Standards issued but not yet effective

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

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that revenue should be recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange



Notes to the financial statements (contd.)

for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The Company will adopt the standard on April1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

Ind AS 21, Foreign currency transactions and advance consideration:

On March28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

3. Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company’s accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- 1. Estimated fair value of investments – Refer Note 34
- 2. Estimation of defined benefit obligation – Refer Note 24

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the financial statements (contd.)

4.1(a) Property, Plant and Equipment

(₹ in lakhs)

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

4.1(b) Property, plant and equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	Deemed cost as at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the Year	On disposals	As at 31 March 2017	As at 31 March 2017
Owned Assets									
Land	4,750.42	25.24	2.01	4,773.65	-	-	-	-	4,773.65
Buildings	13,844.99	2,161.65	-	16,006.64	-	905.65	-	905.65	15,100.99
Plant and Equipment	10,129.16	4,064.43	2.14	14,191.45	-	2,259.23	0.73	2,258.50	11,932.95
Furniture and Fixtures	52.96	12.33	1.05	64.24	-	12.10	0.74	11.36	52.88
Vehicles	404.27	186.52	53.20	537.59	-	88.65	34.70	53.95	483.64
Office Equipment	59.87	29.63	-	89.50	-	32.04	-	32.04	57.46
Data Processing Equipment	126.32	60.61	-	186.93	-	74.19	-	74.19	112.74
Assets taken on Finance Lease									
Data Processing Equipment	33.13	47.19	-	80.32	-	26.38	-	26.38	53.94
TOTAL	29,401.12	6,587.60	58.40	35,930.32	-	3,398.24	36.17	3,362.07	32,568.25



Notes to the financial statements (contd.)

4.2(a) Intangible assets

Particulars	Gross carrying amount			Accumulated amortisation				Net carrying amount
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	As at 31 March 2018
Computer Software	124.94	-	-	124.94	9.38	38.51	-	47.89
TOTAL	124.94	-	-	124.94	9.38	38.51	-	47.89

4.2(b) Intangible assets

Particulars	Gross carrying amount			Accumulated amortisation				Net carrying amount
	Deemed cost as at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the Year	On disposals	As at 31 March 2017
Computer Software	9.27	115.67	-	124.94	-	9.38	-	9.38
TOTAL	9.27	115.67	-	124.94	-	9.38	-	9.38

Note

- Capital work in progress mainly comprise of civil works, plant & machinery in relation to new units being constructed.
- Intangible assets consists of software purchased.

5.1. Investments

Particulars	31 March 2018	31 March 2017	1 April 2016
Investments in Equity Instruments (unquoted - fully paid up)			
Other entities - Fair value through Profit and Loss (FVTPL)			
a) Visaka Thermal Power Limited	-	-	207.86
2,078,600 (2017-2,078,600, 2016-2,078,600) shares of ₹10 each			
b) Somerset Entertainment Ventures (Singapore) Pte Ltd	-	-	800.00
131,903 (2017 - 131,903, 2016 - 131,903) shares of Singapore \$ 10 each			
c) OPGS Power Gujarat Pvt Ltd			
702,000 (2017 - 702,000, 2016 - 702,000) shares of ₹0.10 each	-	-	1.33
d) V- Solar Roofings Pvt Ltd			
1,900 (2017- Nil, 2016- Nil) of ₹10 each	-	-	-
TOTAL	-	-	1,009.19
Aggregate amount of unquoted investments	-	-	1,009.19

Notes to the financial statements (contd.)

5.2. Other financial assets (non - current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, Considered good			
Advance against share capital in OPGS Power Gujarat Pvt Ltd	-	-	0.15
Employee advances	50.50	93.45	71.08
TOTAL	50.50	93.45	71.23

6. Other non-current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
i) Capital advances	2,349.28	427.62	1,486.84
ii) Deposits with government and others	1,123.07	1,084.58	1,082.57
Unsecured, considered doubtful			
Capital advances	224.00	224.00	224.00
Less: Provision for doubtful advances	(224.00)	(224.00)	(224.00)
TOTAL	3,472.35	1,512.20	2,569.41

7. Inventories

Particulars	31 March 2018	31 March 2017	1 April 2016
a) Raw material	10,906.44	7,123.02	10,897.34
{including material in transit of ₹3,895.42 lakhs (2017- ₹59.80 lakhs, 2016 - ₹473.40 lakhs)}			
b) Work-in-progress	2,526.70	3,261.20	3,411.39
c) Finished goods	10,004.04	8,490.14	8,085.74
{including material in transit of ₹270.13 lakhs (2017- ₹109.31 lakhs, 2016 - ₹99.71 lakhs)}			
d) Stores and spares	742.38	727.34	809.25
TOTAL	24,179.56	19,601.70	23,203.72

8. Trade receivables

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured, considered good	2,735.76	2,465.34	2,225.50
Unsecured, considered good	12,365.68	12,549.41	11,797.46
Unsecured, considered doubtful	374.48	266.34	203.08
	15,475.92	15,281.09	14,226.04
Less: Allowance for doubtful debts	(374.48)	(266.34)	(203.08)
TOTAL	15,101.44	15,014.75	14,022.96



Notes to the financial statements (contd.)

9. Cash and cash equivalents

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
a) Balances with banks			
in current accounts	1,520.32	3,572.32	7,267.22
b) Cash on hand	4.48	20.07	26.82
c) Cheques in hand	467.75	-	-
TOTAL	1,992.55	3,592.39	7,294.04

10. Other bank balances

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
a) Earmarked balances with banks			
Unpaid dividend account	73.44	68.51	95.16
b) Balances with banks			
Reserve towards Public deposit	217.00	161.00	105.00
Margin money deposit	9.41	8.30	7.63
TOTAL	299.85	237.81	207.79

11. Loans (current)

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Inter corporate deposits*	84.00	279.00	407.00
TOTAL	84.00	279.00	407.00

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

12. Other financial assets (current)

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Interest receivable	189.01	189.90	177.16
Employee advances	170.79	158.60	153.26
Advances to related parties	36.22	12.38	17.12
TOTAL	396.02	360.88	347.54

Notes to the financial statements (contd.)

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

(₹ in lakhs)		
Particulars	31 March 2018	31 March 2017
Opening balance	4.00	169.46
Add: Taxes paid	2,996.35	2,481.98
Less: Current tax payable for the year	(3,499.04)	(2,647.44)
TOTAL	(498.69)	4.00

14. Other current assets

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Rent deposits	41.58	34.68	33.49
Prepaid expenses	151.05	180.82	124.16
Other receivables	710.49	67.70	121.21
Supplier advances	2,041.36	691.11	857.62
Cenvat, VAT & GST credit available	872.26	509.50	837.75
TOTAL	3,816.74	1,483.81	1,974.23

15. Equity share capital

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
AUTHORIZED			
30,000,000 (2017- 30,000,000, 2016 - 30,000,000) Equity Shares of ₹10/- each	3,000.00	3,000.00	3,000.00
500,000 (2017 - 500,000, 2016 - 500,000) 12% Cumulative Redeemable Preference Shares ₹100/- each	500.00	500.00	500.00
TOTAL	3,500.00	3,500.00	3,500.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL			
15,880,952 (2017- 15,880,952, 2016 - 15,880,952) equity shares of ₹10/- each fully paid up	1,588.10	1,588.10	1,588.10
Add: Shares forfeited - 79,408 (2017- 79,408, 2016 - 79,408) shares	3.97	3.97	3.97
TOTAL	1,592.07	1,592.07	1,592.07



Notes to the financial statements (contd.)

(A) Movement in equity share capital:

(₹ in lakhs)

Particulars	Number of shares	Amount
Balance at April 1, 2016	1,58,80,952	1,592.07
Movement during the year	-	-
Balance at March 31, 2017	1,58,80,952	1,592.07
Movement during the year	-	-
Balance at March 31, 2018	1,58,80,952	1,592.07

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

Name of the shareholder	31 March 2018		31 March 2017		1 April 2016	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
a) Dr. G Vivekanand	57,76,071	36.37	57,74,366	36.36	57,68,116	36.32
b) Vigilance Security Services Private Ltd	13,69,545	8.62	14,19,545	8.94	14,19,545	8.94

(C) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

16. Other equity

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Reserves and surplus			
Securities premium reserve	4,903.45	4,903.45	4,903.45
General reserve	27,000.00	27,000.00	27,000.00
Retained earnings	11,070.55	5,761.13	2,028.71
TOTAL	42,974.00	37,664.58	33,932.16

(i) Securities Premium Reserve

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Opening balance	4,903.45	4,903.45
Movement during the year	-	-
Closing Balance	4,903.45	4,903.45

Notes to the financial statements (contd.)

(ii) General Reserve

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Opening balance	27,000.00	27,000.00
Movement during the year	-	-
Closing Balance	27,000.00	27,000.00

(iii) Retained earnings

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Opening balance	5,761.13	2,028.71
Profit for the year	6,655.72	4,278.45
Dividends	(952.86)	(317.62)
Corporate dividend tax	(193.98)	(64.66)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(199.46)	(163.75)
Closing Balance	11,070.55	5,761.13

Nature and purpose of other reserves

(i) Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the act.

(ii) General Reserve

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

17. Borrowings

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Non- current			
a) Secured loans			
Term loans from banks	4,274.79	3,947.17	2,404.50
Loans from others			
- LIC Loan	-	102.90	102.90
- PICUP Loan	2,117.58	1,578.19	1,133.89
Deferred revenue grant - PICUP Loan	1,800.86	1,409.35	1,082.41
b) Unsecured loans			
Deferred payment liabilities- Sales Tax Deferment Loan	184.29	167.08	151.48
Deferred revenue grant - sales tax deferment loan	21.94	33.73	45.53
Long term maturities of finance lease obligations (Refer note 39 (b))	-	17.18	-
Public deposits	720.75	421.67	304.49
TOTAL	9,120.21	7,677.27	5,225.20



Notes to the financial statements (contd.)

- (A) Term loans from banks include
- (i) Loan taken from HDFC Bank Limited for the fibre cement boards project near Daund Taluk, Pune District in Maharashtra. The current rate of interest is 10% as at the balance sheet date. The loan is secured by first charge on all Property, Plant and Equipment of the company both present and future on pari passu basis with other lenders, second charge on the current assets of the Company. The amount outstanding as at the balance sheet date is ₹1,030.50 lakhs (included in current maturities of long term debts under other financial liabilities (current) is repayable in three quarterly installments in 2018-19 at the rate of ₹343.50 lakhs.
- (ii) Loan taken from IDBI Bank Limited for the Textile unit near Mouda Taluk, Nagpur in Maharashtra. The loan sanctioned is ₹6,035.00 lakhs during the year 2016-17, out of which ₹3,500 lakhs is drawn in 2016-17 and ₹2,535 lakhs is drawn in 2017-18 and is repayable in 24 quarterly installments at the rate of ₹251.46 lakhs each quarter from the financial year 2017-18 to 2022-23 (i.e., from September' 2017 to June' 2023). The current rate of interest is 10.25% 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 Dr G Vivekanand, Vice-chairman of the Company. The amount outstanding as at balance sheet date is ₹5,280.62 lakhs (out of which ₹1,005.83 lakhs are included in other financial liabilities (current) repayable in 21 quarterly installments.
- (iii) Loans from others include interest free loans of ₹4,121.21 lakhs availed (₹1,523.75 lakhs in 2012-13, ₹809.99 lakhs in 2014-15, ₹814.44 lakhs in 2016-17, ₹973.03 lakhs in 2017-18) from The Pradeshia Industrial & Investment Corporation of U.P. Ltd (PIC UP) for the cement asbestos unit at Raebareli, U.P which is sanctioned under the Industrial Investment Promotion Scheme, 2003. The loan is secured by first charge on all assets of the company both present and future, by way of first pari-passu charge with all the secured lenders of the Company and personal guarantee of the Mrs. G Saroja Vivekanand, Managing director of the company. The loans are repayable (each installment drawn) after 10 years from the date of disbursement.
- As per Ind AS requirements, these loans should be recognised at fair value and the difference between fair value and transaction value is recognised as Deferred Revenue Grant. Consequently, the Company has fair valued these loans using an effective interest rate of 10.30% p.a. and as at balance sheet date ₹1,800.86 lakhs (2017- ₹1,409.35 lakhs, 2016 - ₹1,082.41 Lakhs) is shown as Deferred Revenue Grant.
- (iv) Deferred payment liabilities represent sales tax deferment relating to cement asbestos unit at Patancheru, Sangareddy District. This loan is interest free and repayable at ₹200.18 lakhs in the year 2019-20 and ₹21.07 lakhs in the year 2020-21. As per Ind AS requirements, these loans should be recognised at fair value and the difference between fair value and transaction value is recognised as Deferred Revenue Grant. Consequently, the Company has fair valued these loans using an effective interest rate of 10.30% p.a. and as at balance sheet date ₹21.94 lakhs (2017- ₹33.73 lakhs, 2016 - ₹45.53 lakhs) is shown as Deferred Revenue Grant.
- (v) Public deposits represent deposits accepted from public carrying interest varying from 11% to 11.5%. The maturity of these deposits fall on different dates depending on the date of each deposit. There are no deposits matured and remaining unpaid as on the balance sheet date.

18. Other financial liabilities (non-current)

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Interest accrued but not due	41.94	26.02	24.88
TOTAL	41.94	26.02	24.88

Notes to the financial statements (contd.)

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
a) Deferred tax assets			
Expenses allowable on payment basis	274.17	203.46	165.69
b) Deferred tax liabilities			
Depreciation and amortisation	2,015.80	2,041.48	2,094.19
Deferred tax liabilities (net)	1,741.63	1,838.02	1,928.50

(₹ in lakhs)			
Particulars	WDV of depreciable PPE	Expenses allowable on payment basis	Total
As at 01 April, 2016	2,094.19	(165.69)	1928.50
(Charged)/Credited to statement of profit and loss	(52.71)	(37.77)	(90.48)
As at 31st March, 2017	2,041.48	(203.46)	1,838.02
(Charged)/Credited to statement of profit and loss	(25.68)	(70.71)	(96.39)
As at 31st March, 2018	2,015.80	(274.17)	1,741.63

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Current			
a) Secured loans			
Working capital loans from banks	6,924.62	5,591.33	10,678.05
b) Unsecured loans			
Short term loans from banks	4,177.79	4,938.49	13,351.95
Loans from related parties	412.50	55.00	548.50
Inter corporate deposits from related parties	390.00	-	-
Inter corporate deposits from others	28.00	-	-
TOTAL	11,932.91	10,584.82	24,578.50

- 20.1 Working capital loans from banks are loans from State Bank of India . The loans are repayable on demand which are secured on pari-passu basis by hypothecation of the Company's entire current assets including raw materials, work-in-progress, stores & spares, finished goods and book debts, present and future, and second charge by way of hypothecation on all fixed assets present and future. The loan carries floating rate of interest and present interest rate is 8.3%
- 20.2 Short term loans are availed from various banks with a maximum maturity period of six months. The rates of interest vary from bank to bank also within a given bank for various installments of credit.
- 20.3 Loan from related party represents loan taken from Dr G.Vivekanand, Vice-chairman of the Company, Mrs. G.Saroja Vivekanand, Managing director of the Company, repayable on demand and carries an interest rate of 9.5% per annum.
- 20.4 Inter corporate deposits from related parties are taken from VIL Media Pvt Ltd, repayable on demand and carries an interest rate of 9.5% per annum.



Notes to the financial statements (contd.)

20.5 Net Debt Reconciliation

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Opening balance of borrowings	21,312.37	31,961.13
Add: Proceeds from non-current borrowings	3,629.50	4,758.31
Less: Repayment of non-current borrowings	(2,139.57)	(1,374.00)
Proceeds/ (repayment) from current borrowings	1,348.09	(13,993.69)
Fair Value Adjustment	(36.73)	(39.38)
Closing balance of borrowings	24,113.66	21,312.37

21. Trade payables

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Dues to micro enterprises and small enterprises (Refer Note below)	–	13.98	19.25
Dues to creditors other than micro enterprises and small enterprises	9,820.60	5,599.31	4,546.20
TOTAL	9,820.60	5,613.29	4,565.45

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	–	13.98	19.25
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	–	–	–
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	–	–	–
(iv) The amount of interest due and payable for the year	–	–	–
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	–	–	–
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

22. Other financial liabilities (current)

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Current maturities of long term debts	2,139.23	1,957.33	1,374.00
Current maturities of public deposits	900.15	1,077.78	783.43
Current maturities of finance lease obligations	21.16	15.17	–
Interest accrued but not due	158.34	120.87	80.26
Unpaid dividend	73.44	68.51	95.16
Sundry deposits*	3,652.64	3,516.09	3,191.71
Foreign-exchange forward contracts not designated as hedges	(15.49)	230.03	198.05
Capital creditors	169.11	157.56	8.55
TOTAL	7,098.58	7,143.34	5,731.16

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

Notes to the financial statements (contd.)

23. Other current liabilities

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advances from customers	395.04	246.84	234.17
Statutory liabilities	1,215.28	2,282.27	2,344.61
Employee benefits payable	1,743.69	1,032.23	800.37
TOTAL	3,354.01	3,561.34	3,379.15

24. Provisions

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Current			
Provision for employee benefits			
– Leave encashment	90.02	59.81	47.97
– Gratuity	188.61	273.68	91.08
TOTAL	278.63	333.49	139.05

(i) Leave obligations

The leave obligation covers the Company's liability for earned leave. The Company has created a fund with LIC for earned leave encashment of employees for future payment.

(ii) Defined contribution plans

The Company has defined contribution plans namely Provident fund and super annuation fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The Company has created an approved superannuation fund and accounts for the contribution made to LIC against an insurance policy taken with them. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plans is as follows:

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Company's Contribution to Provident Fund	467.92	416.09
Company's Contribution to Superannuation Fund	97.33	87.34

(iii) Post-employment obligations

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave encashment is recognised in the same manner as gratuity.



Notes to the financial statements (contd.)

(₹ in lakhs)

Particulars	Present value of obligation	Fair Value of Plan Assets	Net Liability
1 April 2016	1,258.24	1,167.16	91.08
Current service cost	59.97	-	59.97
Interest expense/(income)	97.36	99.16	(1.80)
Total amount recognized in profit or loss	157.33	99.16	58.17
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1.97	(1.97)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	53.86	-	53.86
Experience (gains)/loss	198.53	-	198.53
Total amount recognized in other comprehensive income	252.39	1.97	250.42
Employer contributions	-	125.99	(125.99)
Benefit payments	(82.36)	(82.36)	-
31 March 2017	1,585.60	1,311.92	273.68

(₹ in lakhs)

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

Notes to the financial statements (contd.)

The net liability disclosed above relating to funded and unfunded plans are as follows:

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of funded obligations	2,108.44	1,585.60	1,258.24
Fair value of plan assets	1,919.83	1,311.92	1,167.16
Deficit of funded plans	188.61	273.68	91.08

Expected contributions to post-employment benefit plans of gratuity for the year ending 31 March 2019 are ₹217.01 Lakhs.

iv) Significant estimates and sensitivity Analysis

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

(₹ in lakhs)

Particulars	Key assumptions		Defined benefit obligation					
	31 March 2018	31 March 2017	Increase in assumption by			Decrease in assumption by		
			Rate	31 March 2018	31 March 2017	Rate	31 March 2018	31 March 2017
Discount rate	7.58%	7.50%	1%	1,954.27	1,478.56	1%	2,286.56	1,708.01
Salary growth rate	6.00%	4.00%	1%	2,276.89	1,702.97	1%	1,960.01	1,481.33
Attrition rate	3.00%	3.00%	1%	2,129.03	1,618.14	1%	2,085.13	1,549.23

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.



Notes to the financial statements (contd.)

25. Revenue from operations

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products	1,02,823.78	1,04,567.33
Other operating revenue		
Export incentives	133.37	541.22
Industrial incentives	1,231.70	332.65
Sale of scrap	134.65	114.54
TOTAL	1,04,323.50	1,05,555.74

26. Other income

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on financial assets carried at amortised cost	94.49	89.85
Insurance claim received	30.84	56.71
Government grants	229.03	194.34
Net gain on disposal of property, plant and equipment	61.81	-
Miscellaneous income	40.89	230.33
TOTAL	457.06	571.23

27. Cost of materials consumed

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cost of materials consumed	50,075.08	49,690.15
TOTAL	50,075.08	49,690.15

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

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening inventory		
Finished goods	8,490.14	8,085.74
Work in progress	3,261.20	3,411.39
(A)	11,751.34	11,497.13
Closing inventory		
Finished goods	10,004.04	8,490.14
Work in progress	2,526.70	3,261.20
(B)	12,530.74	11,751.34
TOTAL (A-B)	(779.40)	(254.21)

Notes to the financial statements (contd.)

29. Employee benefits expense

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	7,426.88	6,307.74
Contribution to provident and other funds	685.95	494.95
Gratuity	180.46	58.17
Leave encashment	102.44	71.31
Staff welfare expenses	827.79	558.12
TOTAL	9,223.52	7,490.29

30. Finance cost

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest on borrowings	1,703.48	1,816.07
Other borrowing cost	77.42	114.98
Interest on shortfall in payment of advance tax	44.86	28.76
TOTAL	1,825.76	1,959.81

31. Depreciation and amortization expense

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	3,445.05	3,398.24
Amortisation of intangible assets	38.51	9.38
TOTAL	3,483.56	3,407.62

32. Other expenses

(₹ in lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores and spares	2,735.68	2,621.41
Cost of packing materials consumed	981.79	966.99
Power and fuel	4,964.40	4,918.14
Repairs and maintenance		
Buildings	376.14	481.00
Plant and machinery	539.35	702.05
Insurance	226.54	230.17



Notes to the financial statements (contd.)

32. Other expenses (contd.)

Particulars	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Rates & taxes	154.87	141.96
Rent	169.21	140.78
Wages – contract labour	2,872.63	2,623.48
Travelling & conveyance	973.17	877.33
Commission & discount	354.78	341.50
Freight	9,023.05	7,595.93
Advertisement & sales promotion expenses	1,018.48	1,023.12
Payments to auditors (refer note 32 a)	44.41	27.66
Directors' sitting fee	4.25	2.60
Bad debts written off	11.39	28.98
Foreign exchange loss (net)	230.39	263.31
Loss on sale of property, plant and equipment (net)	-	2.27
Non whole time directors' commission	43.75	52.50
Excise duty on increase/(decrease) in inventories	(1,162.96)	(45.99)
Property, plant and equipment written off	10.19	2.53
Provision for doubtful debts	108.14	63.26
Corporate social responsibility (CSR) expenditure (Refer note 32 b)	109.42	66.72
Contribution to political party*	100.00	-
Provision for diminution in the value of Investment	-	1,009.34
Miscellaneous expenses	3,711.96	3,165.76
TOTAL	27,601.03	27,302.80

* Donation to Telangana rashtra samithi

32 a. Payment to auditor

Particulars	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
(a) To statutory auditors		
- Statutory audit fee	27.00	14.00
- Tax audit fee		4.00
- For other services (including fees for quarterly audits)	4.00	3.00
- Reimbursement of expenses	1.60	1.32
(b) To others		
- Cost audit fee	1.50	1.50
- Tax audit fee	6.00	-
- Certification and taxation matters	4.31	3.84
TOTAL	44.41	27.66

Notes to the financial statements (contd.)

32 b. Corporate Social Responsibility expenditure

Particulars	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Amount required to be spent as per Section 135 of the Act	105.80	66.17
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
2. On purposes other than (1) above**	109.42	66.72

** includes 2018 – ₹88.26 lakhs (2017 – ₹15.18 lakhs) contributed to Visaka Charitable Trust.

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

Particulars	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Profit before income tax expense	10,163.93	6,922.08
Tax at the Indian tax rate of 34.608% (2016-17: 34.608%)	3,517.53	2,395.59
Effect of non-deductible expense	324.02	623.33
Effect of allowances for tax purpose	(236.95)	(284.81)
Effect of deferred tax	(96.39)	(90.48)
Income tax expense	3,508.21	2,643.63

34. Financial instruments and risk management

Fair values

- The carrying amounts of trade payables, other financial liabilities(current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.
- Borrowings (non-current) consists of loans from banks and government authorities, other financial liabilities (non-current) consists of interest accrued but not due on deposits other financial assets consists of employee advances where the fair value is considered based on the discounted cash flow.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



Notes to the financial statements (contd.)

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

(i) Categories of financial instruments

Particulars	Level	(₹ in lakhs)					
		31 March 2018		31 March 2017		1 April 2016	
		Carrying amount	Fair value*	Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets							
Measured at amortised cost:							
Non-current							
Other financial assets	3	50.50	50.50	93.45	93.45	71.23	71.23
Current							
Trade receivables	3	15,101.44	15,101.44	15,014.75	15,014.75	14,022.96	14,022.96
Cash and Cash Equivalents	3	1,992.55	1,992.55	3,592.39	3,592.39	7,294.04	7,294.04
Other bank balances	3	299.85	299.85	237.81	237.81	207.79	207.79
Loans	3	84.00	84.00	279.00	279.00	407.00	407.00
Other financial assets	3	396.02	396.02	360.88	360.88	347.54	347.54
Measured at fair value through profit and loss					-		-
Non-current							
Investments	3	-	-	-	-	1,009.19	1,009.19
TOTAL		17,924.36	17,924.36	19,578.28	19,578.28	23,359.75	23,359.75
Financial liabilities							
Measured at amortised cost							
Non-current							
Borrowings	3	9,120.21	9,120.21	7,677.27	7,677.27	5,225.20	5,225.20
Other financial liabilities	3	41.94	41.94	26.02	26.02	24.88	24.88
Current							
Borrowings	3	11,932.91	11,932.91	10,584.82	10,584.82	24,578.50	24,578.50
Trade Payables	3	9,820.60	9,820.60	5,613.29	5,613.29	4,565.45	4,565.45
Other Financial Liabilities	3	7,114.07	7,114.07	6,913.31	6,913.31	5,533.11	5,533.11
Measured at fair value through profit and loss							
Foreign-exchange forward contracts not designated as hedges							
(grouped under other current financial liabilities)	2	(15.49)	(15.49)	230.03	230.03	198.05	198.05
TOTAL		38,014.24	38,014.24	31,044.74	31,044.74	40,125.19	40,125.19

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Notes to the financial statements (contd.)

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments is included in level 3

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Company has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

35. Financial risk management

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities .

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

(i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company’s exposure to the risk of changes in foreign exchange rates relates primarily to the trade/other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar, EURO, GBP against the functional currencies of the Company. The Company’s exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollors, EURO and GBP exchange rates, with all other variables held constant. The impact on the Company’s profit before tax is due to changes in the fair value of monetary assets and liabilities.



Notes to the financial statements (contd.)

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

(₹ in lakhs)

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Change in USD				
1% increase	0.76	7.00	0.50	4.57
1% decrease	(0.76)	(7.00)	(0.50)	(4.57)
Change in EURO				
1% increase	1.11	0.41	0.73	0.27
1% decrease	(1.11)	(0.41)	(0.73)	(0.27)
Change in GBP				
1% increase	0.14	-	0.09	-
1% decrease	(0.14)	-	(0.09)	-

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, EURO and GBP, where the functional currency of the entity is a currency other than US dollars, EURO and GBP.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company’s profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in lakhs)

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Change in interest rate				
increase by 100 basis points	(174.13)	(164.34)	(113.87)	(107.47)
decrease by 100 basis points	174.13	164.34	113.87	107.47

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment

Notes to the financial statements (contd.)

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company’s maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

- i. Credit risk on cash and cash equivalents and other bank balances is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.
- ii. Credit risk on trade receivables and other financial assets is evaluated as follows:

(i) Expected credit loss for trade receivable under simplified approach:

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Gross carrying amount	15,475.92	15,281.09	14,226.04
Expected credit losses (Loss allowance provision)	(374.48)	(266.34)	(203.08)
Carrying amount of trade receivables	15,101.44	15,014.75	14,022.96

Expected credit loss for financial assets where general model is applied

The financial assets which are exposed to credit are loans, employee advances and advance against share application money.



Notes to the financial statements (contd.)

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default	Estimated gross carrying amount at default
Gross carrying amount			
Loans	84.00	279.00	407.00
Employee advances	257.51	264.43	241.46
Advance against share application money	-	-	0.15
	341.51	543.43	648.61
Expected credit losses	-	-	-
Net carrying amount			
Loans	84.00	279.00	407.00
Employee advances	257.51	264.43	241.46
Advance against share application money	-	-	0.15
Total	341.51	543.43	648.61

(ii) Reconciliation of loss allowance provisions

(₹ in lakhs)	
Particulars	Trade receivables
Loss allowance as at 1 April 2016	203.08
Changes in loss allowance during the period of 2016-17	63.26
Loss allowance as at 31 March 2017	266.34
Changes in loss allowance during the period of 2017-18	108.14
Loss allowance as at 31 March 2018	374.48

(iii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements:

The company had access to the following undrawn borrowing facilities at the end of the reporting period

(₹ in lakhs)			
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Expiring within one year (bank overdraft and other facilities)	29,184.00	31,780.00	18,225.00

Notes to the financial statements (contd.)

(ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at :

(₹ in lakhs)						
Particulars	31 March 2018		31 March 2017		1 April 2016	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	11,932.91	9,120.21	10,584.82	7,677.27	24,578.50	5,225.20
Trade Payables	9,820.60	-	5,613.29	-	4,565.45	-
Other Financial Liabilities	7,098.58	41.94	7,143.34	26.02	5,731.16	24.88
Total	28,852.09	9,162.15	23,341.45	7,703.29	34,875.11	5,250.08

(iii) Management expects finance cost to be incurred for the year ended 31 March 2019 is ₹1,747.53 lakhs

36. Capital management

A. Capital management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Borrowings			
Current	11,932.91	10,584.82	24,578.50
Non current	9,120.21	7,677.27	5,225.20
Current maturities of non- current borrowings	3,060.54	3,050.28	2,157.43
Total Debt	24,113.66	21,312.37	31,961.13
Equity			
Equity share capital	1,592.07	1,592.07	1,592.07
Other equity	42,974.00	37,664.58	33,932.16
Total capital	44,566.07	39,256.65	35,524.23
Gearing ratio in % (Debt/ capital)	54%	54%	90%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.



Notes to the financial statements (contd.)

B. Dividends

(₹ in lakhs)		
Particulars	31 March 2018	31 March 2017
Dividends recognised		
Final dividend for the year ended 31 March 2017 of INR 6/- (31 March 2016 - INR 2/-) per fully paid share	952.86	317.62
Interim dividend for the year ended 31 March 2018 of INR Nil/- (31 March 2017 - INR Nil)	-	-
For the year ended the directors have recommended the payment of a final dividend of INR 7/- per fully paid equity share (March 31, 2017 - INR 6/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting, hence the same is not recognised.	1,111.67	952.86

37. Segment information

The Company’s Managing Director, Joint Managing Director and Chief financial Officer, examines the Company’s performance from a product perspective and has identified two reportable segments:

1. Building products - The building products division produces asbestos sheets, accessories used mostly as roofing material and non asbestos flat sheets and sandwich panels used as interiors.
2. Synthetic Yarn - Synthetic yarn division manufactures Yarn out of blends of polyester, viscose, other materials which go into the weaving of fabric.

They primarily uses a measure of profit before tax to assess the performance of the operating segments.

Segment revenue and expenses:

The Company has an established basis of allocating Joint/Corporate expenses to the segments, which is reasonable, and followed consistently. All other segment revenue and expenses are attributable to the segments. Certain Expenses/ Income are not specifically allocable to specific segments and accordingly these expenses are disclosed as unallocated corporate expenses or income and adjusted only against the total income of the company. Segment result includes the respective other income.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions that are reported as direct offsets in the balance sheet. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. In such cases, the entire revenue and expenses of these assets including depreciation are also allocated to the same segments. Assets which are not allocable to the segments have been disclosed as ‘unallocated corporate assets’. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes. The loans and other borrowings that are not specifically allocable to the various segments are disclosed as ‘unallocated corporate liabilities’.

Inter segment transfers:

The Company adopts a policy of pricing inter-segment transfers at cost to the transferor segment.

Notes to the financial statements (contd.)

Summary of segment information

(₹ in lakhs)		
Particulars	31 March 2018	31 March 2017
A. Revenue		
Segment revenue		
Building product	87,291.80	87,672.52
Synthetic yarn	17,031.70	17,883.22
Total revenue	1,04,323.50	1,05,555.74
B. Segment profit		
Building product	13,536.39	10,089.85
Synthetic yarn	801.46	1,720.09
Segment operating profit	14,337.85	11,809.94
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Unallocated corporate expenses	(2,586.70)	(3,154.75)
Unallocated corporate Income	238.54	226.70
Operating profit	11,989.69	8,881.89
Finance costs	(1,825.76)	(1,959.81)
Profit before tax	10,163.93	6,922.08
Income tax expense	(3,508.21)	(2,643.63)
Profit after tax	6,655.72	4,278.45

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Segment Assets			
Building product	59,916.44	57,711.16	65,152.77
Synthetic yarn	17,216.51	15,439.45	6,973.74
Unallocated corporate assets	11,320.32	2,883.63	8,969.61
Total assets	88,453.27	76,034.24	81,096.12
Segment liabilities			
Building product	12,188.05	8,813.48	7,279.89
Synthetic yarn	1,140.15	1,082.23	927.90
Unallocated corporate liabilities	30,559.00	26,881.88	37,364.10
Total liabilities	43,887.20	36,777.59	45,571.89

(₹ in lakhs)		
Particulars	31 March 2018	31 March 2017
Geographical segment revenue by location of customers		
India	99,939.36	98,638.15
Outside India	4,384.14	6,917.59
Total	1,04,323.50	1,05,555.74



Notes to the financial statements (contd.)

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Geographical segment assets			
India	87,425.76	74,780.96	80,011.04
Outside India	1,027.51	1,253.28	1,085.08
Total	88,453.27	76,034.24	81,096.12

38. Contingent liabilities

The Company has following contingent liabilities as at:

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Income tax	6.16	72.00	16.37
VAT/CST	187.76	97.95	250.66
Excise duty/Service Tax	229.11	2,846.21	2,831.34
Total	423.03	3,016.16	3,098.37

Includes ₹46.77 lakhs (2017 - ₹485.28 lakhs, 2016 - ₹489.97 lakhs) paid under protest.

39. Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Property, plant and equipment	1,484.65	218.18	4,633.21
Total	1,484.65	218.18	4,633.21

(b) Finance leases

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

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
a) Outstanding balance of minimum lease payment not later than one year	23.21	18.57	-
Later than one year and not later than five years	-	18.56	-
Later than five years	-	-	-
TOTAL	23.21	37.13	-
b) Present value of (a) above not later than one year	21.16	15.17	-
Later than one year and not later than five years	-	17.18	-
Later than five years	-	-	-
TOTAL	21.16	32.35	-
Finance charge	2.05	4.78	-

Notes to the financial statements (contd.)

40. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) Key Managerial Personnel (KMP):	
Mrs. G.Saroja Vivekanand	Managing Director
Mr. G.Vamsi Krishna	Joint Managing Director
Mr. V.Vallinath	Whole Time Director & CFO
Mr. J.Pruthvidhar Rao	Whole Time Director
Mr. I. Srinivas	Company Secretary & Vice-President (Corporate Affairs)
ii) Non-whole-time Directors	
Mr. Bhagirat B. Merchant	Director
Dr. G.Vivekanand	Director
Mr. Nagam Krishna Rao (Expired on 25/05/2017)	Director
Mr. Gusti Noria	Director
Mr. V. Pattabhi	Director
Mr. P. Abraham (Resigned w.e.f 11/11/2017)	Director
Mr. P. Srikar Reddy	Director
iii) Relatives of key managerial personnel:	
Mrs. G.Vritika	Daughter of Mrs. Saroja Vivekanand
Ms. G.Vaishnavi	Daughter of Mrs. Saroja Vivekanand
Mr. G.Venkat Krishna	Son of Mrs. Saroja Vivekanand
Mrs. B.L. Sujata	Spouse of Mr. V.Vallinath
Mrs. K.Vimala	Mother of Mrs. Saroja Vivekanand
Mr. Subramanyam Kasinadhuni	Father of Mrs. Saroja Vivekanand
iv) Enterprises in which key managerial personnel and/or their relatives have control:	
a) Visaka Thermal Power Limited	
b) Visaka Charitable Trust	
c) VIL Media Pvt Ltd	
d) Ecovav Construction Private Limited	
e) A-Bond Strands Private Limited	



Notes to the financial statements (contd.)

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

(₹ in lakhs)			
Names of the related parties	Nature of Transactions	Year ended 31 March 2018	Year ended 31 March 2017
Mrs. G.Saroja Vivekanand	Remuneration*	565.52	365.35
Mr. G.Vamsi Krishna	Remuneration*	298.85	34.16
Mr. V.Vallinath	Remuneration*	73.65	70.60
Mr. J.Pruthvidhar Rao	Remuneration*	73.70	64.40
Mr. I. Srinivas	Remuneration*	27.45	24.13
Mrs. G.Saroja Vivekanand	Dividend paid	11.65	3.88
Dr. G.Vivekanand	Dividend paid	346.56	115.36
Mr. G.Vamsi Krishna	Dividend paid	0.52	-
Mr. Bhagirat B. Merchant	Commission and Sitting fees	8.30	8.05
Dr. G.Vivekanand	Commission and Sitting fees	8.10	7.80
Mr. Nagam Krishna Rao	Commission and Sitting fees	1.25	7.60
Mr. Gusti Noria	Commission and Sitting fees	8.70	8.15
Mr. V. Pattabhi	Commission and Sitting fees	8.70	8.10
Mr. P. Abraham	Commission and Sitting fees	5.05	7.65
Mr. P. Srikar Reddy	Commission and Sitting fees	7.90	7.75
Mrs. G.Vritika	Interest on Public Deposits	8.84	8.00
Ms. G.Vaishnavi	Interest on Public Deposits	2.96	4.07
Mr. G.Venkat Krishna	Interest on Public Deposits	11.43	2.77
Mrs. B.L. Sujata	Interest on Public Deposits	1.45	1.31
Mrs. K.Vimala	Interest on Public Deposits	-	0.08
Mr. Subramanyam Kasinadhuni	Interest on Public Deposits	0.59	-
Dr. G.Vivekanand	Loan received	621.50	315.00
	Loan Repaid	649.00	808.50
	Interest on Unsecured loan	16.79	15.19
Mrs. G.Saroja Vivekanand	Loan received	930.00	-
	Loan Repaid	545.00	
	Interest on Unsecured loan	4.02	-
VIL Media Pvt Ltd	Interest on Inter corporate deposits	27.11	-
	Inter corporate deposits received	850.00	-
	Inter corporate deposits repaid	460.00	-
	Advertising Expenses	41.30	49.68
Visaka Charitable Trust	Contribution towards CSR	88.26	15.18
Ecovav Construction Private Limited	Purchases	32.60	-
	sales	5.58	-
A-Bond Strands Private limited	Handling Charges	11.38	15.96
Mrs. G.Vritika	Public Deposits received	-	58.28
Ms. G.Vaishnavi	Public Deposits received	2.51	2.28
Mr. G.Venkat Krishna	Public Deposits received	6.00	100.00
Mrs. B.L. Sujata	Public Deposits received	1.27	1.18
Mr. Subramanyam Kasinadhuni	Public Deposits received	25.00	-
Ms. G.Vaishnavi	Public Deposits repaid	-	85.00
Mrs. K.Vimala	Public Deposits repaid	-	3.00

* Post employment benefits are actuarially determined on overall basis and hence not seperately provided.

Notes to the financial statements (contd.)

Details of outstanding balances as at the year end where related party relationship existed:

(₹ in lakhs)				
Names of the related parties	Nature of Balance	31 March 2018	31 March 2017	1 April 2016
Dr. G.Vivekanand	Unsecured Loan Outstanding	27.50	55.00	548.50
Mrs. G.Saroja Vivekanand	Unsecured Loan Outstanding	385.00	-	-
VIL Media Pvt Ltd	Inter corporate deposits Outstanding	390.00	-	-
Mrs. G.Vritika	Public Deposits Outstanding	80.34	80.34	22.06
Ms. G.Vaishnavi	Public Deposits Outstanding	26.85	24.34	107.06
Mr. G.Venkat Krishna	Public Deposits Outstanding	106.00	100.00	-
Mrs. B.L. Sujata	Public Deposits Outstanding	13.59	12.32	11.14
Mrs. K.Vimala	Public Deposits Outstanding	-	-	3.00
Mr. Subramanyam Kasinadhuni	Public Deposits Outstanding	25.00	-	-
Mr. V.Vallinath	Advances Outstanding	13.26	-	3.96
Mr. J.Pruthvidhar Rao	Advances Outstanding	14.57	12.38	13.16
Mr. Srinivas I	Advances Outstanding	8.39	-	-

41. Earnings per share (EPS)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit after tax (₹ in lakhs)	6,655.72	4,278.45
Weighted average number of equity shares in calculating Basic and Diluted EPS (Nos in lakhs)	158.81	158.81
Face value per share ₹	10.00	10.00
Basic and Diluted Earnings per Share (EPS) ₹	41.91	26.94



Notes to the financial statements (contd.)

42. First-time adoption of Ind AS

Transition to Ind AS

These are the Company’s first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 01 April 2016 (date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting standards) Rules, 2006 (as amended) and other relevant provisions of the Act(previous GAAP or Indian GAAP). An explanation on how the transition from previous GAAP to Ind AS has effected the Company’s financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant & Equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition, after making necessary adjustments for decommissioning liabilities. This exemption can also be used for Intangible Assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its Property, Plant & Equipment and Intangible Assets at their previous GAAP carrying value.

(ii) Impairment of financial assets

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at 01 April 2016.

B. Ind AS mandatory exceptions

(i) Estimates

An entity’s estimates in accordance with Ind ASs at the date of transition to Ind As shall be consistent with the estimates made for the same date in accordance with previous GAAP(after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at Fair value through Profit and Loss.
- Impairment of financial asset based on expected credit loss model.

(ii) Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes to the financial statements (contd.)

C. Reconciliation between previous GAAP and Ind AS (as at 31 March 2017 and 1 April 2016)

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods.

The following tables represent the reconciliations from previous GAAP to Ind AS.

₹ in lakhs)

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet
I. ASSETS							
Non-current Assets							
(a) Property, plant and equipment		32,568.25	-	32,568.25	29,401.12	-	29,401.12
(b) Capital work-In-progress		1,170.44	-	1,170.44	409.16	-	409.16
(c) Intangible assets		115.56	-	115.56	9.27	-	9.27
(d) Financial assets							
Investments		-	-	-	1,009.19	-	1,009.19
Other financial assets		93.45	-	93.45	71.23	-	71.23
(e) Other non-current assets		1,512.20	-	1,512.20	2,569.41	-	2,569.41
Current Assets							
(a) Inventories		19,601.70	-	19,601.70	23,203.72	-	23,203.72
(b) Financial assets							
(i) Trade receivables		15,014.75	-	15,014.75	14,022.96		14,022.96
(ii) Cash and cash equivalents		3,592.39	-	3,592.39	7,294.04	-	7,294.04
(iii) Other bank balances		237.81	-	237.81	207.79	-	207.79
(iv) Loans		279.00	-	279.00	407.00	-	407.00
(v) Other financial assets		360.88	-	360.88	347.54	-	347.54
(c) Current tax assets (net)		4.00	-	4.00	169.46	-	169.46
(d) Other current assets		1,483.81	-	1,483.81	1,974.23	-	1,974.23
Total assets		76,034.24	-	76,034.24	81,096.12	-	81,096.12



Notes to the financial statements (contd.)

(₹ in lakhs)							
Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet
II. EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		1,592.07	-	1,592.07	1,592.07	-	1,592.07
(b) Other equity		37,194.48	470.10	37,664.58	33,114.10	818.06	33,932.16
Liabilities							
Non-Current Liabilities							
(a) Financial liabilities							
(i) Borrowings	1	7,858.35	(181.08)	7,677.27	5,366.88	(141.68)	5,225.20
(ii) Other financial liabilities		26.02	-	26.02	24.88	-	24.88
(b) Deferred tax liabilities (net)	2	2,134.46	(296.44)	1,838.02	2,222.60	(294.10)	1,928.50
Current Liabilities							
(a) Financial liabilities							
(i) Borrowings		10,584.82	-	10,584.82	24,578.50	-	24,578.50
(ii) Trade payables		5,613.29	-	5,613.29	4,565.45	-	4,565.45
(iii) Other financial liabilities	3	7,135.92	7.42	7,143.34	5,731.16	-	5,731.16
(b) Other current liabilities		3,561.34	-	3,561.34	3,379.15	-	3,379.15
(c) Provisions	7	333.49	-	333.49	521.33	(382.28)	139.05
(d) Current tax liabilities (net)		-	-	-	-	-	-
TOTAL		76,034.24	-	76,034.24	81,096.12	-	81,096.12

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the financial statements (contd.)

(₹ in lakhs)				
Particulars	Notes	Previous GAAP*	Adjustments	Ind AS
I. Revenue from operations	4,5	96,673.17	8,882.57	1,05,555.74
II. Other Income	1	376.89	194.34	571.23
III. Total Revenue (I + II)		97,050.06	9,076.91	1,06,126.97
IV. Expenses:				
Cost of materials consumed		49,690.15	-	49,690.15
Excise duty	5	-	9,499.22	9,499.22
Purchases of Stock-in-trade		109.21	-	109.21
Changes in inventories of finished goods and work in progress		(254.21)	-	(254.21)
Employee benefits expense	6	7,740.71	(250.42)	7,490.29
Finance costs	1	1,804.87	154.94	1,959.81
Depreciation and amortization expense		3,407.62	-	3,407.62
Other expenses	3,4	27,912.03	(609.23)	27,302.80
Total Expenses		90,410.38	8,794.51	99,204.89
V. Profit before tax (III - IV)		6,639.68	282.40	6,922.08
VI. Tax expense:				
(1) Current tax		2,647.44	86.67	2,734.11
(2) Deferred tax	2	(88.14)	(2.34)	(90.48)
VII. Profit for the period (V-VI)		4,080.38	198.07	4,278.45
VIII. Other Comprehensive Income				
Items that will not be reclassified to statement of profit and loss				
a) Remeasurement of defined employee benefit plans	6,9	-	(250.42)	(250.42)
b) Income tax relating to item (a) above		-	86.67	86.67
Other Comprehensive Income (net of tax)		-	(163.75)	(163.75)
IX. Total Comprehensive Income for the year		4,080.38	34.32	4,114.70

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



Notes to the financial statements (contd.)

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

(₹ in lakhs)			
Particulars	Notes	31 March 2017	1 April 2016
Total equity (shareholder's funds) as per previous GAAP		38,786.55	34,706.17
Adjustments			
Proposed dividend including corporate dividend tax	7	-	382.28
Impact on deferred tax on account of Ind AS adjustments	2	296.44	294.10
Fair valuation of forward contracts	3	(7.42)	-
Fair valuation of government grants	1	181.08	141.68
Total adjustments		470.10	818.06
Total equity as per Ind AS		39,256.65	35,524.23

Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in lakhs)		
Particulars	Notes	31 March 2017
Profit after tax as per previous GAAP		4,080.38
Adjustments		
Fair valuation of forward contracts	3	(7.42)
Fair valuation of government grants	1	39.40
Impact on deferred tax on account of Ind AS adjustments	2	2.34
Total comprehensive income as per Ind AS		4,114.70

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

(₹ in lakhs)				
Particulars	Notes	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities		14,947.20	324.38	15,271.58
Net cash flow from investing activities		(6,161.78)	(30.02)	(6,191.80)
Net cash flow from financing activities		(12,457.05)	(324.38)	(12,781.43)
Net increase/(decrease) in cash and cash equivalents	10	(3,671.63)	(30.02)	(3,701.65)
Cash and cash equivalents as at 1 April 2016		7,501.83	(207.79)	7,294.04
Cash and cash equivalents as at 31 March 2017		3,830.20	(237.81)	3,592.39

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the financial statements (contd.)

D. Notes to first-time adoption:

- 1) **Borrowings**
The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at Fair Value) and the proceeds received. Government grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses, the related costs for which the grants are intended to compensate. As a result other income has increased by ₹194.34 Lakhs towards government grant amortisation and finance cost has increased by ₹154.94 lakhs towards interest expense on government loan and accordingly the overall net profit has increased by ₹39.40 lakhs for the year ended 31 March 2017. Consequently the borrowings have been restated to ₹5,225.20 lakhs and ₹7,677.27 lakhs as at 1 April 2016 and 31 March 2017 respectively.
- 2) **Deferred tax**
Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. It requires recognition of tax consequences of differences between the carrying amounts of assets and liabilities and their tax base. As a result Deferred tax liability has been decreased by ₹294.10 lakhs as at 1 April 2016 and ₹296.44 lakhs as at 31 March 2017 with a corresponding increase in retained earnings and net profit respectively.
- 3) **Fair valuation of forward contracts**
Under previous GAAP, the premium or discount arising at the inception of a forward exchange contract should be amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract should be recognised as income or as expense for the period.

Under Ind AS 109, such forward contracts have to be carried at fair value through profit and loss. The profit for the year ended 31 March 2017 has decreased by ₹7.42 lakhs on account of fair value loss.
- 4) **Expenses directly attributable to revenue**
Under the previous GAAP, cash discounts, sales promotion expenses and breakages and damages amounting to ₹616.65 lakhs directly attributable to sales were recognized as part of other expenses which have been adjusted against the revenue from sale of goods under Ind AS during the year ended 31 March 2017. There is no impact on the total equity and profit.
- 5) **Excise duty**
Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by ₹9,499.22 lakhs. There is no impact on the total equity and profit.
- 6) **Remeasurements of post-employment benefit obligations**
Under Ind AS, remeasurements i.e. Actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact on the total equity as at 31 March 2017.
- 7) **Proposed Dividend**
Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the



Notes to the financial statements (contd.)

approval of the financial statements were considered as an adjusting event. Accordingly, provision for proposed dividend and corporate dividend tax was recognised as liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and corporate dividend tax of ₹382.28 lakhs included under provisions as at 1 April 2016 has been reversed with corresponding adjustments to retained earnings. Consequently the total equity increased by an equivalent amount.

8) Other equity

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments on the date of transition.

The company has transferred on April 1,2016 an amount of ₹169.29 lakhs from capital reserve to general reserve as the conditions attached to it are fulfilled as at the date of transition. However there is no impact on other equity on account of this adjustment.

9) Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in the profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit or loss as ‘other comprehensive income’ includes remeasurements of defined benefit plans. The concept of ‘other comprehensive income’ did not exist under previous GAAP.

10) Cash flow from financing activities

Other bank balances (disclosed under Note 10) are not considered as part of cash and cash equivalents under Ind AS and the movement of other bank balances amounting to ₹30.02 lakhs is the variance in net increase/decrease in cash and cash equivalents as at 31 March 2017.

43. Assets pledged as security

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

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Non-current Assets			
(a) Property, plant and equipment	32,080.33	32,568.25	29,401.12
(b) Capital work-in-progress	6,902.88	1,170.44	409.16
(c) Intangible assets	77.05	115.56	9.27
(d) Financial assets			
Investments	-	-	1,009.19
Other financial assets	50.50	93.45	71.23
(e) Other non-current assets	3,472.35	1,512.20	2,569.41

Notes to the financial statements (contd.)

(₹ in lakhs)			
Particulars	31 March 2018	31 March 2017	1 April 2016
Current Assets			
(a) Inventories	24,179.56	19,601.70	23,203.72
(b) Financial assets			
(i) Trade receivables	15,101.44	15,014.75	14,022.96
(ii) Cash and cash equivalents	1,992.55	3,592.39	7,294.04
(iii) Other bank balances	299.85	237.81	207.79
(iv) Loans	84.00	279.00	407.00
(v) Other financial assets	396.02	360.88	347.54
(c) Current tax assets (net)	-	4.00	169.46
(d) Other current assets	3,816.74	1,483.81	1,974.23
Total	88,453.27	76,034.24	81,096.12

For Price Waterhouse & Co
Chartered Accountants LLP

Firm Registration Number:
304026E/E-300009

Sunit Kumar Basu
Partner
Membership Number: 55000

Place: Hyderabad
Date: 7th May, 2018

On behalf of Board of Directors

Bhagirat B. Merchant
Chairman

Dr. G. Vivekanand
Vice-Chairman

Smt. G. Saroja Vivekanand
Managing Director

Gusti J Noria
Director

G. Vamsi Krishna
Joint Managing Director

J. P. Rao
Whole-time Director

V. Pattabhi
Director

V. Vallinath
Whole-time Director &
Chief Financial Officer

I. Srinivas
Company Secretary &
VP (Corporate Affairs)

Secunderabad, 7th May, 2018



CORPORATE INFORMATION

Board of Directors	
Shri. Bhagirat B. Merchant	Chairman
Dr. G. Vivekanand	Vice Chairman
Shri. V. Pattabhi	Director
Shri. Gusti J Noria	Director
Shri. P. Srikar Reddy	Director
Smt. G. Saroja Vivekanand	Managing Director
Shri. G. Vamsi Krishna	Joint Managing Director
Shri. V. Vallinath	Whole-time Director and Chief Financial Officer
Shri. J. P. Rao	Whole-time Director
Vice President (Corporate Affairs) and Company Secretary:	
Shri. I. Srinivas	
Committees of the Board	
Audit Committee	
Shri. Bagirat 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. Bagirat 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
Shri. V. Pattabhi	Member
Dr. G. Vivekanand	Member
Smt. G. Saroja Vivekanand	Member
Shri. J. P. Rao	Member

Corporate Office:	
Visaka Industries Limited	
Visaka Towers, 1-8-303/69/3	
S.P. Road, Secunderabad – 500 003.	
Registered Office:	
Survey No. 315, Yelumala Village,	
R.C. Puram Mandal, Sangareddy District – 502 300,	
Telangana.	
Statutory Auditors:	
Price Waterhouse & Co Chartered Accountants LLP	
Plot No. 77/A, 8-2-624/A/1,	
3rd & 4th floor, Road No. 10, Banjara Hills	
Hyderabad – 500 034.	
Cost Auditors:	
M/s. Sagar & Associates	
205, Raghava Ratna Towers,	
Chirag Ali Lane, Abids, Hyderabad – 500 001.	
Secretarial Auditors:	
M/s. Tumuluru & Co.,	
Company Secretaries	
‘Anasuya’, C-66, Durgabhai Deshmukh Colony,	
Ahobil Mutt Road, Hyderabad – 500 007.	
Bankers:	
State Bank of India – Industrial Finance Branch,	
Hyderabad.	
HDFC Bank – Begumpet Branch, Hyderabad.	
IDBI Bank – Specialised Corporate Branch, Chennai	

Plant Address	
1. A.C. Division – Plant 1	7. A.C. Division – Plant 7
Survey No.315, Yelumala Village, R. C. Puram Mandal,	Plot No. 2006, 1994, Khata No. 450, At- Paramanapur,
Sangareddy District – 502 300, Telangana	Manejwan, Navamunda Village, Sambalpur District,
	Odisha – 768 200
2. A.C. Division – Plant 2	8. A.C. Division – Plant 8
Behind Supa Gas, Manickanatham Village, Paramathi,	Gat.No.70/3A, 70/3, Sahajpur Industrial Area, Nandur
Velur Taluq, Namakkal District, Tamil Nadu – 637 207	(Village), Daund (Taluk), Pune (District) – 412 202,
	Maharashtra
3. A.C. Division – Plant 3	9. Textile Division
Changsole Mouza, Bankibund, G.P.No.4, Salboni Block,	Survey No.179 & 180, Chiruva Village, Maudha Taluq,
Midnapore West, West Bengal – 721 147	Nagpur District, Maharashtra
4. A.C. Division – Plant 4	10. V-Boards and V-Panels Division – 1
Survey No. 27/1, G. Nagenahalli Village, Kora Hobli,	Survey No. 95 & 96, Gajalapuram Village, Near
Tumkur Taluk & District, Karnataka	Miryalguda P.O. Pedadevullapally Mandal, Tripuraram
	Adjacent to Kukkadam Railway Station Nalgonda
5. A.C. Division – Plant 5	District, Telangana – 508 207
Village Kannawan, P.S. Bacharawan, Tehsil: Maharaj	
Ganj, Raibareli District, Uttar Pradesh – 229 301	11. V-Boards Division– 2
6. A.C. Division – Plant 6	Gatt No. 262, Delwadi Village, Daund Taluq, District
Survey No. 385 and 386, Near Kanchikacharla, Jujjuru	Pune, Maharashtra
(Village), Veerula Padu Mandal, Krishna District,	
Andhra Pradesh – 521 181	

Corporate
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**VISAKA INDUSTRIES LIMITED®**

CIN L52520TG1981PLC003072

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

NOTICE

Notice is hereby given that the 36th Annual General Meeting of VISAKA INDUSTRIES LIMITED will be held at its Registered Office at Survey No.315, Yelumala Village, Ramachandrapuram Mandal, Sangareddy District – 502 300, Telangana at 11.30 A. M. on Tuesday, the 12th day of June 2018 to transact the following business:

ORDINARY BUSINESS

1. To adopt the Financial Statement of the Company for the Financial Year ended March 31, 2018 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, 2018.
3. To appoint a Director in place of Shri J.P.Rao (DIN: 03575950) who retires by rotation and being eligible, offers himself for reappointment.
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), 141 and 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), and subject to the outcome of Hon'ble Securities Appellate Tribunal, Mumbai, appointment of M/s Price Waterhouse & Co. Chartered Accountants LLP (FRN 304026E/E-300009), Hyderabad, as Statutory Auditors of the Company made pursuant to the resolution passed by the members at the 35th Annual General Meeting held on June 20, 2017 to hold office from the conclusion of the said Annual General Meeting till the conclusion of 40th Annual General Meeting to be held in the calendar year 2023, be and is hereby ratified for the financial year ending March 31, 2019 on such remuneration as may be mutually agreed

between the Auditors and the Board of Directors based on the recommendations of the Audit Committee.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to Sections 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') (including any statutory modification(s) or re-enactment(s) thereof, 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 effective from May 7, 2018 i.e., from the expiry of his present term of office to May 20, 2021 on the following terms and conditions:

- A) **Basic Salary per month:** Shri. J.P.Rao shall be paid a basic salary of ₹3,50,000/- (Rupees three lakh fifty thousand Only) per Month in the scale of ₹3,50,000/- to ₹5,00,000/-.
- B) **Perquisites & Allowances:** In addition to the aforesaid salary, Shri. J.P.Rao shall also be entitled to the following perquisites and allowances.
 - i. **House Rent Allowance:** 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/- per month.

- viii. Children Education allowance ₹100/- 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 Basic 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 rules of the Company.
- d) Exgratia as per the rules of the Company

- ii. **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 where in any financial year during the currency of the tenure of Shri J.P.Rao as whole-time Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration as per Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors or its duly constituted committee be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration including annual increments within the scale, effective from first day of April in respect of each financial year based on the performance appraisal, provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Sagar & Associates, Cost Accountants, Hyderabad, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, 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 and expedient to give effect to this resolution.”

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

I SRINIVAS
Vice President (Corporate Affairs)
& Company Secretary

Date : May 07, 2018
Place : Secunderabad



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 so appointed, shall not act as a proxy for any other person or shareholder.
3. The Register of members and share transfer Books of the Company will be closed from June 9, 2018 to June 12, 2018 (both days inclusive).
4. The members are requested to:
 - a) Intimate changes if any, in their registered addresses at an early date to the Company or its Registrar and Transfer Agents, Karvy 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 and
 - d) Bring the copy of the Annual Report and attendance slip to the Annual General Meeting.

5. If the dividend on shares as recommended by the Directors is approved at the meeting, payment of such dividend will be made to those shareholders or their mandate(s) whose names appear in the Company's register of members as on June 8, 2018.
6. Members desiring any information pertaining to accounts are requested to write to the Company at least fifteen days before the date of the meeting to enable the management to keep the information ready at the meeting.
7. In terms of provisions of Section 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with Notification No. GSR 1267(E) dated 13.10.2017 and circular dated 16.10.2017 of Ministry of Corporate Affairs, New Delhi:
 - i. The company has transferred 1,04,861 shares in respect of which no claim of dividend has been made continuously for the seven preceding years upto 07.09.2016 (due date was later extended upto 31.10.2017) to the IEPF Authority after following the due procedure.
 - ii. Details of the aforesaid shares are available on the website of the Company.
 - iii. The aforesaid rules also prescribe procedure for claiming back of the said shares from IEPF Authority.
 - iv. Unpaid/Unclaimed Final Dividend for the year 2009-10 and Interim Dividend for the year 2010-11 have been transferred to Investor Education and Protection Fund on August 8, 2017 and December 4, 2017 respectively upon expiry of 7 years' period and
 - v. Amounts lying in the Unclaimed Dividend account together with shares, if any, in respect of final dividend for the Year 2010-11 will be transferred to Investor Education and Protection Fund on or before August 29, 2018.

Accordingly, shareholders who have not claimed Dividend in respect of 2010-11 final dividend account are requested to claim the same on or before July 29, 2018.
8. All documents referred to in the Notice and

explanatory statement are open for inspection at the Corporate Office of the Company during office hours on all working days (from Monday to Friday) except public holidays, between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.

9. **The business 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 along with physical copy of the Notice, to the members, those who have not registered their e-mail IDs with the Company / their respective Depository Participants and for those members, who have registered their e-mail IDs with the Company / their login ID and password for e-voting along with process, manner and instructions will be sent by an e-mail.
10. To support Green initiative, members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. The Company has engaged the services of Karvy 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> during the voting period as mentioned at point no. 18(ix) below.
12. The members are requested to note that apart from aforesaid e-voting facility, ballot or polling paper will also be made available at the meeting to enable them to exercise their voting rights at the meeting.
13. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified true copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding

shares in physical form can submit their PAN to the Company / Karvy.

15. Members holding shares in physical form in multiple folios either single names or joint holding in the same order of names, are requested to send the share certificates to Karvy, for consolidation into a single folio. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. Brief profile of Shri J.P.Rao, Whole-time Director who is liable to retire by rotation and being eligible offers himself for reappointment in ensuing annual general meeting of the company, is provided in the explanatory statement annexed to this Notice.
17. In terms of interim orders of the Securities Exchange Board of India's (SEBI) dated January 10, 2018, Price Waterhouse network Audit firms were restricted to undertake statutory audit and other related certification work for listed companies and intermediaries registered with SEBI for a period of 2 years including imposition of a financial penalty. However, SEBI has clarified that said order will not impact audit assignments of PW network firms relating to financial year 2017-18. PW network firms have preferred an appeal against the said orders before the Hon'ble Securities Appellate Tribunal (SAT) and Hon'ble Tribunal granted partial relief to PW network firms, allowing them to audit existing clients till March 31, 2019 or until a new bench is formed.

In terms of the said partial relief granted to PW network audit firms, the Board of Directors, after considering recommendations of Audit Committee, included resolution of ratifying the appointment of M/s. Price Waterhouse & Co., Chartered Accountants LLP (FRN 304026E/E300009), Hyderabad as statutory auditors for the financial year 2018-19 subject to outcome of the Hon'ble SAT's order as set out at item No. 4 of the Notice for members' consideration and in the eventuality that SAT passes order in the said matter, the same shall be complied with.

18. **Information and other instructions relating to e-voting are as under:**
 - i. As required under the provisions of the Companies Act and listing regulations, the Company is extending facility of voting by electronic means (e-voting facility) to its members enabling them



- to exercise their right to vote electronically on resolutions proposed to be passed in the ensuing Annual General Meeting.
- ii. Under this mode, the members may either cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') or at the venue of the meeting (insta-poll). The insta-poll facility is made available at the Meeting to enable the members attending the Meeting to vote at the Meeting, provided they have not cast their vote by remote e-voting.
- iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again there at.
- iv. June 5, 2018 is fixed as cut-off date for e-voting facility purpose. Members whose names are 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 by them 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. June 8, 2018, is requested to contact Karvy to get the details relating to his/her user-id and password. Members may call the Karvy's toll free number **1800-3454-001** or send an email request to **e-voting@karvy.com** or **vil_evoting2018agm@visaka.in**
- vi. The Board of Directors of the Company has appointed Mr.B.V.Saravana Kumar, Practicing Company Secretary, Hyderabad as scrutinizer to scrutinize the insta-poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed as such.
- vii. The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta-Poll) and through remote e-voting, will, not later than forty-eight hours of conclusion of the Meeting, make a consolidated report and submit the same to the Chairman or his authorised representative. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company
- www.visaka.co 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. June 12, 2018.
- ix. Members are requested to note that remote e-voting will open at 09.00 A.M. (IST) on June 8, 2018 and shall remain open till 05.00 P.M. (IST) on June 11, 2018 and the remote e-voting module will be disabled by Karvy after 05.00 P.M. on June 11, 2018.
- x. The procedure and instructions for remote e-voting are as follows:
- a. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- b. Enter the login credentials (i.e. User ID & Password) provided to you as mentioned at point No.9 supra.
- c. Please contact Karvy's toll free No. 1800-3454-001 for any further clarifications.
- d. After entering these details appropriately, click on "LOGIN".
- e. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through Karvy 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 earlier logged on to "<https://evoting.karvy.com>" and cast your vote earlier for any company, then the same login id and password may be used.
- i. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.
- j. After selecting the resolution, if you have decided to vote, 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/ Fls/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_evoting2018agm@visaka.in with a copy to evoting@karvy.com. The file containing scanned image of the Board Resolution should be in the naming format "Corporate Name__ Event no."
- n. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- o. Voting should be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- p. Once the vote(s) on a resolution(s) casted by a member, the member shall not be allowed to change it subsequently or cast the vote again.



ANNEXURE TO THE NOTICE

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

Item No.5

Considering Shri J.P.Rao's long stint and rich experience in versatile roles in sales, distribution and marketing functions, both at domestic as well as global level, of the company and keeping in view his contributions, the Board of Directors based on the recommendations of Nomination and Remuneration Committee, appointed him as Whole-time Director of the Company effective from May 7, 2018, i.e., from the expiry of the present term of office, up to May 20, 2021. He has been associated with the Company for the last 34 years and during the said period, he dealt with various key operations of the Company and made valuable contributions.

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, in accordance with the terms mentioned in the resolution as set out at item no.5 of the Notice (hereinafter 'resolution') 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 holds directorship in Maddi Constructions Pvt. Ltd.

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

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 above, 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.

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

Item No.6

As per provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sagar and Associates, Cost Accountants, Hyderabad have been conducting Cost Audit since the financial year ended March 31, 2015.

The Board of Directors of your Company, in its meeting held on May 7, 2018 based on the recommendations of its Audit Committee, approved to appoint them as cost auditors for the financial year 2018-19 at a remuneration of ₹1,50,000/- exclusive of out of pocket expenses and applicable taxes subject to your ratification in the ensuing Annual General Meeting of the Company.

In terms of aforesaid provisions, the remuneration payable to them is subject to ratification by the members. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice (hereinafter 'resolution') for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

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

I SRINIVAS
Vice President (Corporate Affairs)
& Company Secretary

Date : May 7, 2018

Place : Secunderabad

Notes



www.visaka.in

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