



CIN: L52520TG1981PLC003072

VISAKA INDUSTRIES LIMITED[®]

CORP OFF : "VISAKA TOWER", 1-8-303/69/3, S.P. ROAD, SECUNDERABAD - 500 003.
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Ref: VIL/SEC/ST-EX/AnnualReport-FY21/2021-22/07

Date: 03.05.2021

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: 2020-21 Annual Report containing Notice of AGM, Explanatory Statement, etc.

Dear Sir/s,

With reference to above, please find herewith enclosed Annual Report – FY2020-21 along with the Notice of Annual General Meeting (AGM), which has been dispatched today to shareholders of the company through email.

This is for your information and records please.

Thanking you,

Yours faithfully,

For **VISAKA INDUSTRIES LIMITED**

Authorized Signatory



Encl. a/a

Regd. Office & Factory	: A.C. Division I, Survey No. 315, Yelumala Village, R.C. Puram Mandal, Sanga Reddy District, T.S, Pin 502 300.
Factory : A.C. Division II	: Survey No. 170/1, Manikantham Village, Paramathi-Velur Taluq, Namakkal District, Tamil Nadu, Pin 637 207.
Factory : A.C. Division III	: GAT.No.70/3A & 70/3A/3 & 70/1B &70/1C, Sahajpur Industrial Area, Nandur (V), Daund (Tq), Pune, Maharashtra, Pin 412 020.
Factory : A.C. Division IV	: Plot No.11, 12,18 To 21 & 30, Changsole Mouza, Bankibundh G.P. No. 4, Salboni Midnapur West, W.B, Pin 721 147.
Factory : A.C. Division V	: Survey No. 90/2A 90/2B 27/1, G.Nagenhalli Village, Kempnaddodderi Post, Kestur Road, Kora Hobli, Tumkur Dist, Karnataka, Pin 572 138.
Factory : A.C. Division VI	: Village & Post, Kannawan, PS Bachrawan, Tehsil Maharajgunj, Dist Raebareli, U.P, Pin 229 301.
Factory : A.C. Division VII	: Survey No. 385, 386, Jujuru (V), Near Kanchikacharla, Veerulapadu (M), Krishna Dist, A.P, Pin 521 181.
Factory : A.C. Division VIII	: Plot No. 1994 (P) 2006, Khata No. 450, Chaka No. 727, Paramanpur (V), P.S. Sason, Tehsil Maneswar, Sambalpur Dist, Odisha, Pin 768 200.
Factory : Textile Division	: Survey No. 179 & 180, Chiruva Village, Mouda Taluk, Nagpur District, Maharashtra, Pin 441 104.
Factory : V-Boards Division I	: Gajalapuram Village, Kukkadam Post, Vemulapaly Mandal, Adjacent to Kukkadam Railway Station, Nalgonda Dist, T.S, Pin 508 207.
Factory : V-Boards Division II	: GAT No : 248 & 261 to 269, Delwadi Village, Daund Taluq, Pune Dist, Maharashtra, Pin 412 214.
Factory : V-Boards Division III	: Mustil Nos. 106, 107 & 115, Jhaswa Village, P.S. & Tehsil Salawas, Jhajjar, Haryana, Pin 124 146.

Visaka Industries Limited
Annual Report 2020-21

Ability. Responsibility. Sustainability.

How a transforming Visaka is building 'green'
next-generation products into everyday lives
for a cleaner tomorrow



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 assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Ability. Responsibility. Sustainability.

Visaka Industries set about transforming its business model across the last decade.

From what customers had liked across the previous few decades to what they would increasingly prefer across the coming years.

This single forward-looking perspective empowered Visaka to set about transforming its business model towards products that would be considered environment-friendly, plugging market gaps and providing a superior price-value proposition.

The commitment to graduate from one level to another strengthened the company's research, product development, distribution and branding initiatives.

More than that, it seeded the creation of tomorrow's Visaka, marked by an entrepreneurial ability, power of disciplined responsibility and business sustainability.

We are pleased to communicate that these attributes – ability, responsibility and sustainability – were the key drivers of our record 2020-21 performance in what otherwise was a challenging year.

Visaka reported profitable growth, ended the year with its segment leadership protected and the company positioned to sustain growth attractively across the foreseeable future.

Visaka Industries Limited comprises three businesses in one company.



The company is engaged in the manufacture of asbestos roofing sheets that provide enduring protection to millions across rural and semi-urban India.



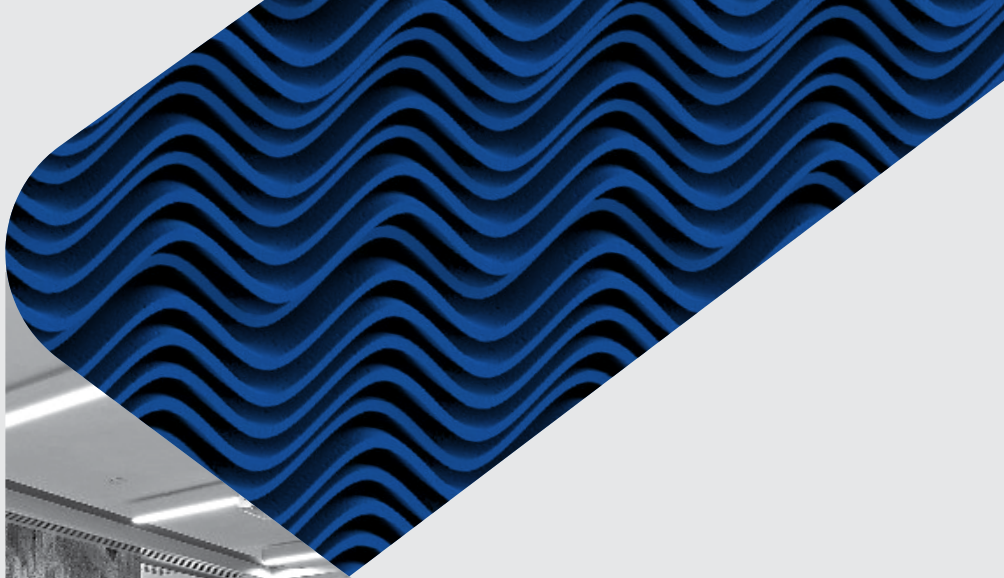
The company is engaged in the manufacture of building products that enhance the quality of interiors.



The company is engaged in the manufacture of value-added textile yarn used in the production of superior and branded fabric varieties.



The complement of these businesses and a growing focus on new age environment-friendly products is helping create a relatively non-cyclical company leading to enhanced value for its stakeholders.

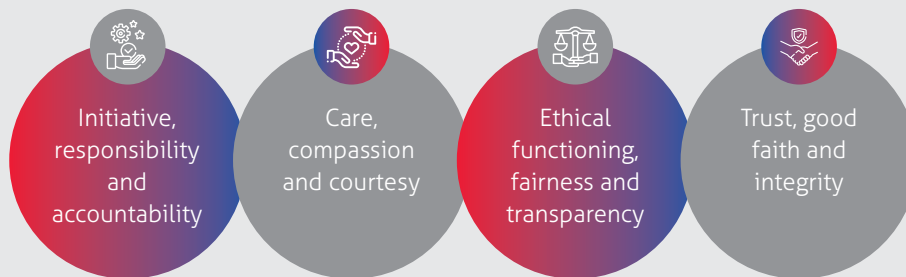




Vision: Committed to be a 'credible', 'passionate' and 'innovative' solutions-providing company

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:



Rich experience

The company was established by Dr. G. Vivekanand in 1981 and is presently stewarded by Mr. G. Vamsi Krishna, son of Dr. G. Vivekanand and Mrs. Saroja Vivekanand. During the last four decades, the company has emerged as a leading building construction materials provider and a dependable synthetic yarns manufacturer.

The Company's non-asbestos business accounted for approximately 31% of its revenues in 2020-21.



Pan-India footprint

Headquartered in Hyderabad (India), Visaka has 12 manufacturing locations across India.

- ◆ The Company's building products facility possesses an annual production capacity of 802,000 tonnes of cement asbestos sheets and 189,750 tonnes of fibre cement flat board products.
- ◆ The Company's yarn spinning plant possesses an annual production capacity of 2,752 twin air-jet spinning positions equivalent to 82,560 ring spindles.
- ◆ The Company's manufacturing units are supported by 13 marketing offices across India.

Products basket

The Company commenced the manufacture of corrugated cement fibre sheets in 1985; by 1992, the company diversified into the manufacture of synthetic yarns used in the textiles industry.

The Company extended into manufacture of V Next fibre cement boards in 2008. In 2018, the Company launched a one-of-its-kind solar roofing product called ATUM.

The Company's non-asbestos business accounted for approximately 31% of its revenues in 2020-21.

Distribution network

The Company markets products directly to retailers as opposed to the conventional distributor-retailer approach. The Company's distribution network comprises >7,000 dealers in urban, rural and suburban markets.

Brands

Our asbestos roofing sheets are marketed under the Visaka/Shakti brands

Our Boards / Panels / Planks are marketed under the V Next brand

Our integrated solar panel roofing is offered under the ATUM brand

Our synthetic blended yarn is marketed under the Wonder Yarn brand

Recognition

G Saroja Vivekanand, Managing Director, was recognised by The Economic Times for being the winner of The Economic Times Most Promising Women Leaders 2021 (powered by Femina).

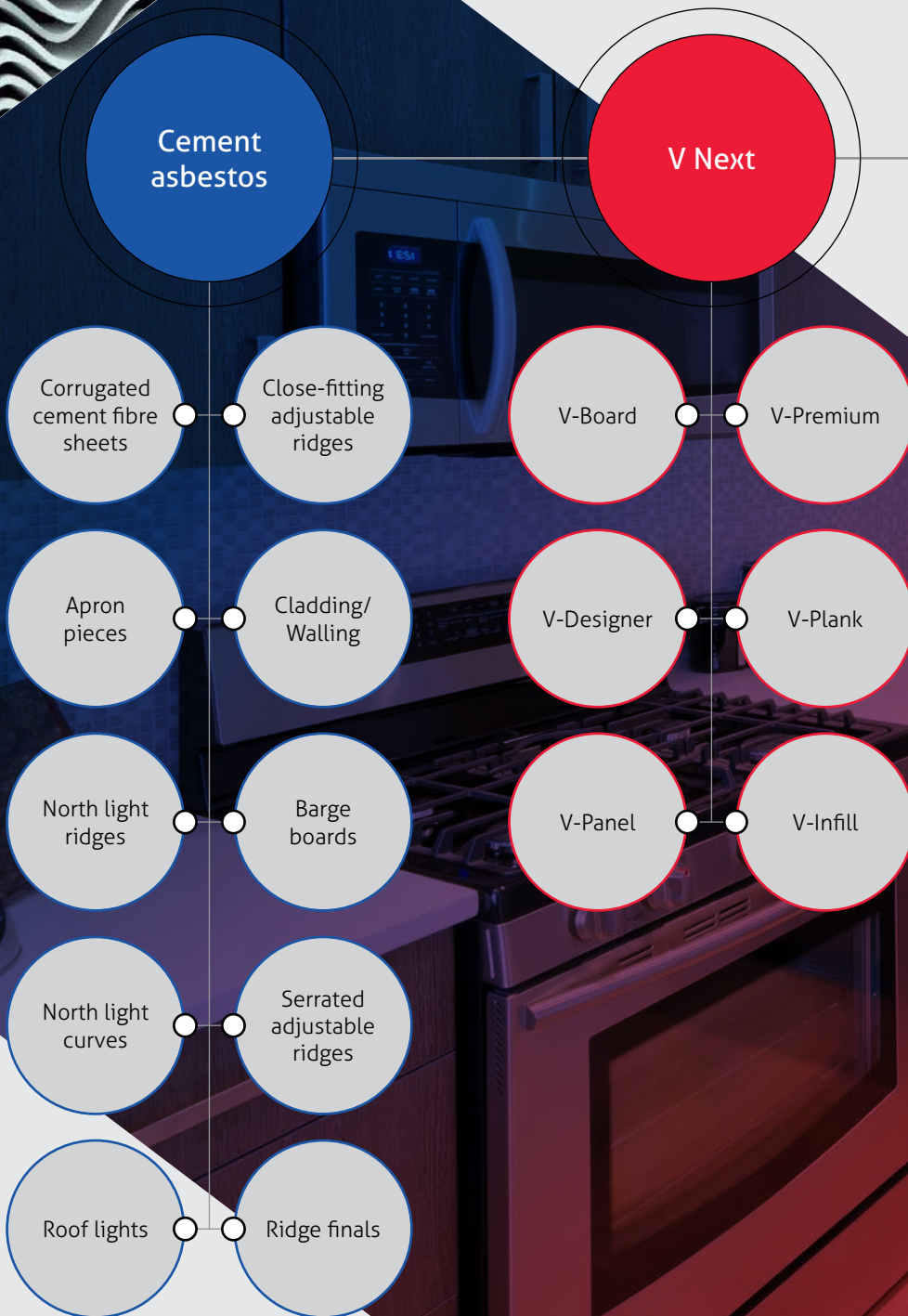
Listing

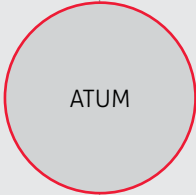
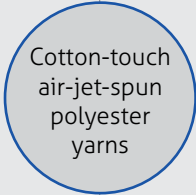
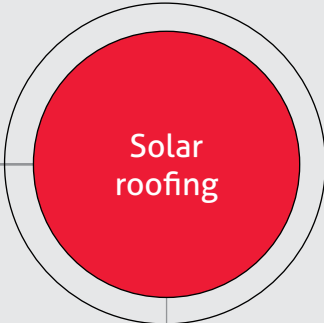
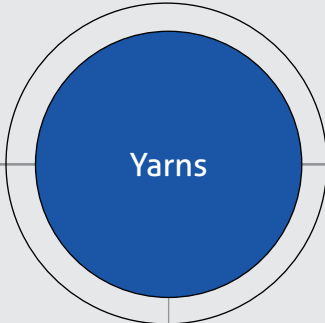
The Company's equity shares are listed and actively traded on the BSE and NSE. Visaka's market capitalisation was ₹782 crore as on March 31, 2021. The promoter's equity shareholding in the company was 44.5% as on that date.

Awards

- ◆ The company was awarded the Most Trusted Brands Award 2021 by CNBC TV18 in 2020-21
- ◆ Silver Winner Spotlight awards by LACP Under Category Annual Report for 2011-12
- ◆ Awareness Centre of Environment World Environment Day 2006
- ◆ AP Distinguished Industrial Award from Exhibition Society in 2003
- ◆ The Exhibition Society AP Distinguished Industrialist Award 2003 (Large)
- ◆ All India Manufacturers' Association Best Performance in Large and Medium Scale, 2001
- ◆ Man of the Millennium award 2000
- ◆ Council for Industrial Development & Trade Industrial Promotion Gold Medal Award 1990
- ◆ Productivity award from the Andhra Pradesh Federation of Chamber of Commerce in 1987.
- ◆ FAPCCI The Best Industrial Productivity Effort in the State 1987 (Large)
- ◆ Best Management Award from the Government of Andhra Pradesh in 1987
- ◆ Award from Council for Industrial Development in 1985

Visaka's products portfolio

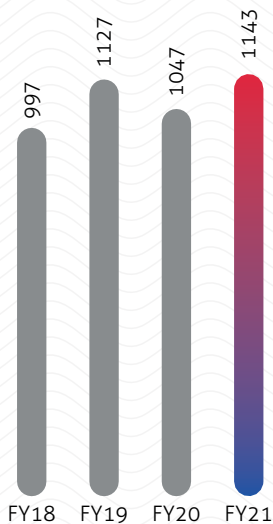




The coming together of ability, responsibility and sustainability

How Visaka has grown over the years

Revenues (₹ crore)



Definition

Growth in sales net of taxes and excise duties

Why is this measured?

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

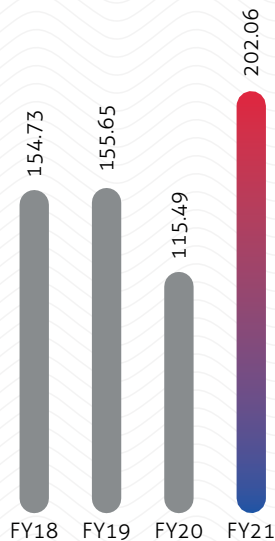
What does it mean?

Aggregate sales increased 9% to ₹1143 crore in FY2020-21.

Value impact

The company performed better than the sectorial average and reported record revenues in its existence.

EBITDA (₹ crore)



Definition

Earning before the 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.

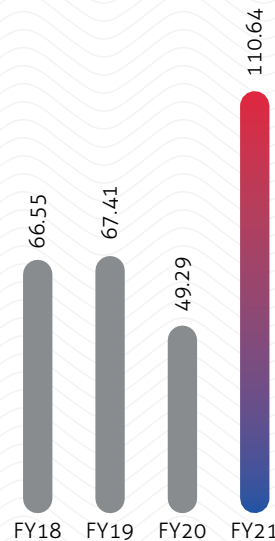
What does it mean?

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

Value impact

The company's record EBITDA was nearly 30% higher than its previous peak.

Net profit (₹ crore)



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.

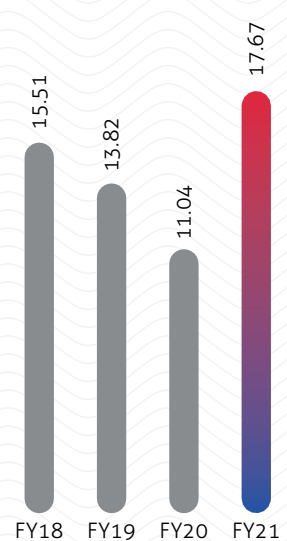
What does it mean?

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 reported a 124.5% increase in net profit in FY2020-21—reflecting enhanced viability.

EBIDTA margin (%)



Definition

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

Why is this measured?

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

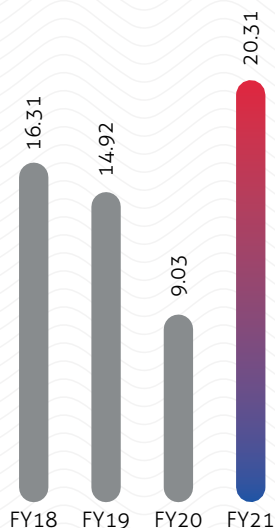
What does it mean?

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

Value impact

The Company reported a 663 bps increase in EBIDTA margin during FY2020-21 despite market challenges, indicating robustness of the business model.

ROCE (%)



Definition

It is a financial measure of a company's profitability and efficiency with which its capital is employed

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.

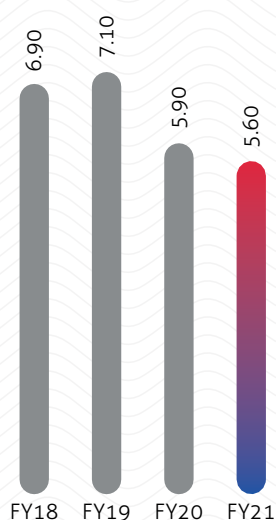
What does it mean?

Enhanced RoCE can potentially drive valuations and perception.

Value impact

The Company reported a 1128 bps increase in RoCE during FY2020-21, the sharpest in years.

Debt cost (%)



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).

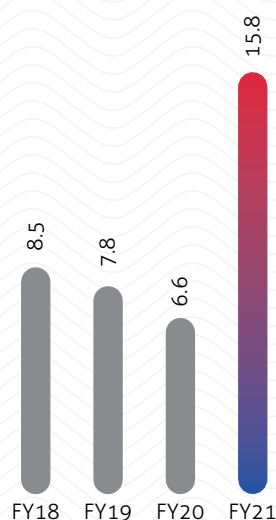
What does it mean?

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

Value impact

There was a decline in debt cost to the lowest in years.

Interest cover (x)



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.

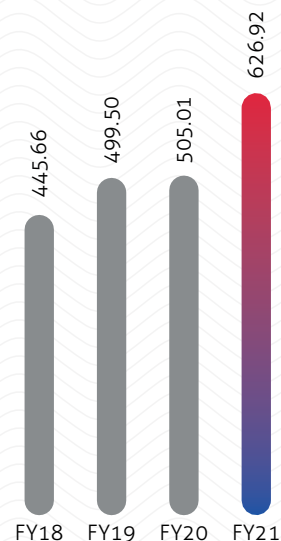
What does it mean?

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 interest cover more than doubled to 15.8.

Net worth (₹ crore)



Definition

This is derived through the accretion of shareholder-owned funds

Why is this measured?

Net worth indicates the financial soundness of the company – the higher the better.

What does it mean?

This indicates the borrowing capacity of the company and influences the gearing (which in turn influenced the cost at which the company can mobilise debt).

Value impact

The Company's net worth strengthened 24% during the year.



STRATEGIC DEPTH

Ability. Responsibility. Sustainability.

How Visaka's business model
has been woven around them



Ability

At Visaka Industries, we believe that 'ability' represents a maximisation of all the factors within our control. This comprises the ability to moderate costs, enhance quality, strengthen the Balance Sheet and protect the interests of all stakeholders. These initiatives make it possible for Visaka to remain competitive across regions, products and market cycles.



Responsibility

Often – as it happens in an uncertain world – this is not enough. There is a premium on flexibility in the face of uncertainty, patience in the face of sluggishness and agility in the face of opportunity. More than these, there is a premium on the power of discipline, emphasizing the role of 'responsibility'.



Sustainability

The third factor - sustainability' - is increasingly relevant. Companies must moderate their carbon footprint, consume a lower quantum of finite natural resources, manufacture products that do not need to be periodically changed and address the needs of all stakeholders.

The combination – ability, responsibility and sustainability – made it possible for Visaka to outperform in the past, report an attractive performance in 2020-21 and likely to result in attractive growth across the foreseeable future.



BIG PICTURE

The impact of Ability + Responsibility + Sustainability

How they have become
increasingly visible at Visaka

Ability

Increased revenues despite an erratic economic environment



Strong market positions



Cement asbestos	
Market share (%)	18
Market position	2

V Next products	
Market share (%)	32
Market position	1

Yarn (twin air-jet spun)	
Market share (%)	80 of twin air jet yarn segment
Market position	1

Solar roofing (ATUM)	
Market share (%)	100
Market position	1

7

Number of years for which Visaka has been the largest fiber cement boards and panels producer

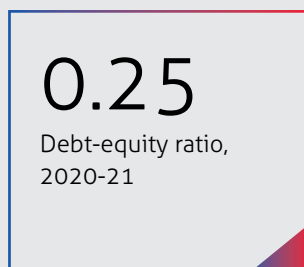
14

Number of years for which Visaka has been the second largest cement asbestos sheets manufacturer

26

Number of years for which Visaka has been the largest producer of air-jet spun yarn in India

Responsibility



Sustainability



Joint Managing Director's overview of the company's 2020-21 performance



When appraised against the context of the significant social and economic upheaval that transpired within India and the world over, our performance affirms the spirit that 'When the going gets tough, the tough get going.'

Our outperformance

Visaka Industries selected the most challenging year in its existence to report its best-ever performance.

The company reported profitable growth: revenues increased 9%, EBIDTA strengthened 75% and profit after tax jumped 124.5%.

These numbers appear cold and impersonal when examined in isolation. When appraised against the context of the significant social and economic upheaval that transpired within India and the world over, our performance affirms the spirit that 'When the going gets tough, the tough get going.'

Background

Not in living memory has humankind passed through as challenging a year as it did in 2020.

The COVID-19 viral outbreak was different from variants of the past. It combined the speed of spread with debilitation and death. What started as a local Chinese health issue grew into a global economic disaster in the space of a few months.

As countries went into lockdowns and other restrictions, global economic growth declined from 2.9% in 2019 to minus 3.5% in 2020 (IMF estimate) and virtually no major economy was spared de-growth, save perhaps China, which grew 2.3% through the year, its lowest in a number of years.

Global central banks pumped money to reflate their respective economies and counter the effect of the pandemic. This resulted in adequate liquidity across most economies, revival in consumer spending and a number of economies reversing de-growth of the April to June quarter with improved performance across the subsequent quarters.

The Indian economy

The Indian government responded with sensitivity to control the pandemic's spread. It introduced economic concessions to prevent banking and

Our flagship cement asbestos roofing business has been directed largely at the rural markets, our V Next portfolio addresses urban markets, our twin airjet spinning addresses fashion textile markets and our innovative ATUM solution address as humankind's need for a cleaner world.

non-banking defaults through loan repayment moratoriums, economic reforms and confidence-enhancing measures. When aggregated, these catalysed a recovery in consumer sentiment and economic growth.

Growth was muted for the first quarter of the year under review but thereafter a revival in pent-up demand translated into one of the most vigorous economic recoveries seen in India in recent times. There was a sharp increase in month-on-month consumption that was reflected in corresponding GST collection growth. By the close of the financial year under review, there was an optimism that the economic slowdown and the pandemic-induced hesitation had consumed themselves and that India was perched at the cusp of long-term economic growth.

The responsibility of safety-first

During this challenging period, the management at Visaka Industries was seized with the need to protect its Balance Sheet from serious impairment and position its business as opportunity-ready as soon as conditions improved.

The prime responsibility of the company was to protect the health and safety of all its stakeholders, putting a premium on workplace (factories, offices and depots) hygiene at all times. Your company responded with a mix of cautious engagement, social distance and virtual engagement. The result is that we maximised people retention and reinforced our respect as a people-first company.

The second responsibility that we addressed was access to adequate resources and materials through the period of the lockdown and partial relaxation. This necessitated the need to work deeper with longstanding partners, reinforce their cash flows and strengthen their capacity to supply on-time and in-full. The result is that from a supply chain perspective our business was opportunity-ready with speed.

The third responsibility was to protect our Balance Sheet. During the course of the pandemic, there was a fear that with consumers hesitant to buy, there would be a need to extend receivables cycles, which, in turn, would affect our cash flows, short-term loans and interest outflows. We also recognised that a weaker credit discipline would take years to correct. As a fiscally responsible organisation, we largely protected our receivables cycle, which ensured that there was adequate systemic liquidity to keep the organisation moving, a decided advantage over unorganised competition and organised competitors with relatively weak Balance Sheets.

The ability of team working

At Visaka, if there was one critical difference that empowered us to perceive opportunity in sectorial weakness it was the quality of our people.

There is a saying that 'Cometh the hour and cometh the man', which was how the company's employees – down to the last person - responded to the pandemic with a sense of urgency, commitment and passion to outperform.

Our Production teams responded to the call to commence manufacturing operations when the country was locked down and the fear of the COVID-19 virus was at its peak.

Our Marketing teams ventured into the market, ensuring that our products were there on retail shelves or dealer warehouses and that the receivables were promptly collected.

Our Despatch teams ensured timely delivery of our products, making it possible to service growing month-on-month demand and a distinctive consumer pull.

Our R&D teams ensured that our quality and innovation emphasize did not slacken during the pandemic, which ensured that when the consumer became increasingly discerning our products continued to be preferred.

Our Human Resource and Administration teams utilised the lockdown to train the organisation, keep employees motivated and providing food and shelter to contract labourers, which ensured that the moment we decided to ramp up we enjoyed access to people resources.

Our Digitalisation team responded to the need of the hour in facilitating remote virtual engagement even when no one was permitted to enter our office and in ensuring timely remittances to vendors.

Our Accounts, Legal, Secretarial and Finance teams helped keep the lights on in this challenging environment.

Our regular workers, contract workers, unions, contractors, office staff and associates ventured to seamlessly transition to a post-COVID-19 environment.

I have no hesitation in stating that the company's outperformance in 2020-21 was the result of their commitment and enthusiasm.

How our business constituents performed

At Visaka, we see our diversified business model as an attractive proxy of a modern and aspirational India. By aligning our portfolio to the widening needs of a large percentage of the Indian population, we are attractively placed to capitalise on social and economic upsides derived from a growing population, incomes and aspirations.

Besides, the company's products are prudently positioned across the various markets of their presence: our flagship cement asbestos roofing business has been directed largely at the rural markets, our V Next portfolio addresses urban markets, our twin airjet spinning addresses fashion textile markets and our innovative ATUM solution address as humankind's need for a cleaner world.

I am pleased to communicate that this holistic positioning was validated: The company received the Most Trusted Brand of India 2021 Award from CNBC TV18 in 2020-21.

Asbestos: Our asbestos business reversed de-growth of the previous years during the year under review. The management continued to retain faith that the sustained decline in offtake was temporary. As it turned out, this conviction was validated by the offtake of the asbestos sheeting business during the year under review. This market performed exceptionally following a revival in rural income growth, demand increase following reverse rural migration, government incentives to grow agriculture, incentives to invest in rural housing and pent-up demand releasing itself following the lockdown. This business grew 26%, accounted for 69% of the company's revenues and 85.5% of the company's EBITDA in 2020-21. Besides, this business reported an attractive 1000 bps increase in EBITDA margin during the year under review, emerging as a significant driver of organisational profitability.

Non-roofing non-textiles: During the last few years, the company had outlined its vision to grow this business and capitalise on the growth of India's interior infrastructure segment. The company validated this optimism by emerging as the largest Indian manufacturer in this segment with a 32% market share coupled with double-digit margins. This business (V-Boards, V-Panels and V-Planks) revived from the second quarter of 2020-21 following the progressive relaxation of the lockdown and corresponding improvement in consumption. Revenue percentage growth returned to the high double-digits, capacity utilisation at all three units peaked and operating efficiency improved, making up for the under-performance of the first quarter. The business returned to the same level as in the previous year. What is creditable is that within 11 months of commercialisation, the Jhajjar plant touched full capacity, servicing the growing demand in Nepal. The business reported a capacity utilisation of 71% during the year under review. The company intends to build on its sizable market presence through the proposed



Snapshots





commissioning of a unit in Tamil Nadu during the current financial year, capitalising on our brand visibility and product acceptance.

Yarn: The company's textile business encountered sluggish two quarters of 2020-21 as the prominent weaving markets of Mumbai and Bhilwara remained closed. Exports were encouraging; demand improved gradually from the third quarter as migrant labour returned and mills in Mumbai and other markets resumed operations. What is creditable is the growing traction for sustainable yarn (manufactured from PET bottles) equivalent to almost 10% of total offtake. This business de-grew 37%, accounted for 12% of the company's revenues and 4.5% of the company's EBIDTA in 2020-21. The business reported a capacity utilisation of 40% during the year under review.

ATUM: The futuristic product "developed indigenously has been granted patents in India and South Africa", extended deep into rural markets and addressed the needs of those not being serviced by conventional electrification. This business degrew 36%, accounting for 0.5% of the company's revenues.

Optimistic India outlook

India entered a growth phase that drew on the post-lockdown relief consumption wave, festive demand and industrial re-stocking. Several sectors reported a sharp increase in earnings from the third quarter of 2020. This improvement was achieved in the face of the Indian rupee that marginally strengthened in the last quarter of 2020, resulting in currency gains for import-intensive companies and those with forex debt on their books.

India's favourable outlook is being influenced by the possibility that three simultaneous down cycles – long-term, medium-term and short-term – may well be reversing concurrently. The long-term downtrend, as a result of non-performing assets and overcapacity, could be over; the medium-term downtrend was caused by the

collapse of select banks and non-bank financial companies, which appears to have runs its full course; the short-term downtrend was on account of the pandemic, which translated into a sharp economic rebound.

The long-term optimism related to the Indian economic direction is drawn from the Union Budget 2020-21. The Budget, among other proposals, outlined the government's initiatives to monetise and privatise. These could create unprecedented opportunities for Indian companies.

Conclusion

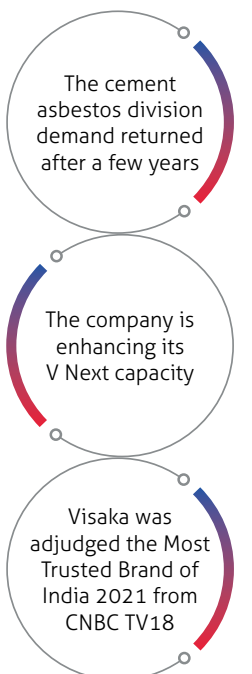
At the time of writing, there is an unprecedented optimism that the vaccine will be universally accessible through 2021. The global economy could continue to strengthen; IMF is projecting a 5.5% global economic growth in 2021, the highest in years. As an extension of this optimism, India's economic growth has been projected in excess of 10% in 2021-22, which bodes well for companies like ours that address demand at the bottom and middle ends of the consumption pyramid.

At Visaka Industries, we possess a relatively under-borrowed Balance Sheet, fresh capacity investments in products where we see strong traction and a reasonable operating leverage. During the current financial year, our boards and panel unit is expected to be commercialised near Coimbatore, rejuvenating our revenue profile.

We have been putting much thought in the processes and operations and to adapt modern technology with our vast experience in innovation. Thus we reiterate our transformation from being manufacturers to "innovative, energy and environment efficient, technology driven manufacturers"

In view of these realities, we are attractively poised to leverage the complement of ability, responsibility and sustainability and enhance value for all those associated with our company.

G. Vamsi Krishna
Joint Managing Director



How we strengthened our financial foundation for sustainable growth

Shafi Singanamala, Chief Financial Officer

Overview

The principal message that we seek to communicate is that the company's multi-business model continued to deliver in a challenging and divergent 2020-21. This outperformance at a time of uncertainty and turbulence represented a validation of the spirit that the company has consistently demonstrated – the capacity to be resilient during sectorial downturns and the ability to rebound with speed during periods of recovery.

During the last decade, the company built around a complement of three businesses

– traditional asbestos roofing, non-roofing non-textiles and textiles - with the objective to enhance multi-year sustainability. This approach was endorsed during the financial year under review when the company reported 9% revenues growth and the best year from a revenues perspective and the best year from a PAT perspective (in excess of ₹100 crore for the first ever time) despite losing the full revenue impact of one complete quarter. This validated our commitment to protect our bottomline in times of economic downturn and maximise upsides during periods of recovery.

Credit rating



At Visaka Industries, we have consistently focused on being rated favourably by the most demanding agencies in India. During the year under review, the company was credit-rated AA- as in the previous year. We believe that a credible credit rating makes it

possible for us to access low-priced debt, strengthening our virtuous cycle of access to growth funds (external) leading to timely business investments and superior margins. We see this credit rating as an index of our overall competitiveness across market cycles.

Capital efficiency



At Visaka, we believe that we are engaged in business with the objective to generate a return superior to what our risk partners (shareholders) would be able to generate if they invested in alternative asset classes. During the year under review, the company reported ROCE of 20.3% & ROE of 17.7%, higher than the average debt cost of 5.60% of the company. The company seek to maximise capital efficiency through low-cost debt mobilisation, investment in projects with shrinking payback, value-addition and superior working capital management.

At Visaka, we maximise capital efficiency by entering a product segment, creating reasonable capacity, seeding the market,

growing the consumption appetite, investing accruals into additional capacity in under-penetrated parts of the country, widening this to an all-India footprint proximate to consumption markets and using this proximity and logistical advantage to create a competitive moat. Besides, the company enters relatively under-penetrated product spaces.

The result is that the company grew from scratch in the asbestos sheets business to emerge as the second largest in India, a position that the company has consistently retained over the years. This approach was also reflected in the fibre boards business that the company entered in the year 2008, emerging as the largest Indian producer.



During the year under review, the company was credit-rated AA- as in the previous year.

ROCE 20.3%

ROE 17.7%

COST OF DEBT 5.6%

Business mix



At Visaka, our objective is the blend our business with a bias for non-roofing non-textile revenues. When we entered this business in the year 2008, our asbestos sheets business accounted for 77% of revenues and textiles for 23%. The non-textiles non-roofing business introduced from a couple of perspectives: to enhance value-addition beyond the commoditised cement asbestos sheets segment; to capitalise on the growing opportunity for panels in India and the world.

During the year under review, our non-textiles non-roofing solutions generated 18% of revenues; thanks to a spike in rural preference, the asbestos roofing sheets business generated 69% of revenues while the textiles business (affected by lockdowns) accounted for 12% of revenues. As a stated policy, the company intends to increase the proportion non-textiles non-roofing revenues to 25% of its turnover by 2022-23.

Business health



At Visaka, our focus is not just the quantitative growth of our business; we focus on the hygiene of our numbers that continues to validate that our business is stable, liquid and sustainable.

Central to this hygiene is the manner in which we manage our working capital. The first index of our financial hygiene is whether we have drawn working capital extensively / completely against the sanctions provided by the banks or moderately. As a policy, we seek to maximise the use of accruals in business growth, moderating the use of borrowed funds. During the year under review, we drew only below 20% of the sanctioned short-term loans (on average), which made it possible to moderate interest outflow and enhance profitability, a virtuous cycle.

We enhanced our working capital hygiene through the following priorities: shrinking our receivables cycle through better terms of trade with our primary customers (trade partners), extension of our payables cycle, marketing products with strong offtake and graduation to a value-added product mix.

We are pleased to report that our working capital cycle (in terms of days of turnover equivalent) declined from 124 days in 2019-20 to 84 days in 2020-21. Our receivables declined from 49 days of turnover equivalent to 33 days; our inventory declined from 106 days of turnover equivalent to 79 days.

Liquidity



At Visaka, we prioritise the role of liquidity in our business. Given a choice of maximising revenues with stretched liquidity or moderate-to-high revenues with enhanced liquidity, we will select the latter each time. This priority was reflected during the year under review, when our interest cover (EBIDTA divided by interest outflow) strengthened from 6.6 to 15.8. This indicated that we possessed adequate

liquidity to service our interest liability that fell due during 2020-21.

Over the years, we strengthened our interest cover through stronger gearing; our debt-equity ratio strengthened from 1.02 in 2015-16 to 0.25 in 2020-21 as we strengthened net worth on the one hand and moderated debt on the other.

Debt management



At Visaka, the management of debt is integral to our business. When we invest sizably in greenfield capital expenditure, we balance the role of debt and net worth. By the virtue of investing in products with strong traction that generate an attractive return within a compressed period of time, the company repays debt with speed. This preference for long-term debt is a shareholder value-accretive approach after we have repaid debt and enhanced our earnings.

In the ten years ending 2020-21, the company borrowed ₹129 crore and repaid ₹106 crore of long-term debt. The company repaid ₹10 crore during the year under review. Interest outflow declined from ₹17 crore in 2019-20 to ₹12 crore in 2020-21. The company

intends to become net debt-free (more cash on the books than debt) during the current financial year. It would be pertinent to indicate that the company's gross debt comprises an interest-free loan from the Government of Uttar Pradesh of ₹62.46 crore, dealer deposits of ₹38.34 crore (securing our receivables) and public deposits of ₹13.26 crore.

As an index of the company's treasury management, the average cost of gross debt was 5.6% while the company generated an average 17.6% Return on Equity. Even though the interest on gross debt was shown as an expense and the interest earned on liquid deposits was shown as 'Other Income', the company's net interest outflow was negligible.

Capital allocation



The company generated ₹150 crore in cash profit during the year under review. Some 16.50% of this availability was returned to shareholders as dividend. Of what was left, the company selected to invest ₹75 crore (26%) in the capacity expansion of the non-textiles non-

roofing business (boards unit in Coimbatore), which is expected to re-balance the company's revenues away from its traditional asbestos sheets business and lead it to faster-growth segments. The company also intends to repay debt and emerge net debt-free in 2021-22.

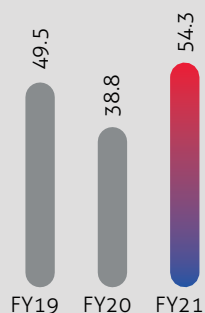
Financial foundation



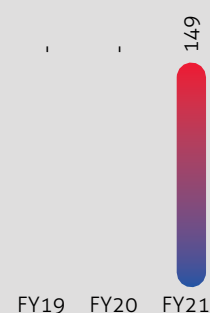
The company ended the year under review with a robust financial foundation. As on 31 March 2021, the company had ₹627 crore in net worth, ₹77 crore in long-term debt and ₹78 crore in short-term debt. The high net worth is the result of a systematic accumulation of surpluses aggregated

over the years following consistent dividend payment to shareholders. The significant bias towards net worth represents a relative de-risking in an uncertain world; it provides the company with patient capital to see it through economic downturns or uncertain sectorial conditions.

Business reinvestment (₹ crore)



Debt repayment (₹ crore)



The broad themes driving our medium-term prospects

Overview

The prospects of a multi-business company like ours are influenced by diverse realities.

It would be fair to state that our company represents a proxy of various forward-looking realities expected to sustain.

In a rapidly transforming world, a better understanding of these influences enhances the capacity of our stakeholders to comprehend our prospects and take informed decisions.

The India story

The robustness of India's consumption story is being driven at various levels: the second most populous country in the world, an extensively under-penetrated population in terms of consumption and the largest rural population cluster in the world, rising disposable incomes and most importantly, a need to live better, realities that we expect will sustain across the long-term. At Visaka, we see these realities as positive, sizable and sustainable, ensuring the attractiveness of its long-term story. The company is engaged in the manufacture and marketing of products that address the bottom of the country's economic pyramid extending to the middle bulge, two segments addressing the majority of the country's consumer spending.

Steel landed costs

At Visaka, we believe that it is in national interests to impose high customs tariff on the import of steel. This reality may keep Indian steel prices higher than the global traded average. A hard steel pricing environment will provide a wider room for cement asbestos sheets to price products better or compete more effectively (as one of its competitors is the metal roof). In the space of a year, the price differential between steel and cement asbestos

sheets had widened from 4% to 12%, strengthening the price-value proposition of the latter. We expect that this differential will remain, strengthening the offtake of our flagship product. Besides, cement asbestos sheets have demonstrated superior heat transfer and sound effect over the metal equivalent and reaffirmed their standing as the product of choice.

Rural growth

Nearly 65% of India resides in rural pockets. Nearly 75% of our cement asbestos sheets are sold in rural India. The fortunes of rural India continue to be protected by record agriculture output, remunerative minimum selling prices for agricultural product, greater receptivity among farmers for progressive farm practices and the government's ability to transfer subsidy payments directly to the bank accounts of beneficiaries (circumventing systemic leaks). A sustained growth of India's rural economy bodes well for the offtake of cement asbestos sheets and ATUM.

Urban renewal

At Visaka, we also possess an attractive urban proxy: the fastest growing part of our business (from a medium-term perspective) of interior panels and boards rides increased

commercial and residential demand coming out of urban India. The company went into this business in 2008 and in the space of 12 years, the installed capacity for these products has grown from scratch in to 189,750 TPA and from scratch to three plants across the country at the end of financial year 2020-21. We see urbanisation in India (fastest urbanising country) as irreversible, strengthening the sustainable prospects of this business. We foresee similar prospects of our synthetic yarn business, which services prominent Indian textile brands, which, in turn, are catalysed by an increased need for fashion, looking good and frequent wardrobe renewal.

Government policy

The Company is a proxy of the Urban Swachh Bharat scheme of the government with a budget of about ₹1.4 lakh crore over five years. We see this scheme extending to the use of cement asbestos sheets, widening the market and benefiting an active player like Visaka.

Resource responsibility

There is greater consumer traction for prospects that are materially responsible – reflected in the use of environmentally responsible products. The carbon emissions for V Next (36 kgs of carbon emissions

for a ton of production) compares favourably with the metal sheet equivalent (2 tons for one ton of steel production) and concrete cement (one ton for every one ton of cement production). The result is that V Next represents the next generation alternative in terms of carbon footprint, which could translate into increased consumer preference across the future.

Renewable energy

At Visaka, we believe that the world will be increasingly driven by renewable energy. India is expected to play a prominent role in the greening of the world; India set a target of 450 GW of renewable energy capacity by 2030. A few years ago, Visaka launched ATUM, a solar energy-driven roofing solution. This product is ideal for rural India where it could cost a significant amount to extend transmission lines and for consumers seeking to moderate their electricity costs to below that of the state electricity grid. The integrated nature of the solution – roofing plus renewable – is a cost advantage over anyone seeking to do it on one's own.

Convenience

In a world marked by declining time availability, we launched the V Next Solution app. This one-of-a-kind construction solution app empowers

The carbon emissions for V Next (36 kgs of carbon emissions for a ton of production) compares favourably with the metal sheet equivalent (2 tons for one ton of steel production) and concrete cement (one ton for every one ton of cement production).

customers to order a pre-designed house, industrial or commercial space with the touch of a button and the company will present the drawing and execute it, transforming the construction workflow through the role of superior technology.

Debt-free status

There is a premium on companies that are high on cash and low on debt. At Visaka, we possessed a debt-equity ratio of 0.25 as on 31 March 2021. The long-term debt on our books was largely assumed to fund the upcoming boards/panels manufacturing plant in Coimbatore. The company is expected to become free of long-term debt in 2023-24, strengthening its respect among discerning stakeholders.

How we have made ESG core to our existence

Overview

There is a growing pressure among companies the world over to conduct themselves like responsible corporate citizens.

This priority emphasizes that the company should not only be seen to be working for a limited number of stakeholders but for all stakeholders at all times.

This reality has prioritised the need for responsible governance leading to organisational resilience and the creation of stakeholder value.

A detailed sustainability study is in progress by an independent agency and the report will be made available shortly at company website www.visaka.co

Visaka and ESG

At Visaka, a commitment towards environment-social-governance (ESG) has marked our business.

This commitment is important considering that we manufacture a product that consumes water, natural resources, fossil fuels and electricity; any reduction in their consumption holds significant upsides for the earth and communities.

Our environment component ensures that we consume environmentally responsible resources, utilise an optimal quantum of finite fossil fuels, recycle waste, moderate our carbon footprint and build resistance to climate change.

Our social component addresses a proactive investment in talent, relationships (customer and vendors) and social responsibility.

Our governance component indicates how we will do business, indicating strategic clarity, explaining conduct codes, highlighting Board composition and indicating an alignment with UNGC principles and extensive de-risking, among others.

This holistic approach – environment, social and governance – makes it possible to extend corporate longevity, build resistance to economic downturns and generate sustainable long-term growth, enhancing value for stakeholders.



Governance

At Visaka our governance platform comprises clarity on the manner in which we will grow our business. This enhances organisational predictability and stability; it indicates to stakeholders how we are likely to respond in specific situations.

Our governance architecture has been influenced by the following priorities.

◆ **Board of Directors:** At Visaka, our strategic direction is influenced by our Board of Directors, who comprise individuals of standing. They have enriched our multi-sectorial business understanding and strategic direction. Over the years, we have strengthened our Board and related practices. We have done so with the objective to aggregate diverse and critical points of view for the benefit of informed strategic navigation. Our Board members possess a rich bandwidth of industrial and commercial experience; they engage with our executives to

ascertain prevailing ground realities; they act as umpire, guide and consultant; they bring a ferment of perspectives to enrich organisational direction. We provide an environment where our Directors can engage, debate and dissent, resulting in decisions that are most compatible with our desired risk appetite and long-term direction.

◆ **Committees:** At Visaka, our Board effectiveness is derived through focused committees. The Nominating/Corporate Governance shapes the governance character of the company; the Audit Committee engages with the external auditor, oversees the company's annual financial statement audit and internal controls over financial reporting, overseeing the company's risk management and compliance programs; the Compensation Committee develops an executive compensation philosophy, adopts and oversees the implementation of compensation policies, designs compensation packages and develops goals for performance-based compensation.

◆ **Integrity:** At Visaka, we are driven by a strong compliance with the laws of the land as well as a commitment to be completely fair with all our stakeholders. This sense of integrity is extended from the highest levels of our management to the transaction

and operational levels. Besides, as a forward-looking citizen we abide by the ongoing standards of Whistleblower Policy, equitable employee treatment and provisions that counter Sexual Harassment.

◆ **Positioning:** At Visaka, we have positioned ourselves not as much as an asbestos roofing or interior infrastructure or textiles company as much as an urban and rural lifestyle solutions provider with mass product applications potential. This positioning has enhanced our strategic clarity, opening us to opportunities, attracting knowledge professionals and strengthening our product / process research.

◆ **Brand-driven growth:** At Visaka, we believe the biggest asset in our business (brand) is not reflected in our Balance Sheet. Over the years, we have built our brand through patient investments in technology, environmental responsibility, new product introductions, addressing consumer needs and world-class quality. The one word that encapsulates all that we are and all that we do is 'trust'.

◆ **Digitalisation:** At Visaka, we are investing in automation and digitalisation with the objective to enhance primary customer (trade partners) delight, manufacturing effectiveness, communication clarity, systemic integrity and cost management.

◆ **Long-term competitiveness:**

At Visaka, we have invested in our business around a long-term commitment. In turn, this has cascaded into allocations towards the highest standard of assets, technologies, brands, people, locations, products and trade partners.

◆ **Controlled growth:** At Visaka, we invested debt and accruals in our business to capitalise on market opportunities, but going ahead, much of our growth will be derived from the prudent use of accruals without stretching the Balance Sheet.

◆ **Stakeholder value:** At the heart of Visaka's governance ethic is a commitment to enhance value for all stakeholders (employees, customers, shareholders, lenders, suppliers and community). This approach, directed at the overarching eco-system, contributes meaningfully to building long-term value.

Number of board meetings





Social

At Visaka, business transformation and related competitiveness are derived from a passionate people ferment, touching a range of stakeholders.

Employees: At Visaka, we invested in a culture of excellence, marked by resource productivity, continuous cost competitiveness, timely talent investments (recruitment, retention and training) and safety.

Customers and vendors: The company grew its stable ecosystem of vendors (provided capital equipment and spares and primary customers (trade partners). The company derived a large proportion of revenues from primary customers of ten years or more.

Community: The company engaged with the community around its manufacturing locations, widening its circle of prosperity in line with the United Nations' Sustainable Development Goals.



Environment

A growing number of manufacturers are recognising financial benefits arising out of environmentally sustainable practices. There is a growing priority for inclusive growth that takes into account the interests and needs of the earth, community and the larger stakeholder ecosystem with a focus on moderating resource depletion, water scarcity, pollution and other impacts.

The result of these realities is a premium on truly sustainable manufacture. This comprises the manufacture of products through

economically sound processes that moderate the consumption of energy and natural resources, while reducing negative environmental impact, in addition to enhancing employee, community and product safety.

At Visaka, we focus on manufacturing more from less, the basis of all environmental responsibility. This approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience. There is a growing commitment to reduce energy intensity, moderate greenhouse gas

emission intensity and graduate to cleaner processes and fuels. The company intends to achieve zero waste to landfill and zero effluent discharge targets while moderating water consumption intensity.






The company emphasizes the alignment of business with United Nations' 10 principles for manufacturing responsibility and environmental sustainability covering Human Rights, Labour interests, Environment responsibility and Anti-Corruption initiatives.





Our Sustainability Platform

At Visaka, our commitment to environment responsibility has been centred round the interplay of People, Product, Process, Profit and Planet. The 5P's of represent our platform for business sustainability, our commitment to reconcile production growth and moderated carbon footprint.

People 	A preferred employer among companies belonging to our sector in India	Recruitment of specialised professionals	Increased productivity; driven by outperformance	Prudent recruitment; culture of meritocracy	Driven by passion, youthfulness, delegation and stretch target-setting
Product 	A prominent brand in the areas of presence (textiles, asbestos sheeting and non-textiles non-roofing)	Products manufactured around the highest quality and environment standards	Superior product endurance, innovation and consumer utility	End-to-end knowhow from product design, manufacture and quality appraisal	Pioneered specific products in India (patent on ATUM)
Process 	Approach marked by the Power of Discipline	Focus on getting more out of less	Driven by stretch target, measurement and outperformance	Institutionalised approach across manufacturing plants and offices	Operating around a culture of organisational benchmarks
Profit 	Growing societal relevance of products	Strong brand in the areas of presence	Deep consumer relationships	Better working capital management	Declining debt
Planet 	Moderated carbon footprint of the product	Driven by a culture of 4Rs (recycling, reuse, renewables and reduction)	Investment in cutting-edge technologies, enhancing manufacturing efficiency	Preference for cleaner fuels, plants, resources and processes	Integrated 'green' as a way of life

How Visaka Industries has enhanced shareholder value

Our value-accretive business model

At Visaka Industries, we have enhanced value across the decade on account of our significant presence in one of the fastest growing global economies (India) and our growing presence in some of the most attractively growing segments of the Indian economy.

The combination of this vast addressable market on the one hand and competitive advantage on the other has been responsible for the company's outperformance in terms of value creation across the last number of years.

How we enhanced our valuation

Capital appreciation



Relative outperformance

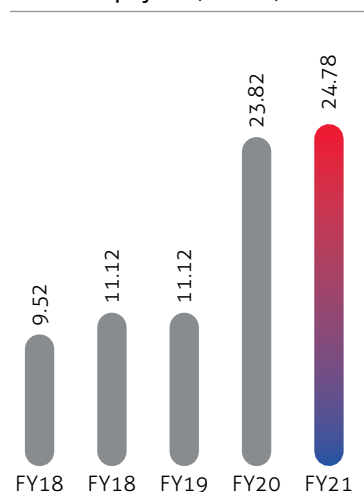
How Visaka's equity price (CAGR) performed vis-à-vis the BSE Sensitive Index

	1 year	3 years	5 years	10 years
Stock price	251%	-10%	35%	17%
BSE Sensex	68%	15%	14%	10%

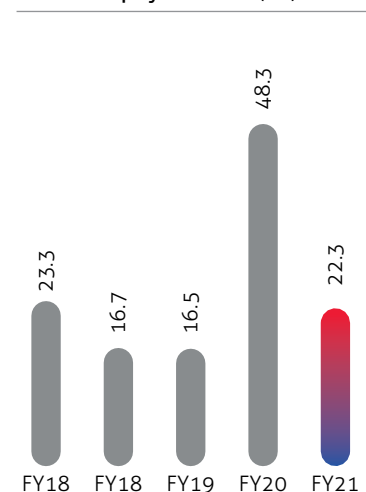
Dividend payout

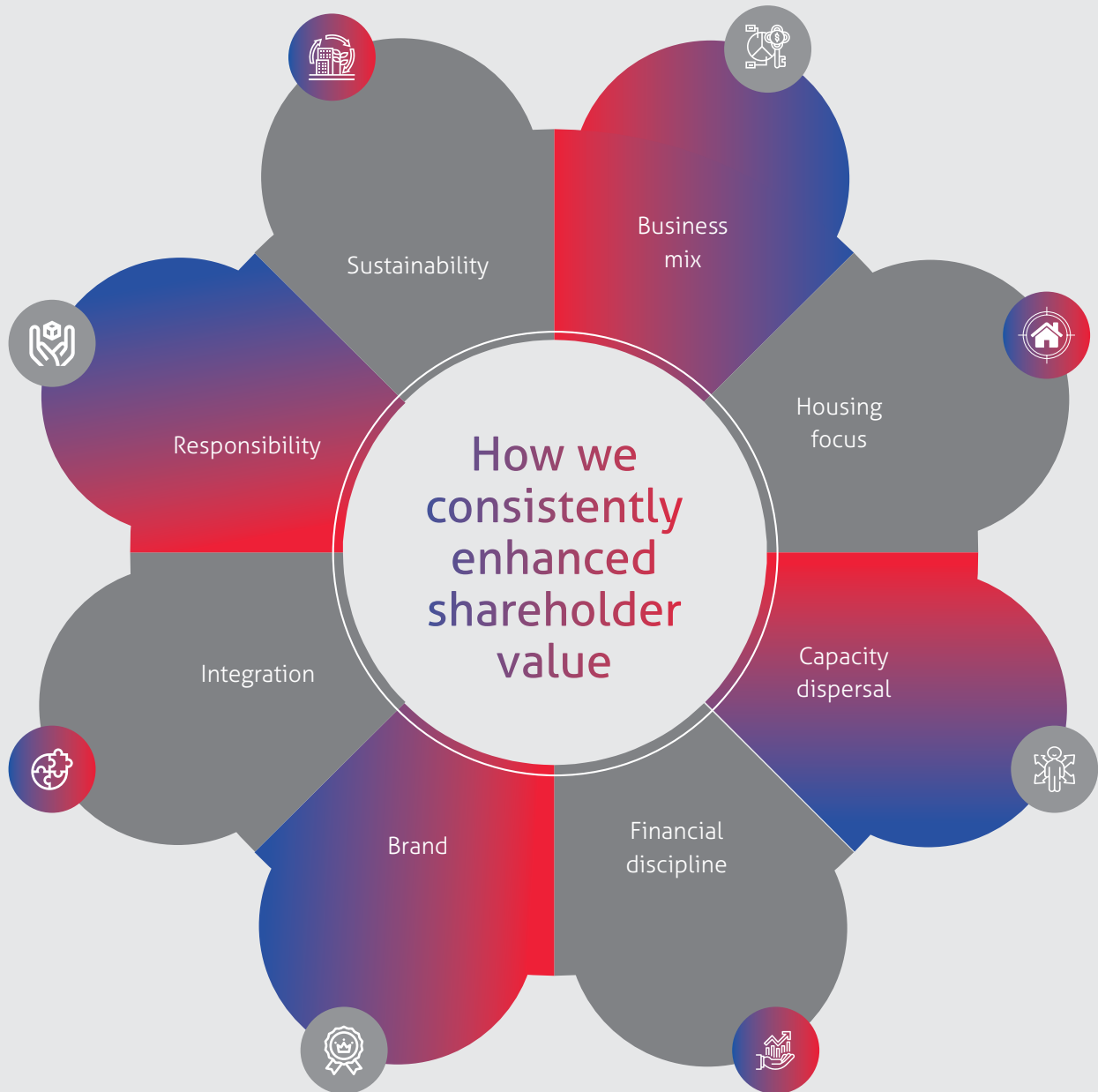
Visaka has announced dividends for 25 successive years. The company paid out an aggregated ₹169 crore in dividends across 25 years ending 2020-21.

Dividend payout (₹ crore)



Dividend payout ratio (%)





Business mix

- ◆ Mix of three businesses in one
- ◆ Roofing, synthetic yarn and boards
- ◆ Businesses linked to lifestyle quality
- ◆ Address rural and urban needs, a de-risking

Housing focus

- ◆ Large portfolio weightage towards housing
- ◆ Addressing interior and exterior needs
- ◆ Addressing needs of protection, functionality and uniqueness
- ◆ Superior price-value proposition

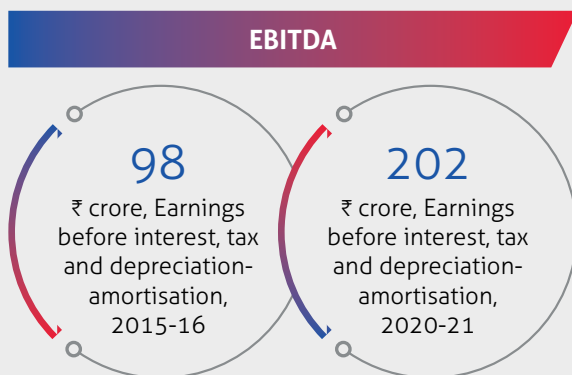
Capacity dispersal

- ◆ 12 pan-India manufacturing locations
- ◆ Plants proximate to markets
- ◆ Lower logistic costs
- ◆ Low service turnaround time

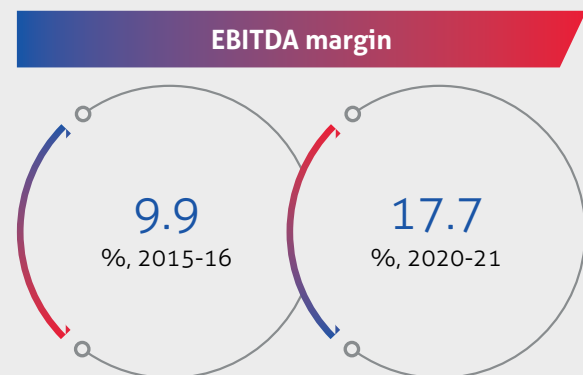
Financial discipline

- ◆ Focus on capacity creation with a short payback
- ◆ Financing through moderate debt and accruals
- ◆ Funding through concessional or low cost debt
- ◆ Modest overall gearing of 0.25 (31 March 2021)

How we generated superior financial hygiene



15.6 CAGR %, five years ending 2020-21



780 bps growth, five years ending 2020-21

Brand

- ◆ Products marketed under the Visaka/Shakti/V Next/Wonder yarn brands
- ◆ Brands recognised for superior price-value proposition and trust
- ◆ Brands positioned around 'peace of mind' and 'trust'
- ◆ Brands invested with spending of 2-3% of annual revenues

Integration

- ◆ Boards are used in the manufacture of panels
- ◆ All interior product plants from now on will be integrated
- ◆ The integration is expected to enhance margins and operational synergies
- ◆ The interior boards business leverages the cement asbestos sheet distribution network

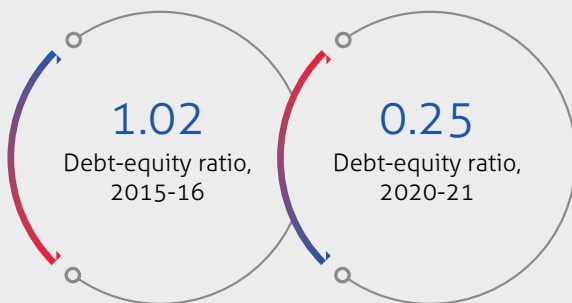
Responsibility

- ◆ Deep ESG compliant business model
- ◆ Extensively de-risked approach; established corporate credibility
- ◆ Robust governance and disclosures
- ◆ Focus on enhanced value for all stakeholders

Sustainability

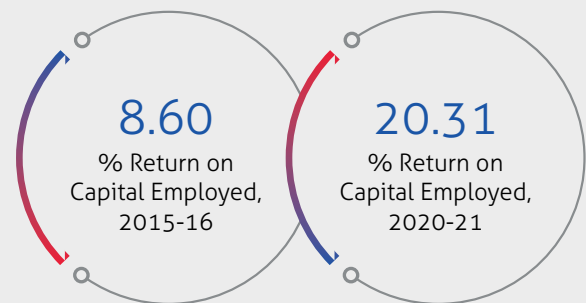
- ◆ Addressing a core national requirement (roofing and yarn)
- ◆ Investment in business platforms for sustainable scalability
- ◆ Long-term relationships with stakeholders; enhanced revenue visibility
- ◆ Comfortable Net debt/EBIDTA of 0.19; credible AA- credit rating

Gearing



0.77x decline, five years ending 2020-21

RoCE



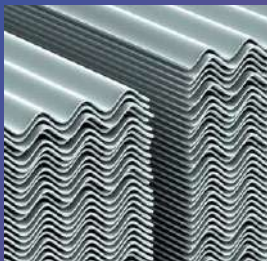
1171 bps increase, five years ending 2020-21

Outcomes of our value-accretive model

Credibility

The company enjoyed a credit rating of A+ until 2017. This rating was thereafter enhanced to AA-, which indicates stable.

Market presence



Visaka is the second largest asbestos roofing sheets manufacturer in India; the company has retained this position for a number of years ending 2020-21



The company is a niche synthetic yarn manufacturing companies enjoying one of the highest EBIDTA margins in its sector; margins from this business have been at an average 11% in the last five years compared to a sectorial average of around 6%



The company is among the largest interior board manufacturing brands in India and among the fastest growing



The company is a unique patented solar energy-driven roofing solution provider; this product is disruptive and enjoys an attractive future

How we intend to enhance shareholder value

Progressive debt reduction



Visaka had debt of ₹303 crore as on 31 March 2020

The company repaid ₹149 crore of debt in 2020-21. Reducing the gross debt to Rs. 154 crore and net debt to 39 crore as on 31 March 2021

Gearing strengthened from 0.60 to 0.25 (as on 31 March 2020)

The company intends to become net debt-free in 2021-22

Revenue broadbasing



Visaka has a longstanding cement asbestos and synthetic yarn presence

It extended to the manufacture of fibre cement sheets, boards and solar roofing products

It moderated the proportion of cement asbestos business to 69% in turnover (2020-21)

It intends to moderate this proportion to 50% by 2025.

Reducing logistic costs



Visaka commenced business with a unit in Haryana catering to Northern states

Logistics cost was at 9.2% of revenue from operations in 2020-21

The company is commissioning another plant in Tamil Nadu in 2021 to moderate logistics costs

Growing through accruals



Visaka grew the business through a combination of debt and equity

It invested ₹311 crore of accruals in the five years ending 2020-21

It intends to become net debt-free in 2021-22

Business growth is likely to be generated from accruals going ahead

Integrated Value Creation at Visaka

A report on how we enhance stakeholder value in an institutionalised manner

Overview

There is a growing recognition that the value enhanced by companies cannot be comprehensively measured by market capitalisation or the financial bottomline.

There is a wider understanding that the value reported by companies needs to be holistic with a coverage of wider organisational capabilities. This is increasingly relevant because companies that invested in broad-based stakeholder value-

creation are being seen as less susceptible in Black Swan events and more dependable in terms of sustainable value-creation.

The big difference in focus from what existed at one time to what is prevalent today is a wider appreciation of the term 'stakeholders'. In the past, the term applied to shareholders; today, this applies to employees, customers, vendors, shareholders, lenders, society and the government. In the past, it was

usual to assume that earnings per share represented the Holy Grail of corporate existence; today there is a conviction that no company can be considered truly successful if it has not enhanced value for every single stakeholder.

There is another important realisation: each constituent (or Capital) of Integrated Value is linked to the other, making it imperative for all capitals to be serviced, documented and reported.

◆ **Financial Capital** generates surpluses driving the financial engine.

◆ **Manufactured Capital** encompasses periodical investments in efficient processes and technologies, enhancing productivity, product quality and consistency while moderating costs.

◆ **Intellectual Capital** comprises knowledge and experiences that take the business ahead.

◆ **Human Capital** comprises people skills, experiences and capabilities.

◆ **Social & Relationship Capital** comprises the value of the company derives from its engagements with vendors and customers and efforts towards societal uplift.

◆ **Natural Capital** comprises the Company's efforts towards a responsible consumption of natural resources and efficient production with a declining carbon footprint.



The relevance of our sector

Sustained population growth:

By 2027, India is projected to become the world's most populous country. India is adding around 15 million people to its population annually, the largest annual increment in any country. This sustained growth (expected to peak only in 2070) will ensure a widening of the company's markets (roofing, interiors and textiles).

Urbanisation: About 35% of India's population is urban; by 2050, 400 million more Indians are expected to become urban residents. By 2030, the urban proportion of India's population is expected to increase to 40% on a larger population base, strengthening the offtake of synthetic yarns and interior boards. At that point, the country's rural population of around 900 million would be the largest such population cluster in the world, ensuring a wider market for the company's roofing products and solutions.

Real estate development: By 2040, India's real estate sector is expected to reach a market size of \$1 trillion by 2030 from \$120 billion in 2017 and contribute 13% to the country's GDP by 2025. (Sources: Financial Express, 2020). This is expected to catalyze the offtake of roofing solutions and interior building material products. Besides, India needs an estimated 18.78 million more homes, ensuring multi-year growth prospects for the company's related businesses (roofing sheets and panel products).

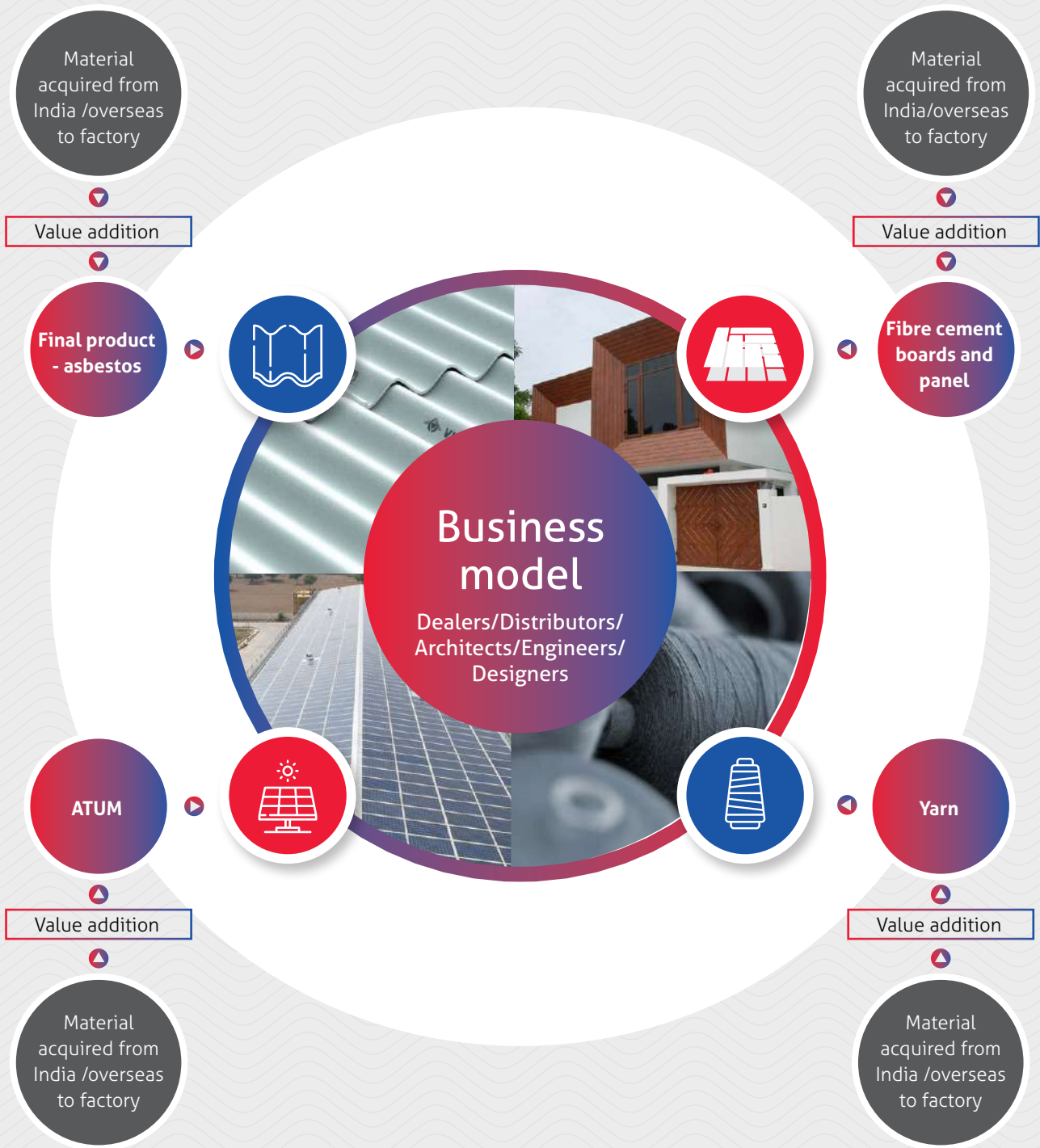
Growing awareness: Following the rise of social media, consumers are selecting to spend more on apparel for fashion reasons (over the functional), strengthening the long-term consumption of speciality synthetic yarns.

Government reforms: The Indian government's push to housing for all, interest subvention schemes and GST implementation are expected to strengthen traction for the organised players, benefiting companies like Visaka.

Sector's criticality and how Visaka's strategy

Strategic focus	Innovate and excel	Cost advantage	Supplier of choice	Robust people practices	Responsible corporate citizenship
Key enablers	<ul style="list-style-type: none"> Deepened an environment of responsible cost management, quality focus, prudent branding, financial discipline and efficient distribution 	<ul style="list-style-type: none"> Focused on sustained competitiveness across market cycles Made proactive investments in cutting-edge technologies, operational scale (leading to economies), superior trade terms, lower debt cost and greater use of accruals. 	<ul style="list-style-type: none"> Emphasized the power of the brand and engagement with an organised player. The outcomes: superior product quality, product customisation (textiles) and product longevity, resulting in a lower cost of ownership 	<ul style="list-style-type: none"> Employed based on merit Facilitated personal and professional development Trained, remunerated fairly, provided an encouraging workplace 	<ul style="list-style-type: none"> Engaged in community-strengthening initiatives near the company's manufacturing facilities Engaged in enhance community living standards
Materials issued	<ul style="list-style-type: none"> Invested in ongoing product improvement, certifications and training; invested in digitalisation; introduced the innovative ATUM; enhanced synthetic yarn quality 	<ul style="list-style-type: none"> Repaid debt of ₹149 crore in 2020-21 Reduced receivables by 16 days of turnover equivalent Moderated working capital outlay 	<ul style="list-style-type: none"> Produced quality products Received certifications that enhanced product acceptance Provided a superior consumer value proposition 	<ul style="list-style-type: none"> Allocated 2% of the profit towards CSR activities. 	<ul style="list-style-type: none"> Addressed capex through low-cost debt and accruals Announced a plan to emerge net debt-free in 2021-22
Capital impacted	Manufactured, intellectual and financial	Financial and social	Intellectual, manufactured and social	Intellectual and human	Social and natural

Value creation chain



Engaging with our stakeholders

We recognise the importance of fostering and maintaining strong relationships with key stakeholders through transparent, sincere and effective engagements. We are intent on improving on our established credibility and rapport with them.

Stakeholder group	Customers	Government, competent authorities	
Visaka's considerations	Our products are used by these stakeholders and therefore it is imperative that they are fully aware of the indications, benefits and impacts of our products while we need to have a thorough understanding of their perceptions and expectations	Our ability to produce, market and distribute products is dependent on the marketing authorisations and regulatory approvals issued by the authorities	
Stakeholder interests	<ul style="list-style-type: none"> ◆ Quality and affordability ◆ Consistent, reliable and on-time supply of product ◆ Impact of product recalls or any quality, efficacy concerns which may arise 	<ul style="list-style-type: none"> ◆ Legal and regulatory compliance ◆ Affordable outcomes ◆ Social and environmental impact of operations ◆ Tax revenues and investments 	
How we engage	<ul style="list-style-type: none"> ◆ Engage with dealers, architects, designers and retailers ◆ Open communication with customers through commercial discussions and meetings 	<ul style="list-style-type: none"> ◆ Audits of manufacturing sites by regulatory authorities to ensure Good Manufacturing Practice ("GMP") and regulatory compliance ◆ Participation in industry bodies ◆ Reports and interactions aimed at confirming legislative and regulatory compliance policies and processes ◆ Involvement in government programmes aimed at creating jobs and uplifting disadvantaged communities 	
Capitals impacted	Intellectual Manufactured	Manufactured Social & relationship Natural	

	Employees	Suppliers, consultants and business partners	Investors and funders
	Employees play a critical role in ensuring we achieve our strategic objectives. We need to understand the needs, challenges and aspirations of this important stakeholder group	These stakeholders play an important role in enabling us to meet our commitments to customers	As providers of capital, these stakeholders require to be kept informed of material developments impacting the Group and its future prospects
	<ul style="list-style-type: none"> ◆ Job security ◆ Equitable remuneration packages, performance incentives and benefit structures ◆ Diversity and inclusivity ◆ Performance management, skills development and career planning ◆ Reputation as an ethical employer ◆ Employee health, safety and wellness 	<ul style="list-style-type: none"> ◆ Fair engagement terms and timely settlement ◆ Ongoing communication on our expectations and service levels provided ◆ Fair selection processes 	<ul style="list-style-type: none"> ◆ Growth in revenue, EBITDA and returns on investment ◆ Appropriate management of capital expenditure, working capital and expenses ◆ Gearing, solvency and liquidity ◆ Dividends ◆ Security over assets, ethical stewardship of investments and good corporate governance ◆ Fair executive remuneration
	<ul style="list-style-type: none"> ◆ Direct engagements by supervisors and business management ◆ Conferences and townhall meetings ◆ Induction and internal training ◆ Employee wellness campaigns 	<ul style="list-style-type: none"> ◆ One-on-one meetings to discuss service levels or other commercial aspects ◆ Interactions regarding safety, health, environmental and ethical compliance 	<ul style="list-style-type: none"> ◆ Dedicated investor and analyst presentations, roadshows and one-on-one meetings ◆ Stock exchange announcements, media releases and published results ◆ Annual General Meetings ◆ Investor relations section of the Visaka's website ◆ Engagements with the financial media
	Human	Social & relationship Financial	Financial

Visaka's performance

Capacity utilisation

The capacity utilisation of the cement asbestos, fibre cement boards and yarns manufacturing units stood at 89%, 71% and 60%, respectively in 2020-21. The high utilisation helps amortise fixed costs more effectively

Operational footprint

Visaka widened its footprint from 25 states in FY2017-18 to 29 in FY2020-21, widening the distribution of its roofing sheets and panel product business. The company addresses nearly 75% of the country's population, making it essentially pan-Indian by geographic relevance. The company is likely to commission a plant in Tamil Nadu during the current financial year.

Financial leverage

Visaka's gearing of 0.12 (based only on long-term debt and without working capital) as on 31st March 2021 indicated adequate borrowing room. The company possessed an interest cover of 15.8 in 2020-21.

Human resources

Visaka reported people retention of 79% in 2020-21 compared to 87% in 2019-20. At the senior management level, the retention was 88%.

Value created by our company in 2020-21

1146

₹ crore
Revenue from operations

-

1005

₹ crore
Expenses for materials, services and interest

+

8

₹ crore
Other operating income

=

149

₹ crore
Wealth created



Financial capital

- ◆ Total revenue: ₹1155 crore
- ◆ Earnings per share: Basic: ₹68.47
- ◆ Dividend per share: ₹15
- ◆ RoCE: 20.3%



Manufacturing capital

- ◆ Cement asbestos sheet revenues: ₹791 crore
- ◆ V Next revenues: ₹203 crore
- ◆ Yarn revenues: ₹135 crore



Human capital

- ◆ Permanent employees: 1900
- ◆ Average age: 38



Intellectual capital

- ◆ Market status (cement asbestos sheets): Second largest
- ◆ Training: 14 person-hours
- ◆ Employees of five years or more: 75%



Natural capital

- ◆ Investment in eco-friendly technologies (V Next and ATUM in FY21): ₹26 crore



Social capital

- ◆ Investment in CSR: ₹1.77 crore



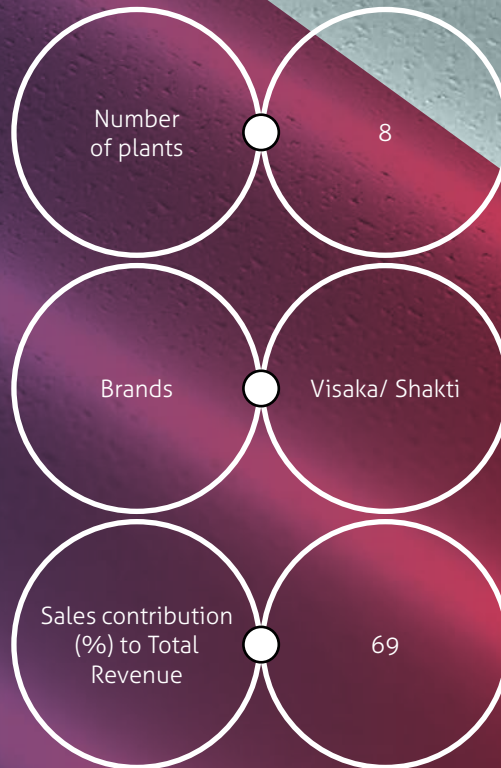
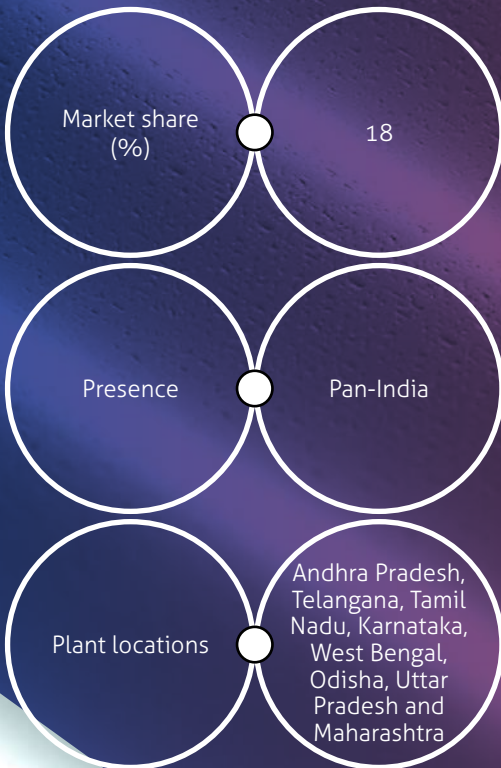
VISAKA



BUSINESS DIVISION - I

Cement asbestos

Business profile



Overview

At a time when most of India's rural roofs were uncemented and needed secure protection, Visaka commenced the manufacture of cement asbestos sheets in 1985 (capacity of 36,000 tonnes per annum). Over time, the company widened its manufacturing footprint closer to various consuming markets and grew its installed capacity to 802,000 metric tonnes per annum across eight plants. The company possesses the second largest installed capacity within its sector, marketing products under the Visaka and Shakti brands.

Visaka's differentiators

Sectoral expertise: Visaka has been in business for more than three decades, generating a recall for 'trust', 'longevity' and 'peace of mind.'

Certifications: The Company's products are certified with BIS accreditation, providing assurance of quality.

Footprint: The Company established a pan-India retail footprint comprising about 7,000 dealers, making it possible to service consumers with the product across a number of states.

Scale and economies: The Company is India's second-largest manufacturer of cement asbestos sheets, accounting for a little more than a sixth of the sectorial capacity.

Highlights, FY2020-21

- Revenues grew 26% from ₹626 crore in FY2019-20 to ₹791 crore
- Capacity utilisation was 89% compared to 80% in 2019-20
- EBITDA margins improved by 1000 bps to 22%

Challenges and counter-measures

There was a need to enhance competitiveness during the lockdown.

The company moderated its cost structure to enhance viability across market cycles.

Demand drivers

Housing initiatives: Housing for All and Direct Benefit Transfer

undertaken by the Indian government is expected to empower rural spending (and demand for roofing products).

Steel prices: Rising steel prices widened the market for cement asbestos sheets over galvanised steel roofing products.

Way forward

The company will continue to mine the rural markets, which are expected to grow significantly. The company also intends to increase its productivity by 5% through de-bottlenecking during FY22.

Capacity utilisation

	FY17	FY18	FY19	FY20	FY21
Installed capacity (metric tonnes)	802,000	802,000	802,000	802,000	802,000
Capacity utilisation (%)	86	88	92	80	89

Sales growth

	FY17	FY18	FY19	FY20	FY21
Sales (₹ crore)	637	677	728	626	791
Sales growth (%)	-6.1	+6.2	+7.6	-14	26

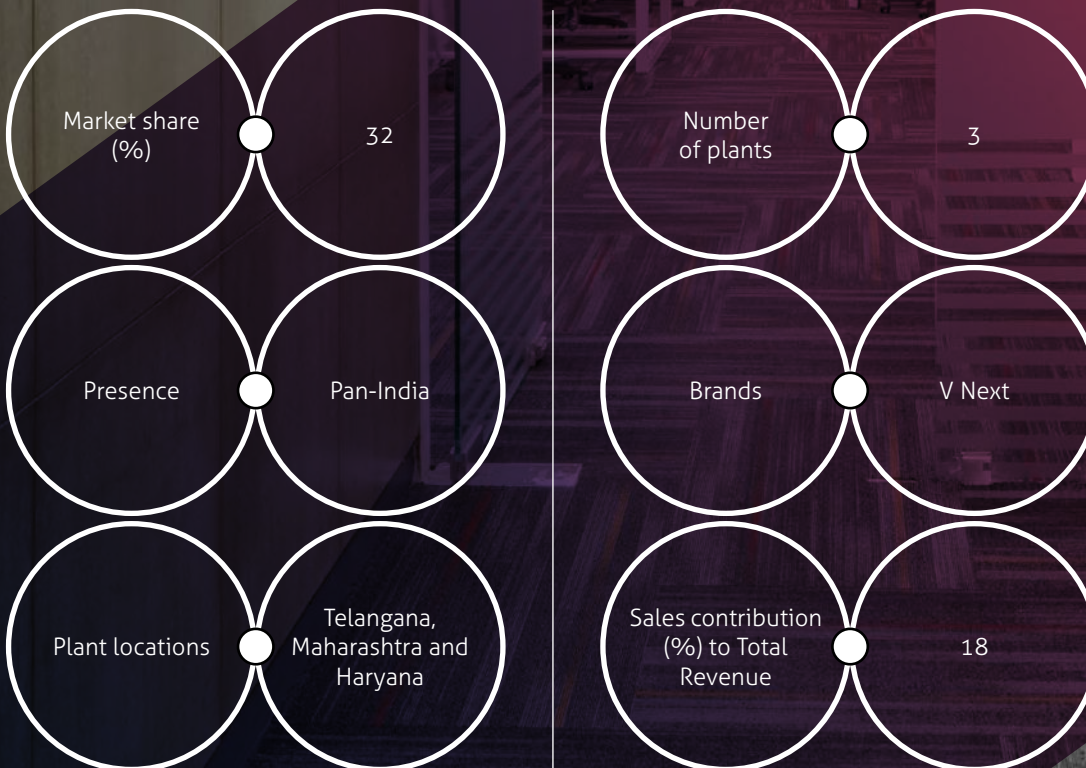
Contribution to total sales (%)



BUSINESS DIVISION - II

V Next products, fibre cement boards and panels

Division profile



Overview

Visaka extended to the manufacture of fibre cement boards and panel products in 2009. These panels are manufactured in an asbestos-free manufacturing unit at Miriyalaguda (Telangana).

V Next panel is user-friendly material for conventional walls and dry wall solutions. The product is a light, ready-to-use wall-like sandwich panel, whose core is filled with EPS concrete and V Next Boards as facing sheets.

A V Next panel possesses superior thermal, acoustic and energy efficiency properties. The product is offered in three thickness variants – 50mm, 75mm and 100mm –and possesses a standard width of 600mm coupled with lengths of 2400mm, 2700mm, 3000mm and 3300mm.

The product is used as ready-to-install, non-load bearing walls, ideal in site camps, offices, villas, resorts, farm houses as well as partitions in malls, hotels and hospitals. The Company manufactures V-Board, non-

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

The product (manufactured with technical support from Australia) has been accepted by builders, practicing professionals and opinion influencers (carpenters, architects and contractors). The company is a leading player by market share, accounting for a sizeable share of sectorial capacity. The product is exported to India, Middle East and Africa.

Market relevance

Cost saver: V-Board moderates electricity and water consumption on account of dry wall construction. Due to shortage of red sand, V Next OS considered eco-friendly.

Influencer's endorsement: The product counters boards made of plywood and gypsum plaster; fibre cement boards also provide

resistance against termite, moisture and fire.

Certified: V Next boards are manufactured in line with IS 14862:2000 / ASTM C 1186 certifications. This Type B category 3 board is used in interior and semi-exposed applications with thicknesses that range from 4mm to 25mm. V Next Premium

is a Type A category 3 board conforming to IS 14862:2000 / ASTM C 1186, exposed to extreme climatic conditions. Suitable for exterior applications, the product is made in thicknesses from 4mm to 18mm. V-Premium plank is a designer exterior grade material in applications like facade, external cladding and siding.

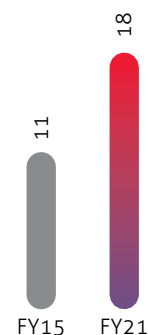
Capacity utilisation

	FY17	FY18	FY19	FY20	FY21
Installed capacity (metric tonnes)	129,750	129,750	179,750	179,750	189,750
Capacity utilisation (%)	75	81	67	76	71

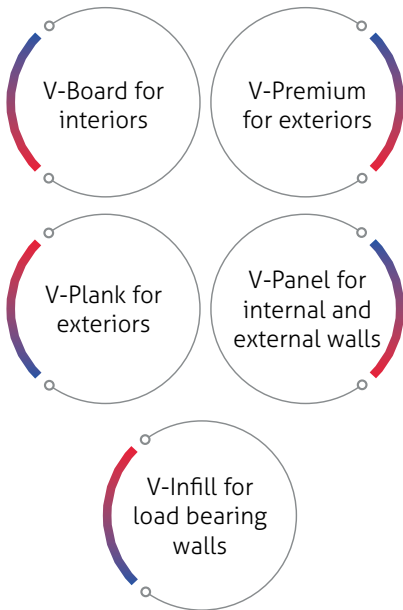
Sales growth

	FY17	FY18	FY19	FY20	FY21
Sales (₹ crore)	140	152	177	196	203
Sales growth (%)	0	9	17	11	3

Contribution to total sales (%)



The V Next portfolio



The Visaka differentiator

Quality conscious: V Next products are manufactured using cellulose fiber; they are Green Pro Certified products (V-Board, V-Designer, V-Plank, V-Premium and V-Panel) by CII-IGBC. Visaka is the only company to be Green Product-certified in the category of fibre cement boards.

Utility: The Company's products are certified fire-proof, water-proof, termite-resistant and UV-resistant by TUV Singapore.

Focused: The Company started with more than 30 applications but has since selected to focus on seven customised applications.

Innovative: The Company introduced value-added products like designer boards and exterior boards like planks. It introduced the path-breaking V-Infill (load bearing dry wall) technology that accelerates construction. This lightweight concrete (cement, sand, expanded polystyrene concrete and a proprietary additive) is mixed with water and poured between a structure made with V Next frames, TMT rods and V-Boards as facing sheets.

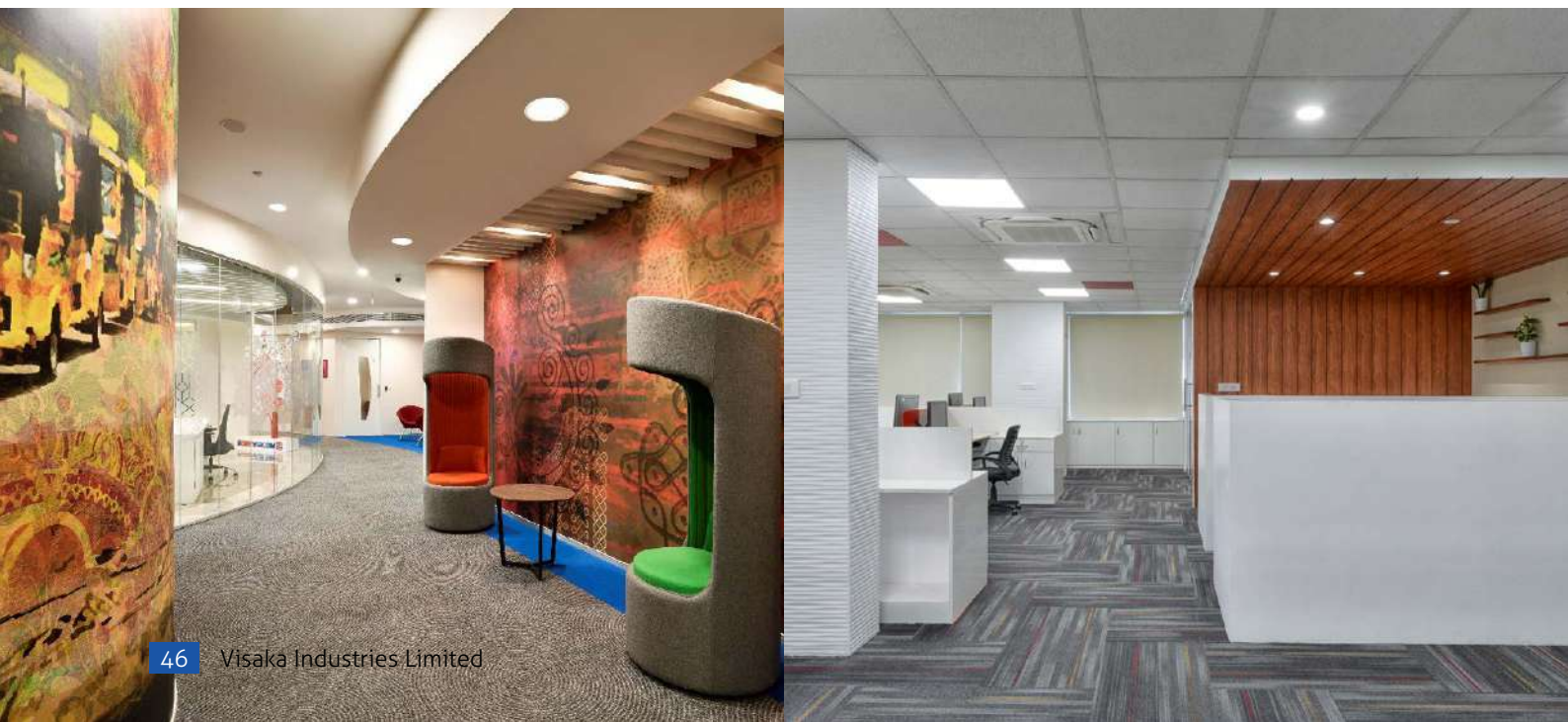
Strategic: The Company sources fly ash and cement from areas proximate to its facilities; its Pune and Miryalaguda plants are located proximate to large cities, strengthening logistics management across the working capital cycle.

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

Features: The company invested its V Next products with superior attributes of fire- and termite-resistance, denseness, moisture-free, swelling-free, tensile, water-absorbance and water vapour resistance.

Highlights, FY2020-21

- Grew revenues by 3% from ₹196 crore in FY2019-20 to ₹203 crore
- Capacity utilisation was 71%
- EBITDA margins strengthened 510 bps to 12.3%
- The Company constructed a plant in Coimbatore (capacity 50,000 tonnes per annum for ₹75 crore), expected to commence production in FY2020-21.



- The company's technology was selected for Global House Technology Competition schemes, which could widen the market
- The company leveraged its business development across the last decade and generated sales traction from Swachh Bharat, rural housing and anganwadi schemes
- The company generated almost 10 million square feet of sales month-on-month during the second half of the year under review
- The company's products are being marketed in about 38 countries comprising developed and developing economies
- The products have developed a positive recall for being water-resistant, fire-resistant, termite-resistant and eco-friendly
- The V Next product leverages a strong distribution base of 2000-plus outlets in addition to a 7500 outlet network of the parent company
- There is a large potential in growing the company's presence in commercial spaces

Demand drivers

Overall development: The increased

focus on the healthcare, affordable mass housing, slum rehabilitation and sanitation programmes could catalyse demand

Policy boost: The Indian government launched Housing for All by 2022 with the objective to build two crore houses in urban areas and four crore houses in rural areas

Warehousing: The rise in e-tail and industrial growth is growing the warehousing sector

Rural demand: A sustained improvement in farm incomes and rural employment drive fibre cement board and roofing sheets demand.

Construction speed: The need for faster construction and labour shortage are strengthening the offtake of fibre cement boards and dry wall systems.

Aesthetics: A growing premium on interior aesthetics is driving demand.

Way forward

The company is expected to report 15% revenue growth from this business in 2021-22 driven by enhanced capacity utilisation. Following the commencement of the Coimbatore unit, it expects to increase volumes 15%.

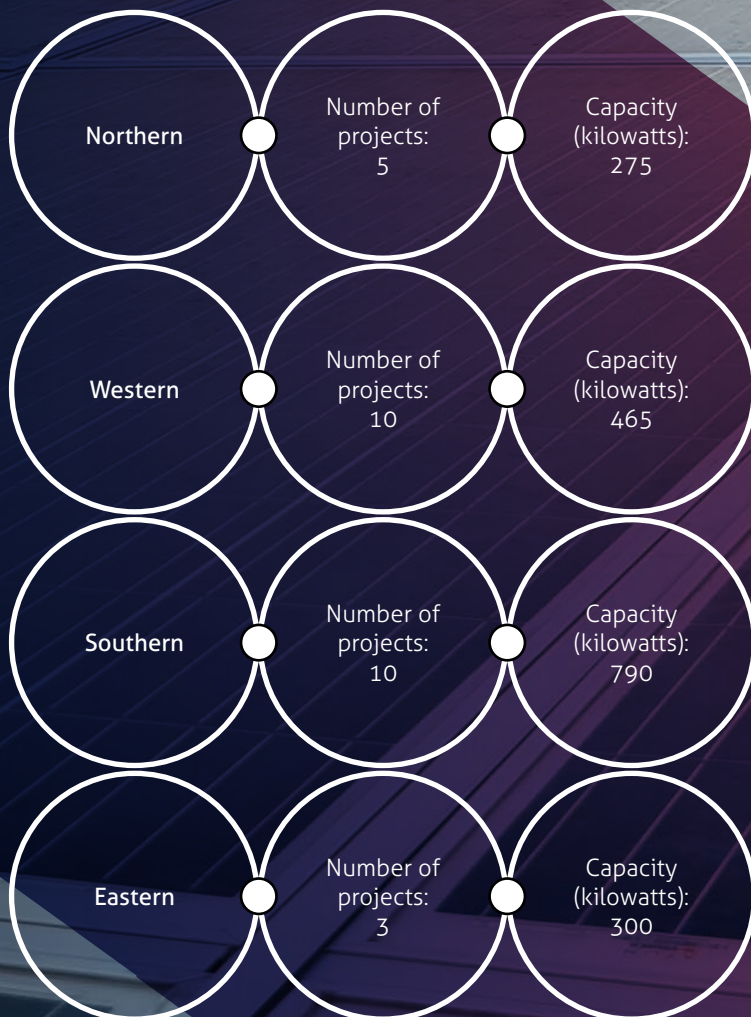
V Next applications

- ◆ Wall panelling
- ◆ Dry walls
- ◆ Partitions
- ◆ False ceilings
- ◆ Mezzanine flooring
- ◆ Roof underlay
- ◆ Kitchen cabinets
- ◆ Shelves
- ◆ External cladding
- ◆ Sidings
- ◆ Facades
- ◆ Gates cladding
- ◆ Soffits (flower-bed ceilings)



SUB-BUSINESS SEGMENT

ATUM



Overview

Across the foreseeable future there is going to be a global shift towards renewable energy marked by the use of solar roofing products. In line with this prospect, Visaka launched ATUM, an integrated solar roofing system; this serves as a traditional roof and generates solar energy. What makes this product different is that Visaka integrated solar panels into a cement base, cancelling heat better than traditional roofs without compromising aesthetics. This revolutionary product was installed across 28 projects (cumulative capacity 1,830 kilowatts) by the end of 2020-21.

The Visaka differentiator

Value-accretive: The unique product ensures that its total cost can be recouped within seven years even as its productive life is around 25 years. The product's thermal insulation reduces temperature without the use of a mat under the roof.

Enduring: The product (10 mm roof with a density of 1,250 kg per cubic metre) enjoys a life span longer than conventional products (more than 25 years).

Superior properties: ATUM is noise-proof, minimising the impact of heat and rain more effectively than galvalume sheets.

Differentiating features

Resilient: ATUM has demonstrated the capacity to withstand wind speeds of >180 kilometres per hour.

Certified: Backed by relevant certifications (BIS certified-IS:14286/IEC 61215, IEC 61730 Part-1 and IEC 61730 Part-2). The company's solar roofing product ATUM received the prestigious UL certification that opened markets in USA and Europe.

Versatile: Integrated power-generating roofing solution (~2 metres x1 metre correlates to 21.5 square feet for a 320-watt peak).

Robust: The product addresses a live load of >500 kilograms and a point load of 200 kilograms.

Productive: The product is low on space and high on productivity; a 1-kilowatt panel can be installed across 66.5 square feet compared to a conventional solar panel that occupies 100 square feet

Durable: The product lasts longer (40-45 years for roofing and >25 years for power generation).

Highlights, FY2020-21

- The company executed 28 projects in 2020-21
- The company has a projects pipeline of 10 MW
- The business capitalised on momentum in segments where fiber cement board is used
- The business exploring exports to Nepal, Sri Lanka, South Africa and Middle East; it deployed the first ATUM installation in Sharjah with the tie up with the Chief Economic Development Officer
- The business generated traction from the health care, pharmaceutical segments and data centers
- The business was the first in the world to receive a patent

Challenges and counter-measures

Since the product is still relatively new, there is a need to enhance awareness
The company engaged in extensive marketing during the year

There was a need to validate product quality
The Company received BIS certification for ATUM.

Way forward

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

The product can replace the metal sheet plus solar utility through a one-stop integrated solution that serves as a hedge against roof leaks or disruptions. Besides, the uniqueness of the solution is derived from its proven 40% efficiency over traditional competitors on account of superior space efficiency. Besides, the factory output can be doubled with nominal investment, strengthening profitability.

ATUM awarded patent in India and South Africa





ATUM Panel at Jhajjar

Panel unit at Jhajjar completely roofed with ATUM solar panels generating average 2000 units per day, saving power cost about ₹50 lakhs per annum with a payback period of 5 years

BUSINESS DIVISION - III

Synthetic yarns

Overview

Visaka commenced the manufacture of synthetic yarn in 1992 by commissioning a factory in Nagpur. The plant was designed to produce ~2,000 tonnes of man-made yarns per annum employing cutting-edge air-jet spinning technology.

Over the years, the company extended to the manufacture of a gamut of specialised products (mélange, high-twist and specialty

yarns) in different blends. These value-added yarns are utilised by quality-driven fabric manufacturers. The result is that Visaka generated realisations among the highest in the country's yarn sector. The company's prominent downstream brands comprised Donear, Siyaram Silks, Raymonds, GBTL, RSWM, BSL Suitings and Arvind Mills, among others.

The Company scaled its spinning capacity in FY2017 to produce 12,000 tonnes per annum.

Visaka's moat

Reputed: The Company invested in periodic capacity addition (now 12,000 metric tonnes of yarns per annum) to service the growing requirements of some of the biggest fabric brands in India; this helped the company amortise fixed costs more effectively.

Technology: The Company manufactures synthetic yarns using the sophisticated Twin Air-Jet spinning technology.

Best-in-class: The yarns manufactured by the Company are marked by low pilling, no singeing, excellent dye pick-up, low picks per inch, low weaving costs, low value loss/fresher piece lengths, high perspiration absorption, low shrinkage, smooth appearance and cotton-touch feel.

Preferred: The yarns produced by Visaka enhance downstream loom productivity, preferred by demanding fabric manufacturers.

Certification: The company was granted authorisation according to Oeko-Tex Standard 100 to use the Oeko-Tex mark certifying that its yarn was made of 100% polyester raw white and dyed, polyester/cotton in raw white and polyester/viscose, addressing the human-ecological balance required for products addressing babies; the company's textile division received a license for

quality management system from the Bureau of Indian Standards; the company was certified for quality management system through ISO 9001:2008.

Highlights, FY2020-21

- De-grew revenues 37% from ₹215 crore in FY2019-20 to ₹135 crore
- De-grew volumes 36% from 11135 metric tonnes in FY2019-20 to 7172 metric tonnes.
- Capacity utilisation declined from 93% in FY2019-20 to 60%
- The company developed multiple shades of new fibers and technical textiles
- The company remained active in marketing dye fibers; it commenced the manufacture of flame retardant fibers
- The company increased the proportion of sustainable yarn sales to 15% following manufacture through resources derived from 135 million plastic bottles

Demand drivers

Rising incomes: India's per capita income has been strengthening year-on-year, increasing aspirations and demand for apparel made from quality fabric.

Online brands: India's e-tail market is valued at US\$ 16.3 billion and

expected to grow at a CAGR of 45% till 2020, catalysing the creation of online textile brands.

Fashion market: The Indian fashion market of ~US\$ 70 billion is only 25% organised, projected to grow at a CAGR of 15% to US\$102 billion by 2022.

Increasing exports: India is the world's second largest textile exporter. The growing national capacity has helped significantly moderate per unit production costs, strengthening the country's competitive textile sector advantage

Western wear demand: India's western wear market of ~US\$ 700 million is growing at a CAGR of 17%. With >40% of the population working, the demand for western wear is likely to increase.

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

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

Way forward

Based on available capacity and demand outlook from existing customers, the Company's yarn volume is expected to grow in FY2020-21.

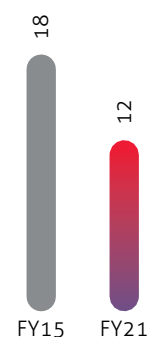
Capacity

	FY17	FY18	FY19	FY20	FY21
MTS machines	41	41	41	41	41
Spinning positions	2,752	2,752	2,752	2,752	2,752

Sales growth

	FY17	FY18	FY19	FY20	FY21
Sales (₹ crore)	174	169	219	215	135
Sales growth (%)	+1%	-3%	+30%	-2%	-37%

Contribution to total sales (%)



Risk management

Our business divisions and risk probabilities

Divisions	Risk probabilities	Reasons
Cement asbestos	High-moderate	Rural economic slowdown
V Next	Moderate-low	Differentiated products and market
ATUM	Moderate	New product
Yarn	Low	Established customer network and product quality

Building products business

Risks	Probability	Mitigation
There is a perception that cement asbestos products are harmful.	Medium	<ul style="list-style-type: none"> The quantum of fibre used in India is minimal. No fatalities have been reported in India by users of the material. The Company uses white fibre whereas the carcinogenic blue fibre is banned. The free floating asbestos used by the Company is well below the 0.1 fibres/ml of air standard fixed by Ministry of Environment. The Company's ongoing audit ensures a safe workplace for employees. The Company presents its case responsibly to the external world that the material used is safe.
There is a risk of interrupted fibre supply that could affect production	Medium	<ul style="list-style-type: none"> The Company imports all the fibre it needs (three grades, from Russia, Kazakhstan, Brazil). Even as the Company has been working with suppliers for long, it enters into annual contracts with them based on its production plan for predictable supply. The Company keeps adequate raw material inventory as a hedge against shipment delays and unavailability of material.
There is a risk of supplying far from the production plant, incur high freight costs and transshipment breakage and endanger profitability.	Medium-low	<ul style="list-style-type: none"> The Company has progressively commissioned plants in regions with attractive offtake but relatively inadequate supply. The Company's strategy is to service consumers across a radius of 500kms. Each of the Company's plants covers mutually exclusive marketing zones, maximising national coverage.
There is a risk of realisations declining in the event of product oversupply or demand destruction.	Medium-low	<ul style="list-style-type: none"> There is a risk of oversupply especially when new capacities come on stream without corresponding market growth, resulting in a decline in realisations. However, as the market grows, realisations correct. The Company has generally marketed its products in regions of under-supply, enhanced recall and strengthened its market share. The result is that its material has generally sold quicker even in times of oversupply and commanded a premium in times of undersupply.
The business is exposed to forex risk, considering that nearly all the Company's requirement of fibre is imported.	Low	<ul style="list-style-type: none"> The Company has a proactive hedging policy handled by a committee of executives. The Company also enjoys a natural hedge for a part of its imports through yarn and V Next products export.

Textiles business

Risks	Probability	Mitigation
The Company may be affected by commodity realisations.	Low	<ul style="list-style-type: none"> The Company has consciously selected to be present at the value-added end of the business through the manufacture of niche and premium products. Some of the products fetch realisations higher than the prevailing industry average. The Company's average realisation per kg of end product was ₹184 in 2016-17 and ₹189 in 2020-21.
The Company could be affected by a rise in input prices.	High-medium	<ul style="list-style-type: none"> This risk affects the entire industry. However, the Company has always passed on costs due to its premium quality positioning.
The Company could be affected by a decline in offtake and product relevance.	Low	<ul style="list-style-type: none"> The Company has deliberately graduated to the manufacture of yarns used in value-added products. The Company addresses the needs of weavers who make branded garments and home textiles. There is a growing market for these products in India on account of income increase, a greater proportion of the population becoming earners, a decline in the average age and a general inclination to graduate to a better living standard.
The Company's textiles business could be affected by client attrition.	Low	<ul style="list-style-type: none"> The Company customises yarn products and also produces challenging counts not easily replicated by competitors, helping retain customers.
The Company's textiles business may be affected by high debt.	Low	<ul style="list-style-type: none"> The Company's textiles business is attractively under-leveraged. Besides, the Company has reinvested cash accruals in its textile business, strengthening viability. The divisional cash profit stood at ₹5.95 crore for the year ended 31st March 2021.

Board's Report

Dear Members,

Your Directors are pleased to present the 39th Annual Report on the operational and business performance of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31st March, 2021.

Financial Performance

The summarised financial performances for the Financial Year ended March 31, 2021 are as under:

(₹ in lakh)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Revenues	1,15,479	1,05,701	1,15,513	1,05,701
Profit before depreciation and Taxes	18,925	9,808	18,925	9,808
Profit before taxes	14,926	5,712	14,926	5,712
Provision for taxes (Including deferred tax)	3,861	782	3,861	782
Total Comprehensive Income	11,087	4,763	11,086	4,763
Dividend (including corporate dividend tax) *	824	4,212	824	4,212
Balance brought forward from previous year	17,006	16,454	17,006	16,454
Profit available for appropriation	27,268	17,006	27,268	17,006

*Dividend paid during the respective years

Performance review and the state of Company's affairs:

The Company's consolidated total income for the year 2020-21 was ₹1,155.13 crore, up by 9% over the previous year FY2019-20. Profit before tax (PBT) was ₹149.26 crore representing a growth of 161% over the previous year.

The Company's standalone total income for the year was ₹1,154.79 crore, up by 9% over the previous year. Profit before tax (PBT) was ₹149.26 crore representing a growth of 161% over the previous year.

The Company has posted highest ever profits during the year under review. This is during a year in which humankind has passed through challenges which are not within living memory. The impact of Covid-19 was felt across the economy and businesses. However, the Building product segment led the Company's strong growth with focused initiatives countering the challenges posed by Covid-19 pandemic. The good performance is possible due to strong rural markets, gradual opening of Urban markets and ease of supply chains among others. Digital marketing initiatives of the Company have also shown a positive impact.

The Company's other key performance indicators are as under:

- Cash Profit increased by 68% to ₹151 crore from ₹90 crore in previous year

- The capital expenditure for FY2020-21 was ₹54 crore, major part of which is in respect of the ongoing Udumulpet project (VNext Boards) near Coimbatore.

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

COVID-19 impact

The outbreak of the deadly COVID-19 virus and the ensuing lockdown imposed across the country affected business operations. The health of the employees and workers became a priority; stoppage of operations for an uncertain period resulted in a large financial burden on the one hand and workforce idling on the other. COVID-19 is an unprecedented challenge. The lockdown gave India time to make a concerted effort to flatten the outbreak curve. However, towards later part of the year consequent to significant opening of the economic activity across the nation the demand picked up compared to that during the initial period of Covid-19.

India is currently experiencing a massive second wave of Covid-19 infections. However, we expect no major changes in the economic activity as the nation is preparing to face the Pandemic with vaccines and preparedness.

Moody's Investors Services said the escalating second wave of coronavirus infections in India present a risk to its growth forecast of 13.7% for FY22 as the re-imposition

of virus management measures will curb economic activity and could dampen market and consumer sentiment.

“The announced countermeasures to combat the second wave – some of which are due to remain in place at least until the end of June – risk weakening the economic recovery. However, the targeted nature of containment measures and rapid progress on vaccinating the population will mitigate the credit-negative impact,” it added.

Dividend

Your Directors declared interim dividend of ₹5/- (i.e., 50%) per share of ₹10/- each fully paid up during the financial year under review. Your Directors are pleased to recommend a Final Dividend of ₹10/- (i.e.100 %) per share of ₹10/- each for the Financial Year 2020-21. With the above, the total dividend recommended would be ₹15/- (i.e.150%) per share of ₹10/-, which is on par with the previous year of ₹15/- per share (i.e.150%). The dividend, if approved at the 39th annual general meeting (AGM), will be paid to those members whose names appear on the register of members of the company as of end of the day on 19th May, 2021.

TRANSFER TO RESERVES

The company has not proposed to transfer any amount to the general reserve.

SHARE CAPITAL

The paid-up share capital of your company increased by ₹60.00 lakh to ₹1,648.10 lakh during the year under review. The Company has made preferential allotment of 2 lakh Equity Shares of ₹10/- face value each fully paid up at a price of ₹241/- (Share Premium at the rate of ₹231/- per share) and further allotted 4,00,000 fully paid equity shares of face value ₹10/- fully paid up at a price of ₹241/- (Share Premium at the rate of ₹231/- per share) each against 4,00,000 convertible warrants

Share Warrants

During the year under review the Company allotted 12,00,000 convertible Warrants to its Promoter Group each carrying a right exercisable by the warrant holder to subscribe to One equity share per warrant at a price of ₹241/- (Premium at the rate of ₹231/- per warrant). 25% of the warrant issue price received upfront and balance 75% is payable by the Warrant Holder at the time of allotment of the Equity Share which may be exercised at any time before expiry of 18 months from the date of allotment of

Warrants, failing which the warrants shall lapse and the amount paid shall stand forfeited by the Company. Out of these the Company had allotted 4,00,000 fully paid equity shares of face value ₹10/- each against 4,00,000 convertible warrants after receiving the balance 75% amount. Convertible warrants outstanding as at 31st March, 2021 are 8,00,000.

Disclosure Under Reg 32 (7A) of SEBI (LODR) Regulations 2018

The preferential issue of Equity Shares and Warrants proceeds have been completely utilised towards capital expenditure for Udumulpet (VBoards Unit) repayment of borrowings.

Subsidiary companies:

The Company has two subsidiaries as on 31st March, 2021 i.e., VNEXT Solutions Private Limited and Atum Life Private Limited, Vnext Solutions Pvt Ltd is setup to capitalise on the expertise gained in the various applications of its products.

The Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) is annexed as Annexure 1

Atum Life Private Limited is formed in dealing with the sustainable products for the following reasons

- a) Recent market studies suggest that awareness among Indian consumers towards sustainable and ethical practices of brands has increased, which has led to a significant shift in their behaviour.
- b) It is hoped that there is increasing affinity with brand prestige and sustainability, and a willingness to shift purchases towards brands with higher ethical practices and sustainable processes.
- c) Studies further suggest that there is a need for retailers/ dealers to develop capabilities to meet the change in purchase pattern and as such, the management feels that there exists an opportunity in this area and
- d) With a view to capitalise on early mover advantage and to provide touch and feel experience to the customers it is proposed to enter into the business of dealing, trading, selling, marketing, promotion and distribution of Eco-friendly and Sustainable products by setting up Studios in top 10 metro cities.

In terms of Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the company and all its subsidiaries prepared in accordance with Ind AS 110 and 111 as specified in the Companies (Indian Accounting Standards) Rules, 2015, forming part of the annual report. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements and related information of the company and its subsidiaries, wherever applicable, are available on the company's website: www.visaka.co. These are also available for inspection during regular business hours at our corporate office in Hyderabad, India.

Management discussion and analysis

Global economic overview

The global economy reported de-growth of 3.5% in 2020 compared to a growth of 2.9% in 2019. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and consequent suspension of economic activities across the world. The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF)

Region growth %	2020	2019
World output	(3.5)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

Indian economic review

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. The lockdown staggered an already-slumping economy as 1.38 billion Indians stayed indoors - one of the most stringent lockdowns anywhere.

The outbreak of the novel coronavirus impacted the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9 per cent in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards. The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India - real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5 per cent in the July-September quarter and reported 0.4 per cent growth in the October-December quarter.

India's GDP contracted initially and then recovered in 2020-21. This recovery - one of the most decisive among major economies - validated India's long-term consumption potential.

Y-o-Y growth of the Indian economy

Region growth %	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	NA

Growth of the Indian economy, 2020-21

Region growth %	Q1, FY21	Q2, FY21	Q3, FY21	Q4, FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	NA

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Outlook

The Indian economy is projected to grow by more than 10% in FY22 as per various institutional estimates, making it one of the fastest-growing economies. India's growth journey could be the result of a culmination of favourable tailwinds like consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, reforms and an efficient roll-out of the vaccine, among others.

However, the only dampener is the surge in Covid-19 in the first quarter of the current financial year that could affect public consumption of products and services.

Indian construction and building materials industry

India's construction industry is engaged in growth, which mainly includes real estate and urban development projects. Given the nation's objective to modernize infrastructure and bring about a 'smart' development in its cities, India is expected to emerge as the third largest construction market by 2025. This industry covers a wide scope and contributes around 55% to the steel, 15% to the paint and 30% to the glass industry. To facilitate growth, India relaxed foreign investment norms, with the real estate sector solely receiving investments worth US\$ 5 billion. In terms of job creation, the Indian construction sector created more than 50 million jobs in 2020.

The Covid-19 pandemic caused a social and economic disruption. The economic impact on the construction and building industry was vast. The Indian construction industry is expected to experience a YoY growth of 11.6% by 2021. Different industries and markets are bound to go through changes in the upcoming years, with a common factor in each business- digitization. Therefore, even within the real estate and infrastructure industry, while the nature and pace of change could vary from business to business, each of them will be in need of digitization. (Source: India briefing, Surfaces reporter, roofandfloor.com)

Growth drivers

Rising urbanisation: India's population is expected to rise from 1.38 billion in 2020 to 1.52 billion in 2036.

Demographic dividend: India's median age of population is 28 years, which is lower compared to the global average of 30, expected to drive demand for building materials.

Rise of real estate sector: The real estate sector is projected to increase from a market size of US\$ 180 billion in 2020 to US\$ 650 billion in 2025.

Smart Cities Mission: An allocation of ₹137 billion was made in the Union Budget 2021-22 for the Smart Cities Mission, which aims to promote 'smart cities' that provide their citizens with the benefit of core infrastructure, as well as decent life quality, clean and sustainable environment.

Pradhan Mantri Awas Yojana - Gramin (PMAY-G): India seeks to build 30 million houses in rural areas by 2022.

Budgetary allocation: The Ministry of Rural Development received the 4th highest allocation of the Union Budget 2021-22 across all ministries (₹1,33,690 crore). Out of this amount, 98% was allotted to the Department of Rural Development and the rest to the Department of Land Resources. (Source: The wire, Trading Economics, Statista, PRS, India briefing)

Indian fibre cement products sector overview

Fibre cement roofing products have been in use in India for more than 80 years now. They are made of superior quality cement and imported fibre. Fibre cement roofing sheets are composite building and construction materials, which are mainly used in roofing and facade applications due to their strength and durability. Moreover, strict regulations against the use of asbestos in construction due to the health risks involved in its use has been a major demand driver for fiber cement roofing sheets.

The Indian fibre cement roofing sheets market is anticipated to reach a value of US\$ 760 million by FY 2026, growing at a CAGR of more than 3%, on account of the growing economy of India, coupled with the preference of fibre cement roofing products over its alternatives due to its adaptable properties. The fibre cement roofing market is expected to grow on account of high developments in the sector and increasing government investments in infrastructure development.

In terms of raw materials, the Indian fiber cement roofing sheets market is segmented into portland cement, chrysotile asbestos fibre and others.

The roofing category is anticipated to retain its superiority in the upcoming years. The growth of the roofing category is majorly attributable to the widespread use of fiber cement sheets for roofing in residential as well as non-residential applications. Moreover, in rural buildings, the

corrugated roofing sheets possess repetition of folds on their surface as this unique shape offers enduring strength and utility. Their grooves and ridges make asbestos sheets stronger and wavy structure increases strength in covering small surface areas. (Source: Techsciresearch, Yahoo)

The other fibre cement product is the fibre cement board which comprises cement, silica and cellulose fibre among others. This product which is recognised as a green product is popular world wide and is gaining immense traction in India (manufactured and marketed by Visaka under the brand of VNext products) in the last few years. These are used for literally all internal and external applications except the roof. The properties of these products make them ideal to replace brick work applications, plywood applications, MDF applications and gypsum board applications. The company currently enjoys a 32% market share which is expected to go up to 40% by end of FY 22. The size of this market can be anything considering the potential indicated above.

Indian solar rooftops market overview

In 2015, India announced its renewable energy target of 175 GW for 2022, with 100 GW as the share for solar power. The rooftop solar is the most underdeveloped renewable energy segment in the country with an installed capacity of 3.4 GW as of 30th November, 2020 against the 40 GW target set for 2022. More than 70% of the distributed generation/ rooftop solar capacity in the country have been contributed by the commercial and industrial customers.

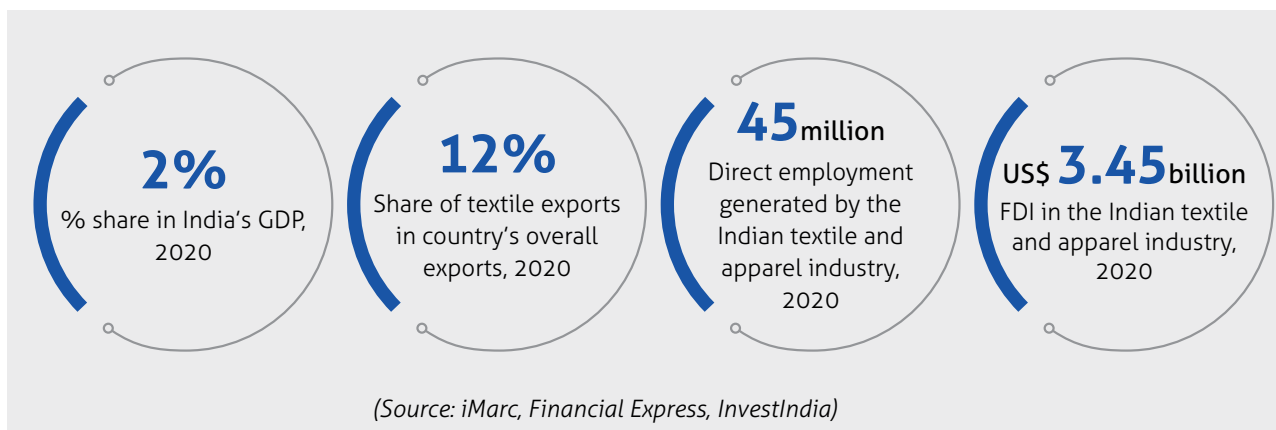
Financially, the rooftop solar market suffered from being perceived as expensive and requiring subsidies. A massive push has been given by the Government at both central and state levels, through the PMKUSUM scheme. This In turn gives a boost to solar rooftops.

Indian textiles and apparel industry

The Indian textile and apparel industry's market size was pegged at US\$ 133 billion in 2020. This industry contributes to 2% of India's GDP and is anticipated to grow at a CAGR of 13.80% during 2021-2026. The Government made investments under Integrated Textile Parks Scheme and the Technology Upgradation Fund to encourage private investments.

The country is among one of the largest producers of textile and apparel. The Indian textile and apparel industry contributes to 7% of global industry output in terms of value and 12% through exports.

In terms of employment, the Indian textile industry is the second largest employer in the country after the agricultural sector, providing direct and indirect employment to around 100 million people.



Growth drivers

Lower cost of production: India has a lower cost of production in terms of skilled manpower and availability of abundant raw materials, which gives the country a competitive advantage over other countries.

Increase in demand of end-user segments: There has been an increase in the demand for technical textiles on account of growth of its end-user segments such as automotive, health care, infrastructure and oil and petroleum.

Growth of Indian online retail sector: The market size of Indian online retail sector has increased from US\$ 32.7 billion in 2018 to US\$ 60 billion in 2020. This rapid expansion can be credited to increase in e-commerce, government policy of allowing 100% FDI into the sector and increase in digital buyers. This rise in digitization is expected to strengthen demand for textiles and apparel in the country.

Policy support: The Government provided a total outlay of ₹10,683 crore under the Production Linked Scheme for man-made fibres and technical textiles. Moreover, ₹700 crore was allocated in the Union Budget 2021-22 for Amended Technology Upgradation Scheme (ATUFs) against ₹545 crore in the last one, which will help in clearing the pending capital subsidy.

(Source: InvestIndia, Financial Express)

Financial overview

Analysis of the profit and loss statement

Revenues: Revenue from operations reported 9% growth from ₹1,050 crore in FY2019-20 to ₹1146 crore in 2020-21. Other income of the Company reported a 30% growth and accounted for 0.7% share of the Company's revenues reflecting the Company's dependence on its core business operations.

Expenses: Total expenses of the Company increased by 0.5% from ₹1000 crore in FY2019-20 to ₹1005 crore in 2020-21 due to higher production. Employee expenses accounting for 10.4% share of the Company's total

revenues increased by 3.4% from ₹116 crore in FY2019-20 to ₹120 crore in 2020-21.

Analysis of the Balance Sheet Sources of funds

- The capital employed by the Company decreased by 3% from ₹825 crore as on 31st March, 2020 to ₹798 crore as on 31st March, 2021.
- The net worth of the Company increased from ₹505 crore as on 31st March, 2020 to ₹627 crore as on 31st March, 2021 owing to increase in reserves and surpluses. The Company's equity share capital increased from 1.58 crore equity shares to 1.648 crore equity shares of ₹ 10 each, during the year under review.
- Long-term debt of the Company decreased to ₹76 crore as on 31st March, 2021. The long-term debt-equity ratio of the Company stood at 0.12 in 2020-21 compared to 0.17 in FY2019-20.
- Finance costs of the Company decreased from ₹17.40 crore in FY2019-20 to ₹12.81 crore in 2020-21 following the repayment of liabilities and negotiation of better terms with bankers. The Company's interest cover stood at a comfortable 15.8 in 2020-21 (6.6 in FY2019-20).

Applications of funds

- Fixed assets (gross) of the Company increased by 5% from ₹549 crore as on 31st March, 2020 to ₹577 crore as on 31st March, 2021 owing to expansion.

Other non-current assets

- Other Non-current assets of the Company increased from ₹14.71 crore as on 31st March, 2020 to ₹43.09 crore as on 31st March, 2021.

Working capital management

- Current assets of the Company decreased from ₹514 crore as on 31st March, 2020 to ₹503 crore as on 31st March, 2021. The current and quick ratios of the Company stood at 2.17 and 0.96, respectively in 2020-21 compared to 1.52 and 0.48, respectively in FY2019-20.

- Inventories including raw materials, work-in-progress and finished goods among others decreased by 18% from ₹304 crore as on 31st March, 2020 to ₹249 crore as on 31st March, 2021. The inventory cycle days decreased from 106 days of turnover equivalent in FY2019-20 to 79 days of turnover equivalent in 2020-21.
- Trade receivables decreased by 23% from ₹145 crore as on 31st March, 2020 to ₹111 crore as on 31st March, 2021. More than 95 % of the receivables are considered good. The Company contained its debtor turnover cycle within 33 days of turnover equivalent in 2020-21 compared to 49 days in FY2019-20.
- Cash and bank balances of the Company increased from ₹19 crore as on 31st March, 2020 to ₹117 crore as on 31st March, 2021.
- Loans and advances made by the Company increased by 39% from ₹34 crore as on 31st March, 2020 to ₹48 crore as on 31st March, 2021 on account of increased advances payable to suppliers and others.

Margins

The EBIDTA margin of the Company grew 663 basis points from 11.04% in FY2019-20 to 17.67% in 2020-21, while the net profit margin of the Company grew by 497 basis points.

Key ratios

Particulars	FY2020-21	FY2019-20
Debt-equity ratio	0.25	0.60
Return on equity (%)	17.65	9.76
Earnings per share (₹) - Basic	68.47	31.04
Debtors Turnover (days)	33	49
Inventory Turnover (days)	79	106
Interest Coverage Ratio	15.8	6.6
Current Ratio	2.17	1.52
EBITDA Margin (%)	17.67	11.04
Net Profit Margin (%)	9.68	4.71

Risk management

The risks affecting the company's business have been extensively covered in another part of the annual report.

Internal Financial 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 wherever necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively. Based on

its evaluation (as provided under Section 177 of the Companies Act, 2013 and Clause 18 of SEBI Listing Regulations), the Audit Committee has concluded that as of 31st March, 2021, the Internal Financial Controls were adequate and operating effectively.

M/s. Price Waterhouse & Co. Chartered Accountants LLP, the Statutory Auditors of the Company audited the financial statements included in this Annual Report and issued a report on the internal controls over financial reporting (as defined in Section 143 of the Companies Act, 2013).

Human resources and industrial relations

The Company believes that the quality of employees is the key to its success. In view of this, it is committed to equip them with skills, enabling them to evolve with technological advancements.

During the year, the Company organised training programmes in technical skills, behavioral skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. Considering the health and safety of employees and advisories, orders and directions issued by State and Central Governments to restrict the novel corona virus, the Company implemented a work from home policy to ensure employee safety.

The HR department of the Company was continuously in touch with employees to guide and solve problems. It created awareness regarding COVID-19 and educated employees about precautions. The Company conducted all interviews through telephone and video calls in reference to the need for social distancing. The Company prepared a systematic operating plan to address COVID-19 after the lockdown is lifted. The Company's permanent employee strength stood at 1900 as on 31st March, 2021.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectations and estimations, which may be 'forward-looking statements', within the meaning of applicable laws and regulations.

Fixed Deposits

During the year under review, your Company has accepted ₹2.33 crore as public deposits and repaid ₹2.46 crore upon maturity making the outstanding as on 31st March, 2021 to ₹13.27 crore. In this regard, it is further stated that:

- There were no deposits lying unpaid or unclaimed at the end of the year i.e. 31st March, 2021;
- There has been no default in repayment of deposits or payment of interest thereon during the year;
- There are no deposits lying with the Company which are not in compliance with the requirements of Chapter V of the Companies Act 2013 (Act) and

- 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, read with relevant applicable rules and circulars issued thereunder from time to time by the Ministry of Corporate Affairs, New Delhi, transferred 15007 Equity Shares during the year to the IEPF Authority in respect of which no claim of dividend has been made for seven consecutive years

Further, in terms of the aforesaid provisions, upon expiry of 7 consecutive years' period, unclaimed dividend amount pertaining to the Year 2013-14 together with shares, if any, will be transferred to the said fund on or before August 20th, 2021.

Banks and financial institutions

Your Company is prompt in making the payment of interest and repayment of loans to the financial institutions / banks apart from payment of interest on working capital to the banks. During the COVID-19 Pandemic period, it has not availed any moratorium on any of its payments to the institutions. Banks and Financial Institutions continue their unstinted support in all aspects and the Board records its appreciation for the same.

Corporate social responsibility

Your Company, as a responsible Corporate Citizen, established Visaka Charitable Trust (VCT) 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 borewells, construction of irrigation tanks in remote villages, building of Classrooms in Schools and Colleges, reimbursement of salaries of teachers and supply of classroom furniture and conducting health camps.

Keeping in view the above, your Board, thought it would be appropriate to spend CSR expenditure as mandated under Section 135 of the Companies Act, 2013 either in part or full through the same trust i.e., Visaka Charitable Trust, objectives of which entail it to undertake the CSR activities as contemplated under Schedule VII of the Companies Act, 2013. Accordingly, your company has been undertaking various CSR initiatives through the trust in addition to directly meeting the obligations. The Company's CSR policy provide a constructive framework to review and organize our social outreach programmes in education, eradication of poverty, provision of drinking water, rural electrification in sustainable manner, etc.

A report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed as Annexure – 2.

Your Board further undertakes to spend the amount towards various identified CSR activities either directly or 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

At the 38th annual general meeting of the company held on 23.07.2020:

- a) Shri P. Srikar Reddy has been reappointed as Independent Director of the company to hold the office for a term of 5 (five) years up to 24th July, 2025.
- b) Shri G. Appender Babu and Smt. Vanitha Datla have been appointed as an Independent Directors of the Company to hold the office for a term of 5 (five) years up to 25th May, 2025.

All the Independent Directors have given declarations stating that for the financial year 2020-21, they meet the criteria of independence as contemplated under Section 149(6) read with Schedule IV to the Act as well as SEBI Listing Regulations 2015 and the same were taken on record by the Board.

During the year under review:

- a) Shri V. Vallinath retired as Whole-time Director & Chief Financial Officer (CFO) of the company from the closing hours of 8th September, 2020
- b) Shri Bhagirat B. Merchant and Shri V. Pattabhi, retired as Independent Directors of the Company from the closing hours of 31st March, 2021

After completion of long stint of more than 3 decades of association with the Company. The Board places on record its appreciation and gratitude for their wise-counselling and valuable guidance over all these years.

Based on the recommendations of Nomination and Remuneration Committee, Shri J.P. Rao has been reappointed as Whole-time Director of the Company for a period of two years effective from 21st May, 2021. The said appointment is subject to your approval at the ensuing annual general meeting.

Upon completion of Mr. V. Vallinath's tenure, Mr. S. Shafiulla, Senior Vice President (Finance and Accounts) of the Company has been appointed as the Chief Financial Officer of the company with effect from 9th September, 2020.

In pursuance of Article 130(e) of Articles of Association of the Company, Shri Gaddam Vamsi Krishna is liable to retire by rotation at the ensuing annual general meeting and being eligible, offers himself for reappointment. Brief Profile of Shri Gaddam Vamsi Krishna is provided in the Notice convening the 39th AGM of the Company for reference of the shareholders is as under.

Shri. G.Vamsi Krishna has done his Bachelor of Science from Purdue University, IN, USA and joined the Company as Management Trainee in June 2011. Considering his active role in development of Boards' Division he was appointed as Whole-time Director of the Company, effective from 1st June, 2014. He made valuable contributions in increasing the scope of the business of Board's Division in a short span and under his able leadership, the division is contributing significantly to the revenues of the company, pursuant to which, he is redesignated as Joint Managing Director of the Company effective from 6th May, 2017.

He is holding 21730 shares of the Company. He does not hold any directorships in any other public limited companies.

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

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 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures and the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013.
- b) They have selected such accounting policies and applied them consistently and made judgements 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 said 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 and
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Corporate Governance

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

Auditors and auditors' report

Statutory audit:

In terms of provisions of the Companies Act, 2013, at the 35th Annual General Meeting (20.06.2017) of the Company, M/s. Price Waterhouse & Co., Chartered Accountants LLP (FRN 304026E/E300009), Hyderabad, were appointed as statutory auditors of the Company to hold the office from the conclusion of the 35th annual general meeting till the conclusion of 40th annual general meeting to be held in the year 2022. They have confirmed that they are not disqualified from continuing as auditors of the company.

Cost audit:

In terms of the Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records pertaining to building products division and textile products division and stipulated cost records pertaining to the said divisions are maintained.

M/s. Sagar & Associates, Cost Accountants, Hyderabad, were appointed as Cost Accountants of the Company for conducting the cost audit for the financial year 2020-21 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 38th annual general meeting of the Company.

The Board after considering the recommendations of its Audit Committee, appointed the aforesaid firm as cost auditors for the financial year 2021-22 and appropriate resolutions in this connection has been included in the notice calling the ensuing annual general meeting of the Company for ratification purpose. Cost audit report for the financial year ended 31st March, 2020 was filed with the Central Government on 04th September, 2020.

Secretarial audit:

Your Board has appointed Mr. K. V. Soorianarayanan, Practising Company Secretary, Secunderabad, as Secretarial Auditor of the Company for the financial year 2020-21 and secretarial audit report for the financial year ended 31st March, 2021 is enclosed as Annexure-3.

Criteria for identification, appointment, remuneration and evaluation of performance of Directors

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

- a) Identify persons who are qualified to become directors and persons who can 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 to be followed for identification, appointment, remuneration and evaluation of performance of directors including Company's Board diversity etc., as approved by the Board.

The criteria for appointment, qualifications, and positive attributes along with remuneration policy as applicable to Directors, KMPs and other Senior management personnel and the criteria to be followed for performance evaluation of each director including Independent Directors of the Company is enclosed as Annexure – 4.

Formal annual evaluation made of the performance of the Board, its committees and of individual directors

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

The parameters for evaluation of Board performance, 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, nonexecutive and executive directors as mentioned below:

- a. Every director will be evaluated on discharging their duties and responsibilities as enshrined under various statutes and regulatory facet, participation in discussions and deliberations in achieving an optimum balance between the interest of company's business and its stakeholders.
- b. Executive Directors will also be evaluated based on targets/criteria given to Executive Directors by the Board from time to time in addition to their terms of appointment.
- c. Independent Directors will also be evaluated on discharging their obligations in connection with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions

and duties, specifically applicable to Independent Directors as contained in Schedule IV to the Companies Act, 2013.

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

The Board of Directors of your Company has made annual evaluation of its performance, its committees and directors for the financial year 2020-21 based on aforesaid criteria.

Particulars of loans, guarantees or investments

Details of investments made by the Company, are given in the notes to the financial statements (Please refer Note Nos. 5 & 6.1). During the year under review, your Company did not give any other loans or guarantees, provide any security or make any investments as covered under Section 186 of the Companies Act, 2013, other than as disclosed above.

Related party transactions

Related party transactions entered during the financial year under review are disclosed in Notes to the financial statements of the Company for the financial year ended 31st March, 2021. 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 the negative impact and capitalize on opportunities.

Risk management framework enables a systematic approach to risk identification, leverage on any opportunities and provides strategies to manage, transfer, 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 processes. However, there are certain risks which cannot be avoided but the impact can only be minimised. The recent disruption and uncertainty in business due to the COVID-19 pandemic is one such risk due to which the Company's operations have been badly impacted. It might have a long-standing impact on the company's revenues and margins due to incapacitation of sections of the workforce, reduced productivity, impact on emotional wellbeing during lockdown/quarantine, inability to provide work to some of the employees, disruption of supply chains, suppliers' inability to service and non-opening of markets due to extended period of lockdown. Demand for the Company's products may just not be adversely affected in industry segments directly impacted by the pandemic like travel and hospitality, but across other segments as well due to a sharp slowdown of the world's major economies. This is likely to affect the company's earnings in the short and medium-term. However, your Company's significant scale and broad geographical exposure, focus on value added applications, coupled with cost control measures are expected to facilitate the transition.

The risks and concerns associated with each segment of your Company's business are discussed while reviewing segment-wise Management Discussion and Analysis. The other risks that the management review includes:

- a) Industry and services risk:** This includes economic risks like demand and supply chain, profitability, gestation period etc.; services risks like infrastructural facilities; market risks like consumer preferences and distribution channel etc.; business dynamics like inflation/deflation etc.; competition risks like cost effectiveness.
- b) Management and operational risks:** This includes risks to property; clear and well-defined work process; changes in technology/upgradation; R&D risks; agency network risks; personnel and labour turnover risks; environmental and pollution control regulations; locational benefits near metros.
- c) Market risks:** This includes raw material rates; quantities, quality, suppliers, lead time, interest rate and forex risk.
- d) Political risks:** This includes elections; war risks; country / area risks; insurance risks like fire, strikes, riots and civil commotion, marine risks, cargo risks etc.; fiscal/monetary policy risks including taxation risk.
- e) Credit risks:** This includes creditworthiness; risks

in settlement of dues by clients and provisions for doubtful and bad debts.

- f) Liquidity risks:** This includes risks like financial solvency and liquidity; borrowing limits, delays; cash/ reserve management risks and tax risks.
- g) Disaster risks:** 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 risks:** This includes system capacities and system reliability risks; obsolescence risk; data integrity risk and coordination and interface risk.
- i) Legal risks:** This includes contract risks; contractual liabilities; frauds; judicial risks and insurance risk.
- j) Government policies:** This includes exemptions, import licenses, income tax and sales tax holidays, subsidies, tax benefits etc.

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

Other disclosures

Board Meetings:

Eight meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance on page no - 83 of this Annual Report.

Audit Committee:

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

The Audit Committee is reconstituted with effect from 1st April, 2021 comprising of Independent Directors Smt Vanitha Datla, (Chairman), Shri Gusti J. Noria, Shri P. Srikar Reddy apart from Smt G Saroja Vivekanand, Managing Director.

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 accordance with the provisions of the Act and listing regulations, Vigil Mechanism for directors and employees to report genuine concerns has been established.

The Vigil Mechanism Policy has been uploaded on the website of the Company under investor relations/ listing compliances tab at www.visaka.co.

Remuneration of Directors, Key Managerial Personnel, Employees and General:

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure-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 top ten employees in terms of the remuneration drawn as set out in said rules forms part of the annual report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, this annual report, excluding the aforesaid information, is being sent to the shareholders of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing annual general meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is placed at www.visaka.co.

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. 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.
- iv. details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government

- v. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
- vi. the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year.
- vii. the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.
- viii. There are no qualification, reservation or adverse remark or disclaimer made by the auditor in his report and by the company secretary in practice in his secretarial audit report;

Your Directors further state that:

- a) The company has complied with the provisions of constitution of internal complaints committee under the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013 and
- b) During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgements:

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

The Directors deeply regret the loss of life caused due to the outbreak of COVID-19 and are grateful to every person who risked their life and safety to fight this pandemic.

On behalf of the Board of Directors

Dr. G Vivekanand
Chairman

Date: 22nd April, 2021

Place: Secunderabad

FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Subsidiary 1
1	Name of the Subsidiary	VNEXT SOLUTIONS PRIVATE LIMITED
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	SAME AS HOLDING COMPANY
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NOT APPLICABLE
4.	Share capital	1,00,000
5.	Reserves & surplus	19,234
6.	Total assets	28,96,489
7.	Total Liabilities	28,96,489
8.	Investments	1,00,000
9.	Turnover	46,42,260
10.	Profit before taxation	25,703
11.	Provision for taxation	6,469
12.	Profit after taxation	19,234
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – **ATUM LIFE PRIVATE LIMITED**
- Names of subsidiaries which have been liquidated or sold during the year – **NOT APPLICABLE**

Part "B": Associates and Joint Ventures – NOT APPLICABLE

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding %			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Networth attributable to Shareholding as per latest audited Balance Sheet			
6. Profit / Loss for the year			
i. Considered in Consolidation			
i. Not Considered in Consolidation			

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

ANNEXURE - II

Format for the Annual Report on CSR Activities for Financial Year commencing after 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company: At Visaka, CSR is no mere acronym, is an integral part of the Visaka's culture imbibed by one and all involved in the working of the Company. Our vision is to actively contribute to the social and economic development of the communities in which we operate. In doing, so to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship
1	Shri Gusti J.Noria	Chairman
2	Shri V Pattabhi	Member
3	Dr. G.Vivekanand	Member
4	Smt. G.Saroja Vivekanand	Member
5	Shri J.P.Rao	Member

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.visaka.co

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1			
2			
3			
	TOTAL		

6.	Average net profit of the company as per section 135(5).	8643.83 lakh
7.	(a) Two percent of average net profit of the company as per section 135(5)	172.88 lakh
	(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.	-
	(c) Amount required to be set off for the financial year, if any	-
	(d) Total CSR obligation for the financial year (7a+7b-7c).	172.88 lakh

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,77,16,421.00	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency
				State.	District.						

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes No).	Mode of implementation - Through implementing agency: Visaka Chartible Trust		
				State.	District.			Name	CSR registration number.	
1	Provision of Drinking Water, Conducting Health Camps, Eradication of Poverty, Food Distribution	Clause I of Schedule VII	No	Andhra Pradesh	Krishna	10,400	YES Direct	-	-	
				Haryana	Jhajjar	8,33,993				
				Maharashtra	Nagpur	2,96,338				
					Pune	1,62,800				
				Odisha	Sambalpur	25,000				
				Tamilnadu	Namakkal	35,000				
				Telangana	Hyderabad	4,84,639				
					Karimnagar	52,489				
					Mancherial	2,09,100				
					Mahabubnagar	91,500				
					Medak	65,900				
Uttar Pradesh	Lucknow	84,000	39,740							
Telangana	Peddapalli	3,767,125	-	VCT	-					
2	Building of Classrooms and Toilets in schools and colleges	Clause II of Schedule VII	Yes	Maharashtra	Pune	7,53,661	YES Direct	-	-	
				Telangana	Hyderabad	57,98,418	-	VCT	-	
3	Supply of classroom furniture and payment of teachers salaries	Clause II of Schedule VII	Yes	Telangana	Hyderabad	44,600	YES Direct	-	-	
					Mancherial	1,50,000				
				No	Telangana	Hyderabad	5,15,900	YES Direct	VCT	-
						Andhra Pradesh	Krishna	2,40,000	-	VCT
				Telangana	Mancherial	1,30,000	-	VCT	-	
						Karimnagar	3,10,800	-	VCT	-
						Khammam	2,28,000	-	VCT	-
		Peddapalli	1,20,000	-	VCT	-				
4	Ensure Environmental Sustainability - Flora and Fauna : Distribution of Solar Power Carts enabling them to earn their livelihood to overcome poverty	Clause IV of Schedule VII	Yes	Telangana	Nalgonda	4,65,620	YES Direct	-	-	
				Maharashtra	Pune	64,398				
				Telangana	Hyderabad	15,00,000				-
5	Contributions made to PM relief fund: PM CARE	Clause VIII of Schedule VII	No	Delhi	Delhi	10,00,000	-	VCT	-	
6	Sports	Clause VII of Schedule VII	Yes	Telangana	Hyderabad	2,37,000	YES Direct	-	-	
TOTAL						1,77,16,421				

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **1,77,16,421**

(g) Excess amount for set off, if any: Not applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	172.88
(ii)	Total amount spent for the Financial Year	177.16
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.28
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4.28

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NOT APPLICABLE**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1							
2							
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):
Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. **(asset-wise details). NOT APPLICABLE**

(a)	Date of creation or acquisition of the capital asset(s).	
(b)	Amount of CSR spent for creation or acquisition of capital asset.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not Applicable

G Saroja Vivekanand
Managing Director

Gusti J Noria
(Chairman CSR Committee).

FORM MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended on 31st March, 2021

[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 of
VISAKA INDUSTRIES LTD.
Visaka Towers, 1-8-303/69/3,
S. P. Road, Secunderabad – 500003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VISAKA INDUSTRIES LTD** (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 authorised 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 31st March, 2021 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 31st March, 2021 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 thereunder to the extent of –
 - (a) Foreign Direct Investment,
 - (b) Overseas Direct Investment, and

- (c) External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992;
 - (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;
 - (d) The Securities and Exchange Board of India (Share Based Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We have also examined compliance with the applicable clauses of the following:
 - (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (b) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
 - (c) Labour Laws and other applicable laws to the Company

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

We further report that -

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and

clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that, the compliance by the Company of applicable financial laws such as Direct and indirect laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory auditors, tax auditors and other designated professionals.

K.V. Soorianarayanan

Practicing Company Secretary

M.No.3380

C.P. No: 12678

Peer Review Cert No. 1147/2021

UDIN: F003380C000161043

Place: Hyderabad

Date: 22nd April, 2021

Note: 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 of
VISAKA INDUSTRIES LTD.
Visaka Towers, 1-8-303/69/3,
S. P. Road, Secunderabad – 500003

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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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.
5. 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.

K.V. Soorianarayanan

Practicing Company Secretary

M.No.3380

C.P. No: 12678

Peer Review Cert No. 1147/2021

UDIN: F003380C000161043

Place: Hyderabad

Date: 22nd April, 2021

Document setting out criteria followed by Nomination and Remuneration Committee of the Board of Visaka Industries Limited for identification, appointment, remuneration and evaluation of performance of directors

Visaka Industries Limited, as required under the provisions of Section 178 of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) constituted a Board level committee titled "Nomination and Remuneration Committee" (herein after referred as the Committee) to oversee, inter-alia, matters relating to:

- a) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- b) formulate the criteria for determining qualifications, positive attributes and independence of a director;
- c) recommend to the Board a policy relating to the remuneration in whatever form payable to the directors, key managerial personnel, senior management and other employees;
- d) specify, from time to time, the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board or Committee or an Independent external agency and review its implementation and compliance and
- e) devise a policy on Board Diversity

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

This document also contains the remuneration policy relating to the remuneration of the Directors, Key

Managerial and Senior Managerial Personnel as well as policy on Board Diversity as recommended by the Committee and approved by the Board.

It is to be noted that framework and guidelines set out hereunder is subject to such periodical reviews and the Committee in consultation with Board of Directors and top management of the Company, may make such alterations as may be required from time to time to meet the exigencies arising out of statutory modifications or otherwise.

Definitions: Words used hereunder will have the same meaning as defined and ascribed in the Companies Act, 2013 (herein after referred to as the Act) and SEBI Listing Regulations.

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

Nomination Criteria for Directors:

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

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

- v) Ensure that the proposed Director consents to act as Director and can devote his time and energies towards the overall development and betterment of the Company's business.
- vi) Ensure that the proposed Director discloses his interest and Company's shareholding, if any and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.
- vii) Ensure that the candidature of the Director will be in line with and promote the objectives enshrined in Company's policy on Board Diversity.

Nomination Criteria for KMPs / Senior Management personnel:

The committee will consider:

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

Additional Criteria for Appointment of Independent Directors:

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

Additional Responsibility of the Board:

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

Term / Tenure, Continuity and Renewal:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made

thereunder as amended from time to time. The terms of KMPs and other Senior Management employees shall be governed under their respective terms of appointment.

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

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

Matters pertaining to Remuneration:

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

General:

- 1) The Company's remuneration policy, in general, is driven by the success and performance of the individual employee as well as his expertise in critical areas of operations of the Company.
- 2) The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval and while recommending such remuneration, the Committee will consider, inter-alia, whether:
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person of the quality required to run the company successfully;
 - b) The remuneration is comparable and in proportion to the accepted industry standards;
 - c) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - d) To the extent possible, such remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

- 3) The remuneration / compensation / commission etc. so recommended shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 4) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Directors.
- 5) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- 6) Loans, advances and other similar kind of benefits to KMPs, Senior Management Personnel are governed under Company's relevant policies as applicable to all the employees of the Company read with relevant provisions of all applicable laws in that connection.

Remuneration to Executive Directors, KMP and Senior Management Personnel:

a) Fixed pay:

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

Besides, Managing Director is eligible for commission such that the total remuneration payable shall not exceed 5% of the net profits for each financial year as determined under the provisions of the Companies Act, 2013.

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

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

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

Remuneration to Non- Executive / Independent Director:

a) Sitting Fee:

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

b) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act subject to a maximum of ₹10.00 lakh.

Matters pertaining to Evaluation:

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, Listing Regulations, internal code of conduct and policies formulated by the Company for its internal execution. The Board of the company is comprising of eminent people from different fields facilitating Board's diversity apart from having sufficient number of independent directors.

In the context of the company's business, Engineering, Project Execution, Marketing, business strategy and evaluation of performance with industry benchmarks in the fields of Building materials, roofing and textile (yarn) are the key core skill / expertise / competence, apart from governance, finance and taxation functions.

The Board while discharging its duties / responsibilities is assisted by various committees of the board like Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, CSR Committee, etc.

These committees are statutorily obligated to review various matters as stipulated under Companies Act, 2013 and Listing Regulations.

The company believes that it is the collective effectiveness of the Board and its committees coupled with individual

performance of each director in his field of eminence, that enhances Company's performance and thus, the primary evaluation platform is that of performance of the Board as a whole, its committees and each of the directors individually.

The parameters of evaluation for Board or its committees or each of the individual directors' performance, are derived from each of its or his core role of trusteeship to protect and enhance shareholder value as well as to fulfil expectations of other stakeholders through strategic supervision of the Company.

With regard to the evaluation process; the Companies Act, 2013 read with Listing Regulations contemplates that:

- a) Nomination and Remuneration Committee, from time to time, shall lay down / specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board or Committee or an Independent external agency as well as review its implementation and compliance;
- b) The Independent Directors in a separate meeting shall review, performance of the non-independent directors
 - a) and the Board as a whole and performance of the Chairperson of the Company (after taking into account views of Executive and Non-Executive directors);
 - b) Performance evaluation of an Independent Director shall be done by the entire board of directors, excluding the director being evaluated;

In view of the above, until further decided otherwise, the company adopts the following manner for effective evaluation of Board, its committees and individual directors:

- i. the Board shall evaluate performance of its own, its committees, Independent Directors;
- ii. the Nomination and Remuneration Committee shall evaluate every director's performance;
- iii. Independent Directors in a separate meeting shall evaluate the performance of the Board as a whole, Non- Independent Directors and chairperson

Criteria for evaluation:

Evaluation of Directors will be done based on their performance as directors apart from their specific role as independent, non executive and executive directors as mentioned below:

- a. Every director will be evaluated on meeting their duties and responsibilities as enshrined under various statutes and other regulatory facet, participation in discussions and deliberations in achieving an optimum balance between the interest of company's business and its stakeholders.
- b. Executive Directors, being evaluated as Directors as mentioned above, will also be evaluated based on targets / criteria given to executive Directors by the board from time to time in addition to their terms of appointment.
- c. Independent Directors, being evaluated as a Director as mentioned above, will also be evaluated on meeting their obligations connected with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties specifically applicable to Independent Directors as contained in Schedule IV to the Companies Act, 2013.

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

In all these cases, be it by Board or by Independent Directors or by any of its committees, the evaluation of each Director would be done based on parameters like

- a. well informed and understand the Company, its business and the external environment in which it operates;
- b. prepare well and participate actively in the Board and its committee meetings;
- c. Effectively probe to test the assumptions; rendering independent and unbiased opinion;
- d. Resolute in holding to their views and resisting pressure from others;
- e. Follow-up on matters about which they have expressed concern;

- f. strive to attend all meetings of the Board of Directors, Committees and General meetings;
- g. Contributions in development of a Strategy, Business plan or risk management;
- h. Maintenance of good interpersonal and cordial relationship with other Board members, KMPs and Senior Management personnel;
- i. Diplomatic and convincing way of presenting their views and listening to views of others;
- j. up-to-date with the latest developments in areas such as the corporate governance framework, financial reporting and in the industry and market conditions etc.,
- k. adhering to ethical standards, code of conduct of the Company and insider trading guidelines etc.;

- l. making timely disclosures of their interest and disclosure of non-independence, when it exists and
- m. His/her contribution to enhance overall brand image of the Company.

The Nomination & Remuneration Committee will follow the same in evaluating performance of each Director of the Company.

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

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: **Not Applicable**

(a) Name(s) of the related party and nature of relationship	Not Applicable
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements / transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 Not Applicable	

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

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

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 on par with working capital. Transaction relating to contribution to CSR activities was made in compliance with the requirements of the Section 135 of the Companies Act, 2013 after due approvals. Please refer CSR section in Board's report for more details in this regard. Advances reflects the advances given in the ordinary course of business and the salary advances availed as a part of the conditions of service extended by the company to all its employees. Transactions pertaining to advertisement expenses, purchases and sales are also entered in the ordinary course of business at an arm's length basis as per business requirements of the Company.

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

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 utilization at AHU (unit no 1 & 2), Continuous waste collection system (Unit 1 & 2), Fresh water pump etc.
- 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 (Year 2017) and Energy Audits by Eficomp for Electricity and Air.

Following Steps taken By Spinning Division for conservation of Energy:

- VFD Installed in All drive of Humidification Plants.
- VFD Installed at Fresh water Pump.
- VFD installed in Continuous Waste Evacuation System.
- Autoclave Vacuum Pump equipped with VFD.
- Convention light replaced with LED Lights.
- TFO machines Run on Optimum Speed
- Power Factor maintained almost Unity throughout Year by Using Online System.
- Maximum Demand Revised as 5450 KVA to 4450 KVA (September 2020) to maintain full loading during partial run in Covid.
- Continuous running of Filters optimised to intermittent Running.

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 lakh

units per annum. In addition, installed 1 MW roof top solutions at different manufacturing locations, which add 12 lakh units per annum utilising renewable energy sources.

B. Technology absorption:

i. Efforts made towards technology absorption and the benefits derived therefrom:

- a) The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product.
- b) The Company could successfully reduce the cost of production, by using the inhouse developed alternative raw materials, power consumption and improving technical efficiencies and productivity.

(Spinning – Use of recycled polyester fibre as an alternate to virgin Polyester – 57 products developed as replica).

ii. Particulars of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

The company has imported machinery from Taiwan to accommodate automatic painting of Planks with improved technology in the year 2020

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:

Fibre Cement roofing: 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.

VNext Boards: The company has been experimenting on the different alternative raw materials and other alternative 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, new shades, new fibres and combination of blends, etc., resulting in new blends and new products. This year we entered New segment of "Yarn for Knitting". The company is also successful in maintaining the higher speeds of the machine while maintaining the quality consistently. New product under development are Sustainable yarns (FSC viscose, Excel etc).

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

Fibre cement roofing: The Company has achieved reduction in cost and increase in productivity.

Vnext boards: The Company could develop new value-added designer variants and water repellent board and alternative raw materials

Spinning Division: Developing new customer base related to sustainable products, Knitting Industries etc. and new products help us sustain the volume and profitability.

c) Future course of action:

Fibre cement roofing: 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 strengthen and exploring New splicing technology to increase battery separator fabric customer base in India. Exploring rewinding of yarn through Autoconer with Usterised clearing for some exclusive customer (100 % Spliced and Uster cleared). Also exploring the facility for TFO yarn with splicer for making knot free yarn.

C. FOREIGN EXCHANGE EARNINGS / OUTGO:

The details of foreign exchange earnings / outgo during the year 2020 - 21 are as follows:

(₹ in lakh)		
PARTICULARS	FY2020-21	FY2019-20
Earnings in Foreign Currency		
Export of Goods (FOB Value)	6,094.79	6,618.33
CIF value of Imports		
Raw Materials	14,240.61	21,176.11
Capital Goods	-	90.71
Components and Spare Parts	184.92	420.20

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.

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

(i)	The percentage increase in remuneration of each Director, other key managerial personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2020-21 are as under:		
	Names of Director's / KMPs	% increase in Remuneration in the Financial Year 2020 – 21	Ratio to median remuneration
1	Shri. Bhagirat. B.Merchant Non Executive Chairman	–	3.33
2	Shri. P. Srikar Reddy Non Executive Director	–	3.33
3	Shri. Gusti J Noria Non Executive Director	–	3.33
4	Shri. V. Pattabhi Non Executive Director	–	3.33
5	G. Appendar Babu Non Executive Director	–	3.33
6	Dr. G. Vivekanand Vice Chairman	–	3.33
7	Smt. Vanitha Datla Non Executive Director	--	3.33
8	Smt. G. Saroja Vivekanand Managing Director	211.85	277.61
9	Shri. G Vamsi Krishna Joint Managing Director	166.91	165.20
10	# Shri. V Vallinath Whole-time Director & C.F.O.	-	131.12
11	Shri. J.P.Rao Whole-time Director	10	34.18
12	# Shri S Shafiaulla C.F.O.	15	15.98
13	Shri. I.Srinivas Company Secretary	8	12.21
(ii)	Percentage increase in the median remuneration of employees in the financial year 2020-21 compared to FY2019-20		3.14
(iii)	Number of permanent employees on the rolls of the company:		
	As on 31st March, 2021	As on 31st March, 2020	
	1900	2035	
(iv)	Average percentile increases in salaries of Employees other than managerial Personnel		6.56
	percentile increase in the managerial remuneration		142
	Comparison of above: Managerial remuneration includes commission paid to Managing Director and Joint Managing Director, which is variable and dependent upon the net profits of the Company.		

#Shri V.Vallinath retired with effect from closing hours of 08.09.2020.

#Mr. S. Shafiaulla has been appointed as the Chief Financial Officer of the company with effect from 09.09.2020.

Corporate Governance

Report for the year 2020-21

In terms of LODR, the details of compliance for the year ended 31st March, 2021 are as follows:

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

Visaka Industries Limited (hereinafter "Company") believes that good corporate governance is process 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 sustainable manner. Company's Governance framework is built on transparency, integrity, ethics, 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.

Key tools devised for achieving the enshrined objectives are a well-defined code of conduct, robust internal and financial controls, systems, transparency, risk management procedures/systems; communications, ESH standards, product quality standards, etc., which are properly implemented through continuous review process and mechanism setup for the said purpose.

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

2. Board of Directors:

i) The Board of Visaka Industries Limited consists of eminent persons with optimum balance of Executive Directors, Non-Executive Directors and Independent Directors, having professional expertise from different fields such as technical, business strategy and management, marketing,

medicine, finance, governance and thus meets the requirements of the Board diversity. The Chairman is the Non-Executive Independent Director and the Board consists of sufficient number of Independent Directors as stipulated under Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (Listing Regulations). The Board further confirms that in its opinion, the independent directors fulfil the conditions specified in SEBI Listing Regulations and are independent from management.

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

vi) The details of the Board of Directors of the Company as on 31st March, 2021 are as under:

Name of the Director Designation / Category	No. of Board Meetings attended during 2020-21	Whether attended AGM held on 23.07.2020	Number of other Directorships held in other companies@	Number of Board Committee memberships held in other companies	Number of Chairmanships of Board Committees held in other companies
*Shri. Bhagirat B. Merchant – Chairman Non – Executive Independent Director	8	Yes	-	-	-
**Shri V. Pattabhi Non – Executive Independent Director	8	Yes	1	2	2
Shri. Gusti J Noria Non – Executive Independent Director	7	Yes	-	-	-
§Shri P. Srikar Reddy Non-Executive Independent Director	8	Yes	3	2	-
Shri G. Appender Babu Non-Executive Independent Director	8	Yes	-	-	-
Smt. Vanitha Datla Non-Executive Independent Director	7	Yes	2	-	-
Dr. G. Vivekanand Vice-Chairman Non – Executive Promoter Director	8	Yes	1	-	-
Smt. G. Saroja Vivekanand Managing Director	8	Yes	1	1	-
Shri G. Vamsi Krishna Joint Managing Director	6	Yes	-	-	-
#Shri V. Vallinath Whole-time Director & CFO	4	Yes	-	-	-
Shri J. P. Rao Whole-time Director	8	Yes	-	-	-

*Shri Bhagirath B Merchant retired with effect from closing hours of 31st March, 2021.

**Shri V.Pattabhi retired with effect from closing hours of 31st March, 2021. He is an independent director of Veljan Denision Limited a listed entity and also the chairman of the Audit Committee and Stakeholders relationship committee.

§Shri P.Srikar Reddy is the Managing Director of Sonata Software Limited and Director of Palred Technologies Limited both listed entities. He is member of Audit Committee and Stakeholders Relationship Committee in Sonata Software Limited.

#Shri V.Vallinath retired with effect from closing hours of 8th September, 2020.

@the other directorships of Listed and Unlisted Public Companies are only considered and Directorships of Private Company, Section 8 Company and OPC are not considered

- 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) Eight (8) Board Meetings were held during the year ended 31st March, 2021 i.e., on 02.05.2020, 26.05.2020, 26.06.2020, 05.08.2020, 04.11.2020, 18.11.2020, 28.12.2020 and 28.01.2021. The gap between any two meetings did not exceed one hundred and twenty days. In view of Covid-19 pandemic all these board meetings were held in video conferencing / other audit-visual mode as allowed under MCA Circular No.20/2020 dated 5th May, 2020 and SEBI SEBI/HO/CFD/CMD1/ CIR/P/2020/79 12th May, 2020.
- x) Information on various important business proposals including the information as stipulated in Schedule II of the Listing Regulations and recommendations of various committees has been placed before the Board for its consideration. During the year under review, the Board has accepted all the recommendations from the Committees.
- xi) A meeting of the Independent Directors was held on 25.05.2020 and inter-alia, discussed on matters pertaining to performance review of the Board, Chairman and Non-Independent Directors.
- xii) The Board comprises with highly qualified members possessing required skills, expertise and competence in making effective contributions towards the growth of the company. Leadership, operational experience, strategic planning, industry experience, research & development, innovation, consumer insights, marketing, supply chain management and branding are the key core skill / expertise / competence, in the context of the company's business apart from governance, finance, taxation and regulatory affairs functions. In the opinion of the Board, these skills are available with the board and the following chart / matrix depicts the aforesaid skills/expertise/ competence possessed by the board.

Sl. No	Director Name	Skills / expertise / competence
1	*Shri. Bhagirat B. Merchant	Business strategy & operations, industry experience, risk management, governance and regulatory requirements, Financial management & Accounting, Taxation and Capital markets.
2	*Shri V. Pattabhi	Business strategy & operations, industry experience, consumer insights & innovation, engineering, project, branding and finance management.
3	Shri. Gusti J Noria	Business operations, strategic planning, consumer insights, financial & supply chain management and branding.
4	Shri P.Srikar Reddy	Leadership, Business strategy, operations, marketing, engineering & project management, risk management, branding, financial & supply chain management and governance.
5	Shri G. Appnender Babu	Business strategy & operations, engineering, project management, risk management, financial & supply chain management and governance.
6	Dr. G. Vivekanand	Leadership, strategic planning, business operations, industry experience, risk management, consumer insights & supply chain management, governance and regulatory affairs.
7	Smt. G. Saroja Vivekanand	Operational experience, strategic planning, industry experience, risk management, governance & regulatory affairs.
8	Shri G. Vamsi Krishna	Business strategy, consumer insights, new products, innovation, research & development, operations, marketing, branding, project management and risk management
9	#Shri V.Vallinath	Financial management & accounting, Business Strategy, Management Information System, Taxation, Costing, governance and regulatory affairs
10	Shri J.P.Rao	Marketing, sales & consumer insights, operations, supply chain management and distribution.
11	Smt. Vanitha Datla	Business strategy & operations, risk management, financial management, governance and regulatory affairs.

* Retired as Independent Directors of the Company with effect from closing hours of 31st March, 2021

Retired as Whole-time Director & CFO of the Company with effect from closing hours of 8th September, 2020.

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 31st March, 2021 and particulars of meetings attended by the members are as follows:

Name	No. of Meetings during the year 2020-21	
	Held	Attended
* Shri Bhagirath B. Merchant - Chairman	4	4
* Shri V. Pattabhi - Member	4	4
Shri Gusti J. Noria - Member	4	4
Smt. G. Saroja Vivekanand - Member	4	4

* Retired with effect from closing hours of 31st March, 2021

- 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) Four (4) Audit Committee Meetings were held during the year ended 31st March, 2021, i.e., on 26.05.2020, 05.08.2020, 04.11.2020 and 28.01.2021. The gap between any two meetings did not exceed one hundred and twenty days and necessary quorum was present at all meetings. In view of Covid19 pandemic exists throughout the year, all these Committee meetings were held in video conference mode as allowed under MCA Circular No.20/2020 dated 5th May, 2020 and SEBI SEBI/HO/CFD/CMD1/CIR/P/2020/79 12th May, 2020.
- v) Chief Financial Officer, Internal Auditor and Statutory Auditors are the invitees to the meetings and 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 23rd July, 2020.

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 said Committee and details of meetings attended by the Directors are given below:

Name	No. of Meetings during the year 2020-21	
	Held	Attended
Shri Gusti J Noria - Chairman	2	2
* Shri V. Pattabhi - Member	2	2
* Shri Bhagirath B Merchant - Member	2	2
Dr. G Vivekanand - Member	2	2

* Retired with effect from closing hours of 31st March, 2021

- 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 2020-21, met on 26th may, 2020 and 3rd August, 2020.
- v) The Chairman of the Nomination and Remuneration Committee has attended last Annual General Meeting of the Company held on 23rd July, 2020.
- vi) The document setting out criteria followed by the Nomination and Remuneration Committee for identification, appointment, remuneration and evaluation of performance of Directors which is enclosed as Annexure-4 to the Board's Report contains the information as to the various matters that are reviewed by the Committee from time to time.
- vii) Details of shareholdings of the Directors who are holding shares in the Company as on 31st March, 2021:

Name	No. of Shares of ₹10/- each
Dr. G Vivekanand	66,11,980
Smt. G. Saroja Vivekanand	2,94,139
Shri. Bhagirath B. Merchant	1,005
V Pattabhi	500
Shri G. Vamsi Krishna	21,730
Shri Gusti J Noria	2,013

- 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. This policy is designed to create high performance culture and also to attract, retains and motivate employees, Directors and other senior management.

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 – 4 to the Boards' Report.

ix) The details of Remuneration paid to Directors during the year 2020-21 are given below:

(Amount in ₹)

Director	Designation	Salary	Perquisites	Commission	Sitting Fees	Total
Shri. Bhagirat B. Merchant	Chairman	-	-	10,00,000	2,55,000	12,55,000
Dr. G. Vivekanand	Vice – Chairman	-	-	10,00,000	1,80,000	11,80,000
Smt. G. Saroja Vivekanand	Managing Director	1,50,93,750	40,89,650	6,43,00,000	-	8,34,83,400
Shri G.Vamsi Krishna	Jt. Managing Director	65,74,838	14,04,190	4,17,00,000	-	4,96,79,028
Shri. Gusti Noria	Director	-	-	10,00,000	2,15,000	12,15,000
Shri V. Pattabhi	Director	-	-	10,00,000	2,55,000	12,55,000
Shri P.Srikar Reddy	Director	-	-	10,00,000	1,35,000	11,35,000
Shri G. Appender Babu	Director	-	-	10,00,000	1,50,000	11,50,000
Shri V.Vallinath	Whole-time Director	1,46,45,300	17,83,927	-	-	1,64,29,227
Shri J.P. Rao	Whole-time Director	79,67,764	23,09,792	-	-	1,02,77,556
Smt. Vanitha Datla	Director	-	-	9,16,667	-	9,16,667

5. Stakeholders' Relationship Committee:

- i) The Committee, inter-alia, approves issuance of duplicate share certificates as well as oversees and reviews all matters connected with the securities transfer, transmission, nomination, dematerialization and rematerialisation including redressing grievances related thereto. The Committee also considers redressing of shareholder's complaints relating to non-receipt of notices/annual reports and dividends etc.
- ii) The Committee consists of three directors and Shri V. Pattabhi is the Chairman of the Committee and thus the constitution of the Committee is in compliance with section 178 of the Act read with Listing Regulations.

- iii) During the financial year ended 31st March, 2021 the Committee met 6 times and the necessary quorum was present at all meetings. The Company Secretary of the Company is the Compliance Officer.
- iv) The Chairman of the Committee has attended last Annual General Meeting of the Company held on 23rd July, 2020.
- v) Details of complaints received and redressed:

Opening Balance	Received	Resolved	Closing Balance
Nil	11	11	Nil

6. General Body Meetings

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

Year	Particulars of the AGM	Day, Date & Time	Venue	Special Resolutions Passed, if any
2019-20	38th AGM	Thursday 23.07.2020 11.30 A.M.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	Yes
2018-19	37th AGM	Thursday 27.06.2019 11.30 A.M.	Regd. Office: Survey No. 315, Yelumala village R.C. Puram Mandal, Sangareddy, District – 502 300, Telangana	Yes
2017-18	36th AGM	Tuesday 12.06.2018 11.30 A.M	Regd. Office: Survey No. 315, Yelumala village R.C. Puram Mandal, Sangareddy, District – 502 300, Telangana	Yes

- ii) The Company during the financial year ended 31st March, 2021 did not conduct any postal ballot and hence passing of special resolution through postal ballot does not arise.
- iii) The Company during the financial year conducted an Extraordinary General Meeting on 25th July, 2020 through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) and passed a special resolution to issue equity shares by way of preferential allotment.

7. Disclosures:

- i) During the financial year ended 31st March, 2021 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 31st March, 2021.

These transactions entered were at an arm's length basis and were in the ordinary course of business.

- ii) There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years ending 31st March, 2021, except there was a delay in appointing woman independent director during the previous year, due to unexpected lockdown situation triggered by Covid-19 pandemic, for which, NSE and BSE has levied fine on the Company.
- iii) Vigil Mechanism (Whistle Blower Policy): The Company has a Vigil mechanism (Whistle blower policy) in place enabling the employees or other connected persons having interest in any transactions with the company to report of any unethical or improper practices noticed in the organization. The Policy also provides the procedure of making such representation and dealing with the said representation and also provides protection from victimization. During the year under review, no employee was denied access to the Audit committee in this behalf.
- iv) The Company is in compliance with all the applicable mandatory requirements and has fulfilled the following non-mandatory / discretionary requirements as prescribed in Listing Regulations:

- a) Audit qualifications: There were no qualifications by the statutory auditors on the financial statements for the year ended 31st March, 2021.
- b) Separate post of Chairman and CEO: The Company has separate Chairman and Managing Director.
- c) Reporting of Internal Auditor: The Internal auditor reports to the Audit Committee.
- v) Code of conduct: The code of conduct as adopted by the Board of Directors is applicable to all directors, senior management and employees above officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance with the laid down ethical standards. The code is available on the Company's website at 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 31st March, 2021.

Date : 22nd April, 2021 **Smt. G. Saroja Vivekanand**
Place : secunderabad *Managing Director*

- vi) CEO & CFO certificate: The Managing Director and 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: 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 dematerialised shares held with NSDL and CDSL.

- ix) Total fee paid to the statutory auditors for all services: please refer Note 31(a) of this annual report.
- x) Credit Ratings: Credit rating agency "CARE Ratings" reviewed various credit facilities of the company during the financial year ended 31st March, 2021 as per the following details:

Sl. No.	Facilities	Rating	Remarks
1	Long term Bank Facilities	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
2	Short term Bank Facilities	CARE A1+ (A One Plus)	Reaffirmed
3	Medium Term Fixed Deposit	CARE AA- (FD); Stable [Double A Minus (Fixed Deposit); Outlook: Stable]	Reaffirmed

Symbols	Rating Definition
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

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

'A +ve' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

'A -ve' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

'A' 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

- xi) Prohibition of Insider Trading: The Company has a policy i.e., code of conduct prohibiting insider trading in conformity with SEBI (Prohibition of Insider Trading) Regulations, 2015. The said policy contains necessary procedures applicable to Directors, officers and designated persons for trading in the securities of the Company.

The trading window closure are intimated in advance to all the concerned during which period, the Board of Directors and designated persons are not permitted to trade in the securities of the company.

8. Means of Communication:

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

exchanges apart from being uploaded on the website of the company.

Audited financial results of the Company (Quarterly, Half yearly and annual) are immediately, after the Board's approval uploaded / displayed on the company's website www.visaka.co under investors tab (a separate sections for investors information) in addition to submitting the same to BSE Limited and National Stock Exchange of India (NSE). They are also published in one English daily newspaper and one Telugu newspaper within stipulated time of 48 hours of approval.

The annual reports are sent to members of the company in addition to submitting the same to BSE and NSE as well as uploading the same on the Company's website.

Press releases highlighting the financial performance on quarterly basis, Investor presentations, Investor calls, etc., are intimated to stock exchanges on regular basis in addition to uploading the same on the Company's website.

9. General Shareholder's information:

1	Annual General Meeting	
	Date	25th May, 2021
	Time	11.30 A.M.
	Venue	The Company is conducting the AGM through Video Conference / Other Audio-Visual Mode (VC/OAVM) pursuant to the MCA Circular dated 5th May, 2020 and 13th January, 2021 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.
2	Financial Calendar	2020-21
	Year ending	31st March, 2021
	AGM	25th May, 2021
3	Date of Book Closure	20th May, 2021 to 25th May, 2021 (both days inclusive)
4	Dividend Payment Date	On or before 14th June, 2021
5	Listing on Stock Exchanges	National Stock Exchange of India Ltd and BSE Limited (The Company has paid the listing fee for 2020-21 to the BSE & NSE)
6	Stock Code / Symbol on NSE / BSE respectively	VISAKAIND / 509055
7	Address of exchanges	BSE Corporate Office: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 NSE Corporate Office: National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
8	International Securities Identification Number (ISIN) allotted to the Company's Shares	INE392A01013
9	International Securities Identification Number (ISIN) allotted to the Company's Share Warrants	INE392A13018

10. Market Price Data:

Details of monthly high and low market price as per stock exchanges data for the Financial Year ended 31st March, 2021 are as follows:

Sl. No.	Month	Price at BSE		Price at NSE	
		High	Low	High	Low
1	April – 2020	177.00	124.50	177.00	123.55
2	May – 2020	172.00	152.00	173.20	151.05
3	June – 2020	264.90	176.60	264.95	176.35
4	July – 2020	290.00	223.05	292.00	230.60
5	August – 2020	386.60	268.30	386.95	268.85
6	September – 2020	354.05	282.30	354.50	282.10
7	October – 2020	385.00	313.50	385.00	313.55
8	November – 2020	384.00	341.45	383.90	342.95
9	December – 2020	418.95	338.00	419.80	344.05
10	January – 2021	458.25	375.05	459.00	379.40
11	February – 2021	534.95	395.05	534.90	394.80
12	March – 2021	522.00	463.20	523.30	463.80

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

Sl. No.	Month	Visaka's Closing Price at BSE (₹)	BSE Sensex Closing
1	April – 2020	164.55	33,717.62
2	May – 2020	172.00	32,424.10
3	June – 2020	232.75	34,915.80
4	July – 2020	273.05	37,606.89
5	August – 2020	334.40	38,628.29
6	September – 2020	312.45	38,067.93
7	October – 2020	362.60	39,614.07
8	November – 2020	369.85	44,149.72
9	December – 2020	390.35	47,751.33
10	January – 2021	406.10	46,285.77
11	February – 2021	510.75	49,099.99
12	March – 2021	474.30	49,509.15

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

12. Registrar and Transfer Agents

Name & Address: KFin Technologies 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@kfintech.com
Website: www.kfintech.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. The Company has been obtaining 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 31st March, 2021 from practicing company secretary.

14. Shareholding (as on 31st March, 2021)

a) Distribution of shareholding as on 31st March, 2021

Sl. No.	Category (No. of shares)	Shareholders		Amount	% Amount
		Number	%		
1	100001 & Above	75	0.30	11,77,04,720	71.42
2	50001- 100000	78	0.31	56,95,320	3.46
3	40001- 50000	52	0.20	24,13,750	1.46
4	30001- 40000	57	0.22	20,50,830	1.24
5	20001- 30000	131	0.52	33,47,340	2.03
6	10001- 20000	393	1.55	58,30,440	3.54
7	5001- 10000	875	3.45	69,05,310	4.19
8	1-5000	23712	93.45	2,08,61,810	12.66
	Total:	25373	100.00	16,48,09,520	100.00

b) Categories of Shareholders as on 31st March, 2021

Sl. No.	Category	No. of Shares	%
1	Indian Promoters	7556186	45.85
2	Foreign Promoters	-	-
3	Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-Government Institutions)	4577	0.03
4	Mutual Funds	1072	0.01
5	Private Corporate Bodies	2235673	13.56
6	Indian Public	5619715	34.09
7	NRIs / OCBs	755340	4.59
8	Clearing Members	47980	0.29
9	IEPF	133942	0.81
10	Directors (other than Promoter Director)	2513	0.02
11	Alternative Investment Fund	123954	0.75
	Total	16480952	100.00

15. Dematerialization of shares and liquidity:

As on 31st March, 2021, 98.46% of the paid-up share capital of the Company has been dematerialised.

16. Outstanding GDRs / ADRs / Warrants or any convertible instruments:

Pursuant to the approval of shareholders obtained in the Extraordinary General Meeting held on 25th July, 2020, the Company has issued inter-alia, 12,00,000 warrants to promoters and selected promoter group. On 18th November, 2020 the company has allotted 4,00,000 equity shares of ₹10/- each fully paid up against exercise of conversion of 4,00,000 warrants. As on 31st March, 2021, the Company has 8,00,000 warrants exercisable into equal number of shares i.e., 8,00,000 equity shares of ₹10/- each fully paid up. Against the said warrants pending, the company has already received 25% of amount aggregating to ₹4,82,00,000/- and the said options are exercisable on or before 4th February, 2022. Except the said warrants, as on 31st March, 2021, the company had no outstanding GDRs / ADRs.

17. Manufacturing facilities:

PLANTS ADDRESSES

1.	A.C. Division – Plant 1 Survey No.315, Yelumala Village, R. C. Puram Mandal, Sangareddy District - 502 300, Telangana
2.	A.C. Division – Plant 2 Behind Supa Gas, Manickanatham Village, Paramathi, Velur Taluq, Namakkal District, Tamil Nadu - 637 207
3.	A.C. Division – Plant 3 Changsole Mouza, Bankibund, G.P.No.4, Salboni Block, Midnapore West, West Bengal – 721 147
4.	A.C. Division – Plant 4 Survey No. 27/1, G. Nagenahalli Village, Kora Hobli, Tumkur Taluk & District, Karnataka
5.	A.C. Division – Plant 5 Village Kannawan, P.S. Bacharawan, Tehsil: Maharaj Ganj, Raibareli District, Uttar Pradesh – 229 301
6.	A.C. Division – Plant 6 Survey No. 385 and 386, Near Kanchikacharla, Jujjuru (Village), Veerula Padu Mandal, Krishna District, Andhra Pradesh – 521 181
7.	A.C. Division – Plant 7 Plot No. 2006, 1994, Khata No. 450, At- Paramanapur, Manejwan, Navamunda Village, Sambalpur District, Odisha – 768 200
8.	A.C. Division – Plant 8 Gat.No.70/3A, 70/3, Sahajpur Industrial Area, Nandur (Village), Daund (Taluq), Pune (District) - 412 202, Maharashtra
9.	Textile Division Survey No.179 & 180, Chiruva Village, Maudha Taluq, Nagpur District, Maharashtra

10. V-Boards and V-Panels Division – 1	Survey No. 95 & 96, Gajalapuram Village, Near Miryalguda P.O. Pedadevullapally Mandal, Tripuraram Adjacent to Kukkadam Railway Station Nalgonda District, Telangana – 508 207
11. V-Boards Division – 2	Gatt No. 262, Delwadi Village, Daund Taluq, District Pune, Maharashtra
12. V-Boards Division – 3	Mustil No.105, 106 & 115, Jhanswa Tehsil, Matanhail, Jhajjar, Haryana
13. ATUM Division	Survey No. 89, 93, 94, 95 & 96, Gajalapuram Village, Tripuraram Mandal, Nalgonda District, Telangana

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 KFin Technologies Private Limited (Karvy), Unit: Visaka Industries Limited.

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

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
VISAKA INDUSTRIES LTD.
Survey No 315, Yelumala Village,
R C Puram Mandal, Medak,
Telangana 502300, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VISAKA INDUSTRIES LTD** having CIN L52520TG1981PLC003072 and having registered office at Survey No 315, Yelumala Village, R C Puram Mandal, Medak, Telangana 502300, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Bhagirat B. Merchant	00375025	22.12.1983
2.	Mr. V. Pattabhi	00200157	18.06.2003
3.	Dr. G. Vivekanand	00011684	18.06.1981
4.	Mrs. G. Saroja Vivekanand	00012994	28.01.2003
5.	Mr. G. Vamsi Krishna	03544943	01.06.2014
6.	Mr. J.P. Rao	03575950	07.05.2015
7.	Mr. Gusti J. Noria	00015561	22.02.2000
8.	Mr. P. Srikar Reddy	00001401	25.07.2015
9.	Mr. Gogineni Appender Babu	00034681	12.08.2019
10.	Mrs. Vanitha Datla	00480422	26.05.2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

K.V. Soorianarayanan

Practicing Company Secretary

M.No.3380

C.P. No: 12678

Peer Review Cert No. 1147/2021

UDIN: F003380C000161043

Place : Hyderabad
Date : 22nd April, 2021

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
VISAKA INDUSTRIES LTD.

We have examined the compliance of conditions of Corporate Governance by Visaka Industries Limited, for the year ended March 31, 2021 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

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

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

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

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

N.K. Varadarajan
Partner

Membership Number: 090196

UDIN : 21090196AAAAAR4765
Place : Secunderabad
Date : 22nd April, 2021

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L52520TG1981PLC003072
2. Name of the Company: Visaka Industries Limited
3. Registered address: Survey No. 315, Yelumala Village, R C Puram Mandal, Sangareddy District – 502300 Telangana
4. Website: www.visaka.co
5. E-mail id: vil@visaka.in
6. Financial Year reported: April 2020 to March, 2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Manufacture of Cement Fibre Roofing products, Fibre Cement Flat Board & Panels (23959) and Man-Made polyester yarn (13114)
8. List three key products/services that the Company manufactures/provides (as in balance sheet): Fibre Cement Roofings Products, VNext-Boards, Manmade yarn.
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of international locations: Nil
 - (b) Number of national locations: The Company is undertaking business activities across India and locations are given at page no 101.
10. Markets served by the Company: National & International markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital: ₹16,48,09,520/-
2. Total Turnover: ₹115479 lakh
3. Total profit after taxes: ₹11087 lakh
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2%

5. List of activities in which expenditure in 4 above has been incurred:

Provision of drinking water, Construction of irrigation tanks, Building classrooms and toilets in schools and colleges, Supply of classroom furniture and payment of teachers' salaries, etc.

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/ companies: Yes – Vnext Solutions Private Limited and Atum Life Private Limited.

SECTION D: BR INFORMATION

1. Details of Directors responsible for BR
 - a. Details of the Director responsible for implementation of the BR policy/policies: DIN: 00012994, Smt. G. Saroja Vivekanand, Managing Director
 - b. Details of BR head: DIN: 03544943, Shri G. Vamsi Krishna, Joint Managing Director 040-27813833 vamsi@visaka.in
2. The operating principles adopted by the Company supplement the requirements under the National Voluntary Guidelines

Principle 1 : Ethics, Transparency and Accountability [P1]

Principle 2 : Products Lifecycle Sustainability [P2]

Principle 3 : Employees' well-being [P3]

Principle 4 : Stakeholder Engagement [P4]

Principle 5 : Human Rights [P5]

Principle 6 : Environment [P6]

Principle 7 : Policy Advocacy [P7]

Principle 8 : Inclusive Growth [P8]

Principle 9 : Customer Value [P9]

Details of compliance (Reply in Yes/No)

No.	Questions	P1 TO P9
a)	Do you have a policy/policies for :	Yes
b)	Has the policy being formulated in consultation with the relevant stakeholders?	Yes
c)	Does the policy conform to any national/international standards?	The policies are aligned to the legal requirements and in compliance with standards stipulated by respective agencies.
d)	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	The policies were either approved or noted from time to time. Implementation of policy is carried out by the management
e)	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The Corporate Social Responsibility Policy is administered by the CSR Committee in line with requirements of the Companies Act, 2013. The implementation and adherence to the Code of Conduct and policies like the Employee Health and Safety (EHS) and quality practices are overseen by the management
f)	Indicate the link for the policy to be viewed online?	Policies which are internal to the Company are available on the intranet portal of the Company. Other policies are available on the website of the Company, www.visaka.co.
g)	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes
h)	Does the company have in-house structure to implement the policy/policies	Yes
i)	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes
j)	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No. The Company has not carried out independent audit of the policies. The management team periodically looks at the implementation of the relevant policies. CSR activities undertaken in pursuance of CSR policy will be reviewed by the CSR committee of the board.

3. Governance related to Business Responsibility: Business Responsibility Report is part of the Annual Report. It is also available on the Company's website www.visaka.co.

It is proposed to be assessed annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to adhere to the highest standards of ethical and legal conduct of its business operations. In order to maintain these standards, it has adopted the 'Code of Conduct', which lays down the principles and standards that govern the actions of the Senior employees and Board of Directors in the course of conduct of business of the Company.

Any actual or potential violation of the Code, would receive appropriate intervention by the Company.

The Company has adopted a 'Whistle blower policy' to highlight any concerns and for a proper redressal of the same.

There were no complaints from shareholders pending at the beginning of the year. The Company received 14 complaints from shareholders during the year and all complaints have been resolved satisfactorily.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company believes in developing products which are efficient and environment friendly and several steps have been taken in this direction. The VNext Boards & Panels are certified Green Products by the Green Building Council of CII. The Solar Roofing Panels are Green Products and help to reduce carbon footprint.

The Environment Management practices of the Company focus on conservation of natural resources and waste management.

Further, at the factory locations, the Company endeavors to create jobs for the local communities.

Principle 3: Businesses should promote the well-being of all employees

1. Total number of employees: 1900
2. Total number of employees hired on temporary/contractual/casual basis: 2719
3. Number of permanent women employees: 66
4. Number of permanent employees with disabilities: Nil
5. Whether the Company has an employee association that is recognised by management: At the factories there are recognised Worker Unions. The staff and Managers have not formed Union.
6. Percentage of permanent employees who are members of the above association: 32% of employees mentioned above at Point No.1.
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year : Nil

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	-	-
2	Sexual harassment	-	-
3	Discriminatory employment	-	-

8. Details of safety & skill upgradation during financial year 2020-21:

No.	Category	Safety	Skill Upgradation training
1	Permanent Employees	69%	67%
2	Permanent Women Employees	100%	96%
3	Casual/Temporary/ Contractual Employees	79%	40%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

As a responsible corporate citizen, Visaka has been continuously engaged in various social activities uplifting the human index of the country.

The Company’s vision is to actively contribute to the social and economic development of the communities in which we operate and build a better, sustainable way of life for the weaker sections of society. CSR policy of the company is available at www.visaka.co.

Various initiatives undertaken by the company in pursuance of its CSR policy are disclosed as a part of Annexure to the Boards’ Report at page no. 68

Principle 5: Businesses should respect and promote human rights

The company recognizes the responsibility to respect human rights as enshrined under international bill of human rights, constitution of India, national laws and policies. Principles of fairness, respect and dignity and equal opportunities are the guiding principles in implementation of the same and no discrimination whatsoever manner in the name of race, color, religion, sex or national origin is entertained.

The Code of Conduct is applicable to all the directors and senior management. There have been no complaints received in the past financial year.

The Company promotes the Code of Conduct which apart from other things ensures that there are no instances of sexual harassment, child labour or discriminatory practices.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

All the Company’s manufacturing units have policies on environment, health and safety measures in line with the Environment, Health and Safety Practices adopted by the Company. All the roofing plants produce as per ISI standard and comply with the guidelines of the Environmental ministry and State PCB’s. The VNext Boards are Ecofriendly products which contribute to Environmental improvement.

The Solar Roofing Product helps to reduce carbon footprint by producing clean energy. The company implemented various quality management systems like 5S and TPM successfully and got sustenance and excellence awards from various quality certification institutions. Also got sustenance certificates from CII-JIPM (Japan institute of productive maintenance) and QCFI (Quality Circle Forum of India). The Company also monitors hazardous wastes

and emissions in its manufacturing units and the wastes and emissions are within permissible limits as laid down by the regulators.

The company also observes world environment week, world energy conservation week, world safety week and brings awareness among the employees and other stakeholders.

There are no pending EHS show cause notices as at the end of the financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of the following trade/chamber/association:

- a) Federation of the Telangana Chambers of Commerce and Industry
- b) Confederation of Indian Industry The company participates in seminars, conferences organised by these associations, from time to time.

Principle 8: Businesses should support inclusive growth and equitable development

The company has set up its manufacturing units across the country spread over 9 states employing local people to the extent possible.

The company is committed to corporate responsibility and sustainability. The company has also undertaken plantation in the vicinities of various plant locations.

In terms of its CSR policy, the company is undertaking various activities. During the year under review, in addition to undertaking activities like provision of drinking water, building classroom and toilets in schools and colleges it has donated solar carts with ATUM to various poor and needy people, which in addition to enabling them to earn their livelihood, also promotes environmental sustainability.

It has also been helping the local people of nearby manufacturing units on need basis and facilitating local customs and festivals too.

These initiatives are implemented by the Company directly as well as through Visaka Charitable Trust established in the year 2000, a non-profit entity, to support initiatives that benefit the society at large.

The details are provided in the annexure to the Boards' report.

Principle 9: Businesses should engage with and provide value to their customers in a responsible manner

One consumer case is pending during the financial year which is being dealt appropriately before the consumer forum. The Company does not find it tenable. For receiving and resolving customer complaints there are adequate systems in place. Customers may register their grievances through appropriate medium. The Company adheres to all applicable laws and regulations on product labelling.

The company did not carry out any formal consumer satisfaction survey as it did not feel the necessity for the same.

Corporate Information

for the year ended 31st March, 2021

CIN:L52520TG1981PLC003072

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
Shri G Appender Babu, Director
Smt. Vanitha Datla, Director
Smt. G. Saroja Vivekanand, Managing Director
Shri G. Vamsi Krishna, Joint Managing Director
& Shri V. Vallinath, Whole-time Director & CFO
Shri J. P. Rao, Whole-time Director

Chief Financial Officer:

#Shri S. Shafiulla

Vice President (Corporate Affairs) and Company Secretary:

Shri I. Srinivas

Committees of the Board

Audit Committee

*Shri Bhagirat 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 Bhagirat B Merchant, Member
*Shri V. Pattabhi, Member
Dr. G. Vivekanand, 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
Unit-2B, 8th Floor, Octave Block, Block E1, Parcel-4,
Salarpuria Sattva Knowledge City, Raidurg,
Hyderabad, Telangana - 500081.

Cost Auditors:

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

Secretarial Auditors:

Shri K.V.Soorianarayanan
Company Secretary in Practice
3-43, 2nd Cross Road, Hastinapuri Colony,
Sainikpuri Post, Secunderabad – 500 094

Bankers:

State Bank of India - Industrial Finance Branch, Hyderabad.
HDFC Bank - Begumpet Branch, Hyderabad.
IDBI Bank - Specialised Corporate Branch, Chennai

* Retired with effect from closing hours of 31st March, 2021
& Retired with effect from closing hours of 8th September, 2020
Appointed as CFO with effect from 9th September, 2020

Plants Addresses

- 1. A.C. Division – Plant 1**
Survey No.315, Yelumala Village, R. C. Puram Mandal
Sangareddy District - 502 300, Telangana
- 2. A.C. Division – Plant 2**
Behind Supa Gas, Manickanatham Village
Paramathi, Velur Taluq, Namakkal District,
Tamil Nadu - 637 207
- 3. A.C. Division – Plant 3**
Changsole Mouza, Bankibund, G.P.No.4, Salboni
Block, Midnapore West, West Bengal – 721 147
- 4. A.C. Division – Plant 4**
Survey No. 27/1, G. Nagenahalli Village, Kora
Hobli, Tumkur Taluk & District, Karnataka
- 5. A.C. Division – Plant 5**
Village Kannawan, P.S. Bacharawan,
Tehsil: Maharaj Ganj, Raibareli District
Uttar Pradesh – 229 301
- 6. A.C. Division – Plant 6**
Survey No. 385 and 386, Near Kanchikacharla
Jujjuru (Village), Veerula Padu Mandal, Krishna District,
Andhra Pradesh – 521 181
- 7. A.C. Division – Plant 7**
Plot No. 2006, 1994, Khata No. 450
At- Paramanapur, Manejwan, Navamunda Village,
Sambalpur District, Odisha – 768 200
- 8. A.C. Division – Plant 8**
Gat.No.70/3A, 70/3, Sahajpur Industrial Area
Nandur (Village), Daund (Taluk),
Pune (District) - 412 202, Maharashtra
- 9. Textile Division**
Survey No.179 & 180, Chiruva Village
Maudha Taluq, Nagpur District, Maharashtra
- 10. V-Boards and V-Panels Division – 1**
Survey No. 95 & 96, Gajalapuram Village,
Near Miryalguda P.O. Pedadevullapally Mandal,
Tripuraram Adjacent to Kukkadam Railway Station
Nalgonda District, Telangana – 508 207
- 11. V-Boards Division – 2**
Gatt No. 262, Delwadi Village, Daund Taluq,
District Pune, Maharashtra
- 12. V-Boards Division – 3**
Mustil No.105, 106 & 115,
Jhanswa Tehsil, Matanhail, Jhajjar, Haryana
- 13. ATUM Division**
Survey No. 89, 93, 94, 95 & 96, Gajalapuram
Village, Tripuraram Mandal, Nalgonda District,
Telangana

Independent Auditor's Report

To the Members of
Visaka Industries Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Visaka Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition as per Ind AS 115</p> <p>Refer to Note-2 (d) (Significant Accounting Policies) and Note-25 (Revenue from operations) of the standalone financial statements.</p> <p>The Company's revenue is principally derived from sale of building products and synthetic blended yarn.</p> <p>In accordance with Ind AS 115, revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms of contract with the customer. Revenue is measured at fair value of the consideration received or receivable after deduction of any trade/volume discounts and taxes or duties collected.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• We evaluated the design and tested operating effectiveness of the relevant controls with respect to revenue recognition including those relating to cut off at year end;• We assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers";• We performed substantive testing of revenue transactions, recorded during the year by testing the underlying documents which included goods dispatch notes, shipping documents and customer acknowledgments, as applicable;• We tested manual journal entries posted to revenue to identify unusual items;

Key audit matter	How our audit addressed the key audit matter
We identified revenue recognition as a key audit matter since revenue is significant to the standalone financial statements and is required to be recognised as per the requirements of applicable accounting framework.	<ul style="list-style-type: none"> <li data-bbox="801 439 1442 623">• We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date including examination of credit notes issued after the year end to determine whether the revenue has been recognised in the appropriate financial period. <p data-bbox="801 644 1442 698">Based on the above stated procedures, no significant exceptions were noted in revenue recognition.</p>

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these standalone financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the

standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
 - (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 Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 standalone 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

15. 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.

For Price Waterhouse &
Co Chartered Accountants LLP

Firm Registration
Number: 304026E/E-300009

UDIN: 21090196AAAAAS9115 N.K. Varadarajan
Place: Secunderabad Partner
Date: April 22, 2021 Membership Number:
090196

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Visaka Industries Limited on the standalone financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Visaka Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both

issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and

that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse &
Co Chartered Accountants LLP

Firm Registration
Number: 304026E/E-300009

UDIN: 21090196AAAAAS9115 N.K. Varadarajan
Place: Secunderabad Partner
Date: April 22, 2021 Membership Number:
090196

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Visaka Industries Limited on the standalone financial statements as of and for the year ended March 31, 2021

- 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 investments made by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax, and other material statutory dues, as applicable, with the appropriate authorities.
- (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, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty/ Interest/Penalty	5,745.52	2003-05	Customs Excise & Service tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Excise duty	14.86	August 2013 to January 2016	Assistant commissioner Central excise, Pune
Central Excise Act, 1944	Excise duty	55.94	March 2006 to November 2015	Customs Excise & Service tax Appellate Tribunal, Bangalore

Name of the statute	Nature of dues	Amount (₹ in lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Customs, Central Excise & Service tax Drawback Rules, 1995	Duty draw back	152.10	July 2009 to March 2011	Joint Secretary, Revisionary Authority, Mumbai
Central Sales tax Act, 1956	Central Sales tax	7.92	Financial year 2008-09	Commercial Taxes Tribunal, Lucknow
Bihar VAT Act, 2005	VAT/Interest	3.77	Financial year 2005-06	Joint Commissioner (Appeals), Patna
Orissa VAT Act, 2004	VAT/Penalty	10.97	October 2009 to March 2011	Orissa Sales Tax Tribunal, Bhubaneswar
West Bengal VAT Act, 2005	Interest	123.16	Financial year 2010-11	Additional Commissioner of Sales tax, Kolkata
Orissa Entry tax Act 1999	Entry tax/ Penalty	10.38	October 2009 to March 2011	Orissa Sales Tax Tribunal, Bhubaneswar
Uttar Pradesh VAT Act, 2008	VAT	60.48	April 2017 to June 2017	Additional Commissioner (Appeals), Commercial Tax, Lucknow
Central Sales Tax Act, 1956	Central Sales tax	0.65	April 2017 to June 2017	Additional Commissioner (Appeals), Commercial Tax, Lucknow

*Net of amount paid under protest – ₹58.47 lakhs.

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

of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

- xiv. The Company has made a preferential allotment of equity shares and convertible warrants during the year under audit, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

UDIN: 21090196AAAAAS9115 N.K. Varadarajan
Place: Secunderabad Partner
Date: April 22, 2021 Membership Number:
090196

Standalone Balance Sheet

as at 31 March 2021

All amounts in ₹ lakhs

Particulars	Note	31 March 2021	31 March 2020
I. ASSETS			
Non-current Assets			
(a) Property, plant and equipment	4.1	39,617.22	40,600.60
(b) Capital work-in-progress		509.33	878.09
(c) Intangible assets	4.2	0.00	0.00
(d) Investments in subsidiaries	5	2.00	0.00
(e) Financial assets			
Investments	6.1	0.00	0.00
Other financial assets	6.2	107.90	34.90
(f) Other non-current assets	7	4,309.45	1,470.64
Current Assets			
(a) Inventories	8	24,926.70	30,392.65
(b) Financial assets			
(i) Trade receivables	9	10,516.34	14,000.81
(ii) Cash and cash equivalents	10	11,080.23	1,628.00
(iii) Other bank balances	11	573.57	298.48
(iv) Other financial assets	12	202.57	282.23
(c) Current tax assets (net)	13	-	647.25
(d) Other current assets	14	3,026.16	4,118.05
TOTAL ASSETS		94,871.47	94,351.70
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,652.07	1,592.07
(b) Other equity	16	61,039.95	48,909.42
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	7,650.44	8,573.42
(ii) Other financial liabilities	18	13.66	21.70
(b) Deferred tax liabilities (net)	19	1,270.33	1,417.76
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	20	2,018.23	15,620.77
(ii) Trade payables	21		
(a) total outstanding dues of micro and small enterprises		36.35	19.31
(b) total outstanding dues other than (ii) (a) above		9,254.21	8,500.98
(iii) Other financial liabilities	22	5,938.28	6,265.51
(b) Other current liabilities	23	5,464.97	2,906.54
(c) Provisions	24	275.16	524.22
(d) Current Tax Liabilities(net)	13	257.82	-
TOTAL EQUITY AND LIABILITIES		94,871.47	94,351.70
Summary of significant accounting policies	2		

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K.Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &

VP (Corporate Affairs)

Standalone Statement of Profit and Loss for the year ended 31 March 2021

All amounts in ₹ lakhs, except earning per share

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
I. Revenue from operations	25	1,14,620.88	1,05,038.46
II. Other income	26	858.60	662.04
III. Total revenue (I + II)		1,15,479.48	1,05,700.50
IV. Expenses			
Cost of materials consumed	27	50,544.52	48,783.22
Purchases of stock-in-trade		279.21	156.70
Changes in inventories of finished goods and work in progress	28	1,573.59	2,381.91
Employee benefits expense	29	12,012.12	11,602.21
Finance costs	30	1,281.39	1,740.84
Depreciation and amortization expense	31	3,999.00	4,096.51
Other expenses	32	30,863.94	31,227.45
Total expenses		1,00,553.77	99,988.84
V. Profit before tax (III - IV)		14,925.71	5,711.66
VI. Tax expense:			
(1) Current tax		4,032.89	1,472.92
(2) Deferred tax		(147.43)	(583.94)
(3) Tax relating to prior years		(24.22)	(106.82)
VII. Profit for the year (V-VI)		11,064.47	4,929.50
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
a) Remeasurement of defined employee benefit plans		29.54	(221.89)
b) Income tax relating to item (a) above		(7.43)	55.85
Other comprehensive income (net of tax)		22.11	(166.04)
IX. Total comprehensive income for the year		11,086.58	4,763.46
X. Earning per equity share attributable to owners of Visaka Industries Limited:			
(1) Basic	41	68.47	31.04
(2) Diluted		67.64	31.04

Summary of significant accounting policies.

2

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K.Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &

VP (Corporate Affairs)

Standalone Statement of Cash Flow for the year ended 31 March 2021

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit before tax	14,925.71	5,711.66
Adjustments for:		
Depreciation and amortisation expense	3,999.00	4,096.51
Property, plant and equipment written off	10.10	9.35
Interest income on financial assets carried at amortized cost	(317.70)	(143.60)
Gain on disposal of property, plant and equipment	(12.67)	(17.40)
Provision for doubtful debts	73.63	100.24
Bad Debts written off	41.74	38.42
Amortisation of government grants	(385.05)	(294.54)
Finance costs	1,281.39	1,740.84
Remeasurement of defined employee benefit plans	29.54	(221.89)
Change in operating assets and liabilities		
(Increase) / Decrease in Trade Receivables	3,369.10	1,389.13
(Increase) / Decrease in financial assets other than trade receivables	15.81	(30.72)
(Increase) / Decrease in other assets	1,041.85	(386.99)
(Increase) / Decrease in Inventories	5,465.95	(3,148.71)
Increase / (Decrease) in Trade payables	770.27	718.85
Increase / (Decrease) in other financial liabilities	(106.15)	86.08
Increase / (Decrease) in provisions	(249.06)	198.92
Increase / (Decrease) in other liabilities	2,558.43	(811.68)
Cash Generated from Operations	32,511.89	9,034.47
Income taxes paid	(3,111.03)	(1,631.24)
Net cash inflow from operating activities	29,400.86	7,403.23
Cash flows from investing activities		
Payments for property plant and equipment	(5,430.08)	(3,883.82)
Interest received	308.55	262.59
Proceeds from sale of property, plant and equipment	25.87	133.24
Payments for purchase of investments	(2.00)	-
Movement in other bank balances	(275.09)	58.79
Net cash outflow from investing activities	(5,372.75)	(3,429.20)

Standalone Statement of Cash Flow for the year ended 31 March 2021

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Cash flow from financing activities		
Proceeds from non current borrowings	-	2,125.12
Repayment of non current borrowings	(1,099.44)	(1,278.64)
Proceeds/ (repayment) from current borrowings	(13,466.54)	570.92
Repayment of loan to related parties	(1,852.70)	(484.30)
Receipt of loan from related parties	1,716.70	734.30
Dividend paid to company's shareholders (Including corporate dividend tax)	(830.96)	(4,181.29)
Proceeds from Issue of shares and share warrants	1,928.00	-
Finance cost	(970.94)	(1,495.09)
Net cash outflow from financing activities	(14,575.88)	(4,008.98)
Net increase/(Decrease) in cash and cash equivalents	9,452.23	(34.95)
Cash and Cash equivalents at the beginning of the financial year (Refer note 10)	1,628.00	1,662.95
Cash and Cash equivalents at the end of the year	11,080.23	1,628.00

Statement of Cash flow 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 standalone financial statements.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K.Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &

VP (Corporate Affairs)

Standalone Statement of Changes in Equity for the year ended 31 March 2021

a. Equity share capital

All amounts in ₹ lakhs

Particulars	Note	Equity share capital
As at 01 April 2019		1,592.07
Changes in equity share capital		-
As at 31 March 2020	15	1,592.07
Changes in equity share capital		60.00
As at 31 March 2021		1,652.07

b. Other equity

All amounts in ₹ lakhs

Particulars	Note	Reserves and Surplus			Money received against share warrants	Total
		Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at 1 April 2019	16	4,903.45	27,000.00	16,454.49	-	48,357.94
Profit for the year		-	-	4,929.50	-	4,929.50
Other comprehensive income		-	-	(166.04)	-	(166.04)
Dividends (including corporate dividend tax)		-	-	(4,211.98)	-	(4,211.98)
Balance as at 31 March 2020		4,903.45	27,000.00	17,005.97	-	48,909.42
Profit for the year		-	-	11,064.47	-	11,064.47
Other comprehensive income		-	-	22.11	-	22.11
Dividends		-	-	(824.05)	-	(824.05)
Share premium on issue of equity shares		1,386.00	-	-	-	1,386.00
Money received against share warrants		-	-	-	482.00	482.00
Balance as at 31 March 2021		6,289.45	27,000.00	27,268.50	482.00	61,039.95

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K.Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &

VP (Corporate Affairs)

Notes to the Standalone financial statements for the year ended 31 March 2021

1. Background

Visaka Industries Limited was incorporated in 1981 having its registered office in Survey No.315, Yelumala Village, R.C. Puram Mandal, Sangareddy District - 502 300, Telangana State. The Company is into the business of manufacture of cement fibre sheets, fibre cement boards & panels, solar panels and synthetic yarn. The Company has twelve manufacturing locations spread across India.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

(iii) New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Definition of business - amendments to Ind AS 103
- Covid-19 related concessions - amendments to Ind AS 116
- Interest rate benchmark reform - amendments to Ind AS109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly effect the current or future periods.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified the Managing Director and Joint Managing Director as chief operating decision makers. 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 the statement of profit and loss.

Notes to the Standalone financial statements for the year ended 31 March 2021

d) Revenue Recognition

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

Sale of products

Timing of recognition- Revenue from sale of products is recognised when control of the products is 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 expected discounts and returns in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the sales are made with credit terms consistent with market practices. A receivable is recognised when the goods are dispatched, delivered or upon formal customer acceptance depending on terms of contract with the customer.

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 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.

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

Notes to the Standalone financial statements for the year ended 31 March 2021

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:

The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

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 and

Notes to the Standalone financial statements for the year ended 31 March 2021

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) Investment in subsidiaries

The investment in subsidiaries are carried in the financial statements at historical cost except when the investment is classified as held for sale in which case it is accounted for as non-current assets held for sale and discontinued operations.

Investments in subsidiaries carried at cost are tested for impairment in accordance with Ind AS 36. Any impairment loss reduces the carrying value of the investment.

m) Other Investments and 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,

Notes to the Standalone financial statements for the year ended 31 March 2021

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

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

Equity instruments:

The Company subsequently measures all equity investments (other than investment in subsidiary) 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.

n) Income recognition

Interest income

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

Notes to the Standalone financial statements for the year ended 31 March 2021

o) 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.

p) 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.

q) Property, plant and equipment

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

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

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 April 1, 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 which are as follows:

Asset Description	Life of the asset (in years)
Buildings	
Borewells	5
Roads	10
Factory buildings	30
Non factory buildings	60
Plant and equipment	
Process Machinery	15
Others	10
Furniture and fixtures	10
Vehicles	8
Office Equipment	5
Data processing equipment	
Servers and networks	6
Others	3

The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortised over the period of lease or useful life whichever is less. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with the carrying amount.

Notes to the Standalone financial statements for the year ended 31 March 2021

r) 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.

s) Trade and other payables

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

t) 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.

u) 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.

v) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

Notes to the Standalone financial statements for the year ended 31 March 2021

w) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Gratuity obligations

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

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

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

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

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

Defined contribution plans

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

(iv) Bonus plans

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

Notes to the Standalone financial statements for the year ended 31 March 2021

x) 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.

Money received against share warrants are reflected as a separate line item - 'Money received against share warrants' under 'Other equity'.

y) 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.

z) 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.

aa) Rounding of amounts

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

ab) Standards issued but not yet effective

There is no such notification which would have been applicable from April 1, 2021.

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. Estimation of defined benefit obligation - Refer Note 24
2. Useful lives of fixed assets - Refer Note 2(p) and Note 31
3. Impairment of trade receivables - Refer Note 9

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 Standalone financial statements for the year ended 31 March 2021

4.1(a) Property, Plant and Equipment

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2020	Additions	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the Year	Deletions/ Adjustments	As at 31 March 2021	As at 31 March 2021
Owned Assets									
Land	8,871.17	538.84	-	9,410.01	-	-	-	-	9,410.01
Buildings	24,017.33	545.25	1.44	24,561.14	3,998.53	1,219.91	0.21	5,218.23	19,342.91
Plant and Equipment	20,040.49	1,856.02	134.40	21,762.11	9,316.22	2,479.25	129.51	11,665.96	10,096.15
Furniture and Fixtures	113.67	4.92	0.13	118.46	46.67	12.21	0.13	58.75	59.71
Vehicles	898.59	26.25	34.02	890.82	303.86	108.00	17.18	394.68	496.14
Office Equipment	218.61	29.29	0.33	247.57	116.56	37.29	0.33	153.52	94.05
Data Processing Equipment	717.69	38.35	3.67	752.37	495.11	142.34	3.33	634.12	118.25
TOTAL	54,877.55	3,038.92	173.99	57,742.48	14,276.95	3,999.00	150.69	18,125.26	39,617.22

4.1(b) Property, plant and equipment

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2019	Additions	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the Year	Deletions/ Adjustments	As at 31 March 2020	As at 31 March 2020
Owned Assets									
Land	7,221.81	1,759.98	110.62	8,871.17	-	-	-	-	8,871.17
Buildings	23,609.39	407.94	-	24,017.33	2,782.64	1,215.89	-	3,998.53	20,018.80
Plant and Equipment	19,555.69	507.92	23.12	20,040.49	6,810.29	2,519.73	13.80	9,316.22	10,724.27
Furniture and Fixtures	107.61	6.06	-	113.67	33.49	13.18	-	46.67	67.00
Vehicles	708.17	212.82	22.40	898.59	211.78	109.28	17.20	303.86	594.73
Office Equipment	191.25	27.36	-	218.61	80.15	36.41	-	116.56	102.05
Data Processing Equipment	603.03	34.85	0.51	637.37	256.60	158.63	0.44	414.79	222.58
Assets taken on Finance Lease									
Data Processing Equipment	80.32	-	-	80.32	75.41	4.93	0.02	80.32	-
TOTAL	52,077.27	2,956.93	156.65	54,877.55	10,250.36	4,058.05	31.46	14,276.95	40,600.60

Notes to the Standalone financial statements for the year ended 31 March 2021

4.2(a) Intangible assets

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at 1 April 2020	Additions	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the Year	Deletions/ Adjustments	As at 31 March 2021	As at 31 March 2021
Computer Software	124.94	-	-	124.94	124.94	-	-	124.94	0.00
TOTAL	124.94	-	-	124.94	124.94	-	-	124.94	0.00

4.2(b) Intangible assets

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at 1 April 2019	Additions	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the Year	Deletions/ Adjustments	As at 31 March 2020	As at 31 March 2020
Computer Software	124.94	-	-	124.94	86.48	38.46	-	124.94	0.00
TOTAL	124.94	-	-	124.94	86.48	38.46	-	124.94	0.00

5. Investment in subsidiaries

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Investments carried at cost		
Equity investment in subsidiary companies (unquoted - fully paid up)		
a) Vnext Solutions Private Limited 10,000 (2020-Nil) shares of ₹ 10 each	1.00	0.00
b) Atum Life Private Limited 10,000 (2020-Nil) shares of ₹ 10 each	1.00	0.00
TOTAL	2.00	0.00
Aggregate amount of unquoted investments in subsidiaries	2.00	0.00

6.1. Investments

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Investments in Equity Instruments (unquoted - fully paid up)		
Other entities - Fair value through Profit and Loss (FVTPL)		
a) Visaka Thermal Power Limited 2,078,600 (2020-2,078,600) shares of ₹ 10 each	0.00	0.00
b) Somerset Entertainment Ventures (Singapore) Pte Ltd 131,903 (2020 -131,903) shares of Singapore \$ 10 each	0.00	0.00
c) OPGS Power Gujarat Private Limited 702,000(2020 - 702,000) shares of ₹ 0.10 each	0.00	0.00
d) V- Solar Roofings Private Limited 1,900 (2020- 1900) of ₹ 10 each	0.00	0.00
TOTAL	0.00	0.00
Aggregate amount of unquoted investments	0.00	0.00

The Company holds investments as at date, however the fair value of the same is determined as nil.

Notes to the Standalone financial statements for the year ended 31 March 2021

6.2. Other financial assets (non - current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Unsecured, Considered good		
Employee advances	46.77	34.90
Secured, Considered good		
Deposits with maturity of more than 12 months	61.13	-
TOTAL	107.90	34.90

7. Other non-current assets

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Unsecured, considered good		
i) Capital advances	3,557.37	768.60
ii) Deposits with government and others	752.08	702.04
TOTAL	4,309.45	1,470.64

8. Inventories

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
a) Raw material	12,210.33	16,123.92
{including material in transit of ₹ 3,671.71lakhs (2020- ₹2,288.69 lakhs)}		
b) Work-in-progress	2,847.80	928.88
c) Finished goods	8,849.29	12,341.80
{including material in transit of ₹ 359.27lakhs (2020- ₹ 275.07 lakhs)}		
d) Stores and spares	1,019.28	998.05
TOTAL	24,926.70	30,392.65

9. Trade receivables

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Secured, considered good	2,374.23	2,671.08
Unsecured, considered good	8,142.11	11,329.73
Unsecured, considered doubtful	579.18	505.55
	11,095.52	14,506.36
Less: Allowance for doubtful debts	(579.18)	(505.55)
TOTAL	10,516.34	14,000.81

10. Cash and cash equivalents

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
a) Balances with banks		
in current accounts	1,185.88	1,624.23
b) Cash on hand	2.87	3.77
c) Cheques in hand	130.11	-
d) Deposits with maturity of less than 3 months	9,761.37	-
TOTAL	11,080.23	1,628.00

Notes to the Standalone financial statements for the year ended 31 March 2021

11. Other bank balances

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Earmarked balances with banks		
Unpaid dividend account	112.75	119.66
Reserve towards Public deposit	202.00	170.00
Margin money deposit	8.82	8.82
Deposit with maturity of more than 3 months but less than 12 months	250.00	-
TOTAL	573.57	298.48

12. Other financial assets (current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Interest receivable	73.03	63.88
Employee advances	125.71	199.15
Advances to related parties (Refer note 40)	3.83	19.20
TOTAL	202.57	282.23

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

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance	647.25	326.26
Add: Taxes paid (net of refunds)	3,111.03	1,631.24
Less: Current tax expense for the year	(4,040.32)	(1,417.07)
Add: Tax relating to prior years	24.22	106.82
TOTAL	(257.82)	647.25

14. Other current assets

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Rent deposits	40.68	44.29
Prepaid expenses	201.13	148.82
Supplier advances	1,081.16	2,451.72
Cenvat , VAT & GST credit available	1,046.70	1,081.19
Others	656.49	392.03
TOTAL	3,026.16	4,118.05

15. Equity share capital

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
AUTHORIZED:		
30,000,000 (2020- 30,000,000) Equity Shares of ₹10/- each	3,000.00	3,000.00
500,000 (2020- 500,000) 12% Cumulative Redeemable Preference Shares ₹100/- each	500.00	500.00
TOTAL	3,500.00	3,500.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
16,480,952 (2020- 15,880,952) equity shares of ₹ 10/- each fully paid up	1,648.10	1,588.10
Add: Shares forfeited - 79,408 (2020- 79,408) shares	3.97	3.97
TOTAL	1,652.07	1,592.07

Notes to the Standalone financial statements for the year ended 31 March 2021

15. Equity share capital (contd.)

(A) Movement in equity share capital:

All amounts in ₹ lakhs

Particulars	Number of shares	Amount
Balance at April 1, 2019	1,58,80,952	1,592.07
Movement during the year	-	-
Balance at March 31, 2020	1,58,80,952	1,592.07
Movement during the year	6,00,000	60.00
Balance at March 31, 2021	1,64,80,952	1,652.07

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

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	% holding	No. of Shares	% holding
a) Dr.G Vivekanand	66,11,980	40.12	58,99,425	37.15
b) Vigilance Security Services Private Limited	16,14,460	9.80	15,27,018	9.62

(C) Terms/Rights attached to equity shares

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

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

16. Other equity

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Reserves and surplus		
Securities premium reserve	6,289.45	4,903.45
General reserve	27,000.00	27,000.00
Retained earnings	27,268.50	17,005.97
Money received against share warrants	482.00	-
TOTAL	61,039.95	48,909.42

(i) Securities Premium Reserve

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance	4,903.45	4,903.45
Movement during the year	1,386.00	-
Closing balance	6,289.45	4,903.45

(ii) General Reserve

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance	27,000.00	27,000.00
Movement during the year	-	-
Closing balance	27,000.00	27,000.00

Notes to the Standalone financial statements for the year ended 31 March 2021

16. Other equity (contd.)

(iii) Retained earnings

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance	17,005.97	16,454.49
Profit for the year	11,064.47	4,929.50
Interim dividend	(824.05)	(2,382.15)
Final dividend	-	(1,111.67)
Corporate dividend tax	-	(718.16)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	22.11	(166.04)
Closing balance	27,268.50	17,005.97

During the year

- the Company had made preferential allotment of 2,00,000 fully paid up equity shares of face value of ₹10/- each at a price of ₹241/- each to the promoters of the company and received an amount of ₹482 lakhs.
- the Company had allotted 12,00,000 convertible warrants to the promoters group each carrying a right exercisable by the warrant holder to subscribe one equity share per warrant, at a price of ₹241/- each aggregating to ₹2892.00 lakhs and received a sum of ₹723 lakhs during the year being 25% of the warrant issue price. Balance 75% is payable by the warrant holder at the time of allotment of the equity share which may be exercised at any time before expiry of 18 months from the date of allotment of warrants, failing which the warrants shall lapse and the amount paid shall stand forfeited by the Company. Out of these, during the year, the Company had allotted 4,00,000 fully paid equity shares of face value ₹10/- each against 4,00,000 convertible warrants after receiving the balance amount. Convertible warrants outstanding as at March 31, 2021 - 800,000.

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 (non-current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Non-current		
a) Secured loans		
Term loans from banks	1,257.29	2,263.13
Loans from others		
PICUP Loan	3,797.87	3,449.55
Deferred revenue grant - PICUP Loan	2,142.80	2,527.19
b) Unsecured loans		
Public deposits	452.48	333.55
TOTAL	7,650.44	8,573.42

Notes to the Standalone financial statements for the year ended 31 March 2021

17. Borrowings (non-current) (contd.)

- (i) Term loan is taken from IDBI Bank Limited for the Textile unit near Mouda Taluk, Nagpur in Maharashtra. The loan sanctioned is ₹6,035.00 lakhs during the year 2016-17, out of which ₹3,500 lakhs is drawn in 2016-17 and ₹2,535 lakhs is drawn in 2017-18 and is repayable in 24 quarterly installments at the rate of ₹ 251.46 lakhs each quarter from the financial year 2017-18 to 2022-23 (i.e., from September' 2017 to June' 2023). The current rate of interest is 9.55% p.a. This loan is secured by first mortgage and charge in favour of the Bank on all the Company's fixed assets both present and future on pari passu basis with other lenders, second charge on the current assets of the Company and personal guarantee of the Dr G Vivekanand, Director of the Company. The amount outstanding as at balance sheet date is ₹2263.13 lakhs repayable in 9 quarterly installments (out of which ₹1,005.84 lakhs are included in other financial liabilities (current)).
- (ii) Loans from others include interest free loans of ₹ 6,246.33 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, ₹2,125.12 lakhs in 2019-20) 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 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.
- (iii) Public deposits represent deposits accepted from public carrying interest varying from 9.5% to 11.5% p.a. The maturity of these deposits fall on different dates depending on the date of each deposit. There are no deposits matured and remaining unpaid as on the balance sheet date.

18. Other financial liabilities (non-current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Interest accrued but not due	13.66	21.70
TOTAL	13.66	21.70

19. Deferred tax liabilities (net)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
a) Deferred tax assets		
Expenses allowable on payment basis	165.97	147.44
b) Deferred tax liabilities		
Depreciation and amortisation	1,436.30	1,565.20
Deferred tax liabilities (net)	1,270.33	1,417.76

Movement in deferred tax liabilities (net)

All amounts in ₹ lakhs

Particulars	WDV of depreciable PPE	Expenses allowable on payment basis	Total
As at 01 April 2019	2,313.30	(311.60)	2,001.70
Charged/(Credited) to statement of profit and loss	(748.10)	164.16	(583.94)
As at 31 March 2020	1,565.20	(147.44)	1,417.76
Charged/(Credited) to statement of profit and loss	(128.90)	(18.53)	(147.43)
As at 31 March 2021	1,436.30	(165.97)	1,270.33

Notes to the Standalone financial statements for the year ended 31 March 2021

20. Borrowings (current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Current		
a) Secured loans		
Working capital loans from banks	477.26	11,543.13
b) Unsecured loans		
Short term loans from banks	1,076.72	3,827.64
Loans from related parties (Refer note 40)	-	250.00
Inter corporate deposits from related parties (Refer note 40)	114.00	-
Inter corporate deposits from others	350.25	-
TOTAL	2,018.23	15,620.77

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 7.80% p.a.

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 Inter Corporate Deposit are short term loans repayable on demand carrying on interest rate of 9% p.a .

20.4 Net Debt Reconciliation

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance of borrowings	26,286.04	24,638.66
Add:- Proceeds from non-current borrowings	-	2,125.12
Less:- Repayment of non-current borrowings	(1,099.44)	(1,278.64)
Proceeds/ (repayment) from current borrowings	(13,602.54)	820.92
Fair Value Adjustment	(35.53)	(20.02)
Closing balance of borrowings	11,548.53	26,286.04

21. Trade payables

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
(a) Total outstanding dues of micro and small enterprises (Refer note 43)	36.35	19.31
(b) Total outstanding dues other than (a) above	9,254.21	8,500.98
TOTAL	9,290.56	8,520.29

22. Other financial liabilities (current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Current maturities of long term debts (Refer note a below)	1,005.84	1,086.58
Current maturities of public deposits	874.02	1,005.27
Interest accrued but not due	78.13	109.16
Unpaid dividend	112.75	119.66
Sundry deposits(Refer note b below)	3,834.96	3,936.93
Foreign-exchange forward contracts not designated as hedges	-	4.18
Capital creditors	32.58	3.73
TOTAL	5,938.28	6,265.51

(a) Current Maturities of long term debts of previous year include sales tax deferment of ₹81.28 lakhs relating to cement asbestos unit at Patancheru, Sangareddy District. This loan was interest free and repaid in the year 2020-21.

(b) Sundry deposits include security deposits from stockists, agents and transporters etc.

Notes to the Standalone financial statements for the year ended 31 March 2021

23. Other current liabilities

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Advances from customers	1,142.98	767.54
Statutory liabilities	1,606.77	586.18
Employee benefits payable	2,715.22	1,552.82
TOTAL	5,464.97	2,906.54

24. Provisions

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Current		
Provision for contingencies	123.16	123.16
Provision for employee benefits		
- Leave encashment	152.00	224.10
- Gratuity	-	176.96
TOTAL	275.16	524.22

Movement in provision for contingencies

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Balance as at beginning of the year	123.16	-
Provision made during the year	-	123.16
Balance as at end of the year	123.16	123.16

(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:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Company's Contribution to Provident Fund	580.23	612.29
Company's Contribution to Superannuation Fund	102.54	123.78

(iii) Post-employment obligations

a) Gratuity

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

Notes to the Standalone financial statements for the year ended 31 March 2021

24. Provisions (contd.)

All amounts in ₹ lakhs

Particulars	Present value of obligation	Fair Value of Plan Assets	Net Liability
1 April 2019	2,426.34	2,386.89	39.45
Current service cost	261.70	-	261.70
Interest expense/(income)	183.11	200.06	(16.95)
Total amount recognized in profit and loss	444.81	200.06	244.75
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(13.93)	13.93
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(7.88)	-	(7.88)
Experience (gains)/loss	215.84	-	215.84
Total amount recognized in other comprehensive income	207.96	(13.93)	221.89
Employer contributions	-	329.13	(329.13)
Benefit payments	(139.32)	(139.32)	-
31 March 2020	2,939.79	2,762.83	176.96

All amounts in ₹ lakhs

Particulars	Present value of obligation	Fair Value of Plan Assets	Net Liability/(Asset)
1 April 2020	2,939.79	2,762.83	176.96
Current service cost	259.03	-	259.03
Interest expense/(income)	183.52	192.28	(8.76)
Total amount recognized in profit and loss	442.55	192.28	250.27
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.50	(2.50)
(Gain)/loss from change in financial assumptions	4.54	-	4.54
Experience (gains)/loss	(31.58)	-	(31.58)
Total amount recognized in other comprehensive income	(27.04)	2.50	(29.54)
Employer contributions	-	415.41	(415.41)
Benefit payments	(513.62)	(513.62)	-
31 March 2021	2,841.68	2,859.40	(17.72)

The Company has no legal obligation to settle deficit in the funded plan with an immediate contribution or additional one off contribution. The Company intends to contribute as any request for contribution is made by LIC.

The net (surplus)/ deficit disclosed above relating to funded and unfunded plans are as follows:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Present value of funded obligations	2,841.68	2,939.79
Fair value of plan assets	2,859.40	2,762.83
(Surplus)/Deficit of funded plans	(17.72)	176.96

Expected contributions to post- employment benefit plans of gratuity for the year ending 31 March 2022 are ₹224.17 Lakhs.

Notes to the Standalone financial statements for the year ended 31 March 2021

24. Provisions (contd.)

iv) Significant estimates and sensitivity Analysis

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

All amounts in ₹ lakhs

Particulars	Key assumptions		(Increase)/Decrease in Defined benefit obligation by					
			Increase in assumption by			Decrease in assumption by		
	31 March 2021	31 March 2020	Rate	31 March 2021	31 March 2020	Rate	31 March 2021	31 March 2020
Discount rate	6.82%	6.84%	1%	217.84	225.30	1%	(252.77)	(262.71)
Salary growth rate	5.00%	5.00%	1%	(240.24)	(249.81)	1%	210.75	218.00
Attrition rate	3.00%	3.00%	1%	(23.90)	(26.43)	1%	26.24	29.55

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.

Expected cash flow and duration of the plan

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Weighted average duration of DBO	14	14
Expected total benefit payments		
Year 1	447.82	362.06
Year 2	238.49	353.86
Year 3	233.17	256.96
Year 4	152.42	211.20
Year 5	160.90	165.44
Next 5 years	904.03	883.63

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 Standalone financial statements for the year ended 31 March 2021

25. Revenue from operations

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	1,14,338.36	1,04,654.16
Other operating revenue		
Export incentives	96.71	68.77
Industrial incentives	68.73	191.28
Sale of scrap	117.08	124.25
TOTAL	1,14,620.88	1,05,038.46

26. Other income

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on financial assets carried at amortised cost	317.70	143.60
Insurance claim received	70.03	48.06
Government grants	385.05	294.54
Net gain on disposal of property, plant and equipment	12.67	17.40
Miscellaneous income	73.15	158.44
TOTAL	858.60	662.04

27. Cost of materials consumed

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cost of materials consumed	50,544.52	48,783.22
TOTAL	50,544.52	48,783.22

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

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening inventory		
Finished goods	12,341.80	12,947.78
Work in progress	928.88	2,704.81
	(A) 13,270.68	15,652.59
Closing inventory		
Finished goods	8,849.29	12,341.80
Work in progress	2,847.80	928.88
	(B) 11,697.09	13,270.68
TOTAL (A-B)	1,573.59	2,381.91

29. Employee benefits expense

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	10,271.17	9,611.04
Contribution to provident and other funds	782.57	842.33
Gratuity	250.27	244.75
Leave compensation	129.49	189.80
Staff welfare expenses	578.62	714.29
TOTAL	12,012.12	11,602.21

Notes to the Standalone financial statements for the year ended 31 March 2021

30. Finance costs

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on borrowings	1,177.27	1,677.59
Other borrowing cost	44.11	63.25
Interest on shortfall in payment of advance tax	60.01	-
TOTAL	1,281.39	1,740.84

31. Depreciation and amortization expense

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	3,999.00	4,058.05
Amortisation of intangible assets	-	38.46
TOTAL	3,999.00	4,096.51

32. Other expenses

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spares	2,533.02	3,008.58
Cost of packing materials consumed	949.39	1,017.24
Power and fuel	4,370.86	4,324.57
Repairs and maintenance		
Buildings	446.77	446.48
Plant and machinery	362.58	479.51
Insurance	353.05	295.49
Rates & taxes	217.52	134.06
Rent	381.43	448.37
Wages - contract labour	3,500.23	4,062.65
Travelling & conveyance	559.46	1,265.01
Commission	219.22	432.40
Freight	10,519.61	9,891.11
Advertisement & sales promotion expenses	2,708.60	1,429.87
Payments to auditors (refer note 32 a)	53.42	44.93
Directors' sitting fee	11.90	10.90
Bad debts written off	41.74	38.42
Foreign exchange (gain)/loss (net)	(52.02)	271.92
Non Whole-time directors' commission	69.17	56.67
Property, plant and equipment written off	10.10	9.35
Allowance for doubtful debts	73.63	100.24
Corporate social responsibility (CSR) expenditure (Refer note 32 b)	177.16	186.75
Contribution to political party *	300.00	-
Miscellaneous expenses	3,057.10	3,272.93
TOTAL	30,863.94	31,227.45

* Donations to Bharatiya Janata Party

Notes to the Standalone financial statements for the year ended 31 March 2021

32 a. Payment to auditor

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(a) To statutory auditors		
-Statutory audit fee	31.50	29.00
-Quarterly audit fee	4.00	4.00
-Certification fee	8.50	2.50
-Reimbursement of expenses	1.76	1.88
(b) To others		
-Cost audit fee	1.50	1.50
-Tax audit fee	6.00	6.00
-Certification and taxation matters	0.16	0.05
TOTAL	53.42	44.93

32 b. Corporate Social Responsibility expenditure

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to Visaka Charitable Trust	136.10	171.00
Amount spent directly by the Company towards CSR activities	41.06	15.75
Total	177.16	186.75
Amount required to be spent as per Section 135 of the Act	172.88	185.89
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
2. On purposes other than (1) above	177.16	186.75

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

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax expense	14,925.71	5,711.66
Tax at the Indian tax rate of 25.168%	3,756.50	1,437.51
Effect of non-deductible expense	144.21	58.13
Effect of allowances for tax purpose	(15.25)	(13.68)
Tax relating to prior years	(24.22)	(106.82)
Remeasurement of net deferred tax liabilities*	-	(592.98)
Income tax expense	3,861.24	782.16

*The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year ended March 31, 2020 and re-measured its net Deferred Tax Liabilities basis the rate prescribed in the said section.

Notes to the Standalone financial statements for the year ended 31 March 2021

34. Financial instruments and risk management

Fair values

- The carrying amounts of trade payables, other financial liabilities (current), other financial assets (current), borrowings (current), trade receivables, cash and cash equivalents and other bank balances 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.

(i) Categories of financial instruments

All amounts in ₹ lakhs

Particulars	Level	31 March 2021		31 March 2020	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost:					
Non-current					
Other financial assets	3	107.90	107.90	34.90	34.90
Current					
Trade receivables	3	10,516.34	10,516.34	14,000.81	14,000.81
Cash and Cash Equivalents	3	11,080.23	11,080.23	1,628.00	1,628.00
Other bank balances	3	573.57	573.57	298.48	298.48
Other financial assets	3	202.57	202.57	282.23	282.23
Measured at fair value through profit and loss					
Non-current					
Investments	3	0.00	0.00	0.00	0.00
Total		22,480.61	22,480.61	16,244.42	16,244.42
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3	7,650.44	7,650.44	8,573.42	8,573.42
Other financial liabilities	3	13.66	13.66	21.70	21.70
Current					
Borrowings	3	2,018.23	2,018.23	15,620.77	15,620.77
Trade Payables	3	9,290.56	9,290.56	8,520.29	8,520.29
Other Financial Liabilities	3	5,938.28	5,938.28	6,261.33	6,261.33
Measured at fair value through profit and loss					
Foreign-exchange forward contracts not designated as hedges (grouped under other current financial liabilities)	2	-	-	4.18	4.18
Total		24,911.17	24,911.17	39,001.69	39,001.69

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

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

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

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

Notes to the Standalone financial statements for the year ended 31 March 2021

34. Financial instruments and risk management (contd.)

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.

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 analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020. 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 2021 and 31 March 2020.

(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, GBP against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollars and GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

All amounts in ₹ lakhs

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Change in USD				
1% increase	(18.86)	(24.63)	(14.11)	(18.43)
1% decrease	18.86	24.63	14.11	18.43
Change in GBP				
1% increase	0.77	0.03	0.58	0.02
1% decrease	(0.77)	(0.03)	(0.58)	(0.02)

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 and GBP, where the functional currency of the entity is a currency other than US dollars and GBP.

Notes to the Standalone financial statements for the year ended 31 March 2021

35. Financial risk management (contd.)

(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:

All amounts in ₹ lakhs

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Change in interest rate				
increase by 100 basis points	(38.17)	(188.90)	(28.56)	(141.36)
decrease by 100 basis points	38.17	188.90	28.56	141.36

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, 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, deposits with banks and other bank balances is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.
- ii. Expected credit loss provision created for trade receivable primarily comprise of specific provisions created towards certain receivables as the Company considers the life time credit risk of these financial assets to be very low.

Notes to the Standalone financial statements for the year ended 31 March 2021

35. Financial risk management (contd.)

(i) Expected credit loss for trade receivable under simplified approach:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Gross carrying amount	11,095.52	14,506.36
Expected credit losses (Loss allowance provision)	(579.18)	(505.55)
Carrying amount of trade receivables	10,516.34	14,000.81

Expected credit loss for financial assets where general model is applied

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

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default
Gross carrying amount		
Employee advances	176.31	253.25
	176.31	253.25
Net carrying amount		
Employee advances	176.31	253.25
Total	176.31	253.25

(ii) Reconciliation of loss allowance provision

All amounts in ₹ lakhs

Particulars	Trade receivables
Loss allowance as at 1 April 2019	405.31
Changes in loss allowance during the period of 2019-20	100.24
Loss allowance as at 31 March 2020	505.55
Changes in loss allowance during the period of 2020-21	73.63
Loss allowance as at 31 March 2021	579.18

(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

All amounts in ₹ lakhs

Particulars	As at	
	31 March 2021	31 March 2020
Expiring within one year (bank overdraft and other facilities)	28,490.00	23,523.00

Notes to the Standalone financial statements for the year ended 31 March 2021

35. Financial risk management (contd.)

(ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at:

All amounts in ₹ lakhs

Particulars	31 March 2021		31 March 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	2,018.23	7,650.44	15,620.77	8,573.42
Trade Payables	9,290.56	-	8,520.29	-
Other Financial Liabilities	5,938.28	13.66	6,265.51	21.70
Total	17,247.07	7,664.10	30,406.57	8,595.12

(iii) Management expects finance cost to be incurred for the year ending 31 March 2022 is ₹1500 Lakhs.

36. Capital management

A. Capital management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Borrowings		
Current	2,018.23	15,620.77
Non current	7,650.44	8,573.42
Current maturities of non- current borrowings	1,879.86	2,091.85
Debt	11,548.53	26,286.04
Equity		
Equity share capital	1,652.07	1,592.07
Other equity	61,039.95	48,909.42
Total capital	62,692.02	50,501.49
Gearing ratio in % (Debt/ capital)	18%	52%

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 2021 and 31 March 2020.

B. Dividends

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Dividends recognised		
Final dividend for the year ended 31 March 2020 of INR Nil/- (31 March 2019 - INR 7/-) per fully paid share	-	1,111.67
During the year, the directors have recommended the payment of an interim dividend of INR 5/- per fully paid equity share (March 31, 2020 - INR 15/-).	824.05	2,382.15
For the year ended the directors have recommended the payment of a final dividend of INR 10/- per fully paid equity share (March 31, 2020 - INR Nil/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting, hence the same is not recognised.	1,648.10	-

Notes to the Standalone financial statements for the year ended 31 March 2021

37. Segment information

The Company's Managing Director and Joint Managing Director examines the Company's performance from a product perspective and has identified two reportable segments:

1. Building products - The building products division produces asbestos sheets, solar panels, accessories used mostly as roofing material and non asbestos flat sheets and sandwich panels used as interiors.
2. Synthetic Yarn - Synthetic yarn division manufactures Yarn out of blends of polyester, viscose, other materials which go into the weaving of fabric.

They primarily uses a measure of profit before tax to assess the performance of the operating segments.

Segment revenue and expenses:

The Company has an established basis of allocating Joint/Corporate expenses to the segments, which is reasonable, and followed consistently. All other segment revenue and expenses are attributable to the segments. Certain Expenses/Income are not specifically allocable to specific segments and accordingly these expenses are disclosed as unallocated corporate expenses or income and adjusted only against the total income of the company. Segment result includes the respective other income.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions that are reported as direct offsets in the balance sheet. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. In such cases, the entire revenue and expenses of these assets including depreciation are also allocated to the same segments. Assets which are not allocable to the segments have been disclosed as 'unallocated corporate assets'. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes. The loans and other borrowings that are not specifically allocable to the various segments are disclosed as 'unallocated corporate liabilities'.

Inter segment transfers:

The Company adopts a policy of pricing inter-segment transfers at cost to the transferor segment.

Summary of segment information

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
A.Revenue		
Segment revenue		
Building product	1,00,957.13	83,460.92
Synthetic yarn	13,663.75	21,577.54
Total revenue	1,14,620.88	1,05,038.46
B.Segment profit		
Building product	18,422.10	7,118.40
Synthetic yarn	312.07	2,810.50
Segment operating profit	18,734.17	9,928.90
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Unallocated corporate expenses	(3,139.83)	(2,823.34)
Unallocated corporate Income	612.76	346.94
Operating profit	16,207.10	7,452.50
Finance costs	(1,281.39)	(1,740.84)
Profit before tax	14,925.71	5,711.66
Income tax expense	(3,861.24)	(782.16)
Profit after tax	11,064.47	4,929.50

Notes to the Standalone financial statements for the year ended 31 March 2021

37. Segment information (contd.)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Segment Assets		
Building product	65,602.53	74,398.35
Synthetic yarn	13,784.48	16,055.49
Unallocated corporate assets	15,484.46	3,897.86
Total assets	94,871.47	94,351.70
Segment liabilities		
Building product	13,488.19	9,971.48
Synthetic yarn	1,423.09	1,586.41
Unallocated corporate liabilities	17,268.17	32,292.32
Total liabilities	32,179.45	43,850.21

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Geographical segment revenue by location of customers		
India	1,08,147.65	98,078.02
Outside India	6,473.23	6,960.44
	1,14,620.88	1,05,038.46

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Geographical segment assets		
India	93,804.29	92,785.14
Outside India	1,067.18	1,566.56
	94,871.47	94,351.70

38. Contingent liabilities

The Company has following contingent liabilities as at:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
(i) VAT/CST/Entry tax*	146.43	172.16
(ii) Excise duty/Customs duty*	5,974.63	229.11
(iii) Thirty party claims not acknowledged as debts	200.01	200.01
Total	6,321.07	601.28

*Includes ₹58.47 lakhs (2020 ₹57.99 lakhs) paid under protest.

The company has established a liability with respect to contingencies for which loss is probable or estimable. While the ultimate resolution of and liability and cost relating to these matters cannot be determined with certainty, the management does not believe any of these pending actions, individually or in the aggregate, will materially impact operations or materially affect financial condition or liquidity.

39. Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Property, plant and equipment	4,706.12	412.24
Total	4,706.12	412.24

Notes to the Standalone financial statements for the year ended 31 March 2021

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 (till September 08,2020)	Whole-time Director & CFO
Mr.J.Pruthvidhar Rao	Whole-time Director
Mr.S.Shafiulla (with effect from September 9,2020)	Chief Financial Officer
Mr.I. Srinivas	Company Secretary & Vice-President (Corporate Affairs)
ii) Non-whole-time Directors	
Mr. Bhagirat B. Merchant (Retired on March 31, 2021)	Director
Dr. G.Vivekanand	Director
Mr. Gusti Noria	Director
Mr. V. Pattabhi (Retired on March 31, 2021)	Director
Mr. P. Srikar Reddy	Director
Mr. Gogineni Appender Babu	Director
Mrs. Vanitha Datla (with effect from May 26, 2020)	Director
iii) Relatives of key managerial personnel:	
Mrs. G.Vritika	Daughter of Mrs. Saroja Vivekanand
Mrs. G.Vaishnavi	Daughter of Mrs. Saroja Vivekanand
Mr. G.Venkat Krishna	Son of Mrs. Saroja Vivekanand
Mrs. B.L. Sujata	Spouse of Mr. V.Vallinath
Mrs. K.Vimala	Mother of Mrs. Saroja Vivekanand
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 Private Limited	
d) A-Bond Strands Private Limited (ceased with effect from December 2, 2020)	
e) V-Solar roofing Private Limited	
f) G Vivekanand family trust	
g) SV family trust	
h) Arudra Roofings Private Limited	
i) Ecovav Construction Private Limited (ceased with effect from June 28, 2019)	
V) Subsidiary companies	
a) VNEXT Solutions Private Limited	
b) ATUM Life Private Limited	

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

All amounts in ₹ lakhs

Names of the related parties	Nature of Transactions	Year ended 31 March 2021	Year ended 31 March 2020
Mrs. G.Saroja Vivekanand	Remuneration*	834.83	267.70
Mr.G.Vamsi Krishna	Remuneration*	496.79	186.13
Mr.V.Vallinath	Remuneration*	164.29	96.00
Mr.J.Pruthvidhar Rao	Remuneration*	102.77	95.98

Notes to the Standalone financial statements for the year ended 31 March 2021

40. Related party transactions (contd.)

All amounts in ₹ lakhs

Names of the related parties	Nature of Transactions	Year ended 31 March 2021	Year ended 31 March 2020
Mr.S.Shafiulla	Remuneration*	24.84	0.00
Mr.I. Srinivas	Remuneration*	36.71	35.07
Mrs. G.Saroja Vivekanand	Dividend paid	14.71	42.71
Dr.G.Vivekanand	Dividend paid	330.60	1,285.53
Mr.G.Vamsi Krishna	Dividend paid	1.09	3.39
Mrs. G.Vritika	Dividend paid	0.20	0.88
Mrs. G.Vaishnavi	Dividend paid	0.20	0.88
G Vivekanand family trust	Dividend paid	1.83	8.07
SV family trust	Dividend paid	0.77	3.41
Arudra Roofings Private Limited	Dividend paid	28.41	124.99
VIL Media Private Limited	Dividend paid	0.02	0.11
Mr. Bhagirat B. Merchant	Commission and Sitting fees	12.55	11.90
Dr. G.Vivekanand	Commission and Sitting fees	11.80	11.85
Mr. Gusti Noria	Commission and Sitting fees	12.15	12.60
Mr. V. Pattabhi	Commission and Sitting fees	12.55	12.60
Mr. P. Srikar Reddy	Commission and Sitting fees	11.35	10.95
Mr. Gogineni Appender Babu	Commission and Sitting fees	11.50	7.67
Mrs. Vanitha Datla	Commission	9.17	-
Mrs. G.Vritika	Interest on Public Deposits	2.67	2.68
Mrs. G.Vaishnavi	Interest on Public Deposits	3.65	3.62
Mr. G.Venkat Krishna	Interest on Public Deposits	0.60	0.66
Mrs. B.L. Sujata	Interest on Public Deposits	3.45	4.43
Mrs. K.Vimala	Interest on Public Deposits	2.80	2.88
Dr.G.Vivekanand	Loan received	1,130.00	465.00
	Loan Repaid	1,380.00	215.00
	Interest on Unsecured loan	7.49	1.14
Mrs. G.Saroja Vivekanand	Loan received	472.70	269.30
	Loan Repaid	472.70	269.30
	Interest on Unsecured loan	1.00	2.17
Mr.G.Vamsi Krishna	Royalty paid	9.57	-
Arudra Roofings Private Limited	ICD received	114.00	-
	Interest on ICD	1.38	-
VIL Media Private Limited	Advertising Expenses	591.72	410.42
Visaka Charitable Trust	Contribution towards CSR	136.10	171.00
Ecovav Construction Private Limited	Purchases	-	21.02
	Sales	-	6.76
Vnext Solutions Private Limited	Investment	1.00	-
	Sale	13.39	-
Atum Life Private Limited	Investment	1.00	-
A- Bond Strands Private limited	Handling Charges	2.08	7.52
	Interest on security deposits	1.24	4.57
	Security deposit repaid	-	60.00
Mrs. G.Vritika	Public Deposits received	8.00	-
Mrs. G.Vaishnavi	Public Deposits received	3.42	3.06
Mrs. B.L. Sujata	Public Deposits received	-	38.96
Mrs. B.L. Sujata	Public Deposits repaid	36.00	-

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

Notes to the Standalone financial statements for the year ended 31 March 2021

40. Related party transactions (contd.)

Details of outstanding balances as at the year end where related party relationship existed:

All amounts in ₹ lakhs

Names of the related parties	Nature of Balance	31 March 2021	31 March 2020
Dr.G.Vivekanand	Unsecured Loan Outstanding	-	250.00
Arudra Roofings Private Limited	ICD outstanding	114.00	-
A- Bond Strands Private limited	Security deposit Outstanding	-	20.62
Vnext Solutions Private Limited	Debtors Outstanding	2.49	-
	Advances given	6.90	-
Mrs. G.Vritika	Public Deposits Outstanding	32.34	24.34
Ms. G.Vaishnavi	Public Deposits Outstanding	36.10	32.68
Mr. G.Venkat Krishna	Public Deposits Outstanding	6.00	6.00
Mrs. B.L. Sujata	Public Deposits Outstanding	-	52.55
Mrs. K.Vimala	Public Deposits Outstanding	25.00	25.00
Mr.J.Pruthvidhar Rao	Advances Outstanding	1.27	19.20
Mr.S.Shafiulla	Advances Outstanding	2.56	-

41. Earnings per share (EPS)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit after tax ((₹ in lakhs))	11,064.47	4,929.50
Weighted average number of equity shares outstanding in calculating Basic EPS (Nos in lakhs)	161.59	158.81
Weighted average number of equity shares outstanding in calculating Diluted EPS (Nos in lakhs)	163.59	158.81
Face value per share ₹	10.00	10.00
Basic Earnings per Share (EPS)₹	68.47	31.04
Diluted Earnings per Share (EPS)₹	67.64	31.04

42. Assets pledged as security

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

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Non-current Assets		
(a) Property, plant and equipment	39,617.22	40,600.60
(b) Capital work-in-progress	509.33	878.09
(c) Intangible assets	0.00	0.00
(d) Investments in subsidiaries	2.00	0.00
(e) Financial assets		
Investments	0.00	0.00
Other financial assets	107.90	34.90
(f) Other non-current assets	4,309.45	1,470.64
Current Assets		
(a) Inventories	24,926.70	30,392.65
(b) Financial assets		
(i) Trade receivables	10,516.34	14,000.81
(ii) Cash and cash equivalents	11,080.23	1,628.00
(iii) Other bank balances	573.57	298.48
(iv) Other financial assets	202.57	282.23
(c) Current tax assets (net)	-	647.25
(d) Other current assets	3,026.16	4,118.05
TOTAL	94,871.47	94,351.70

Notes to the Standalone financial statements for the year ended 31 March 2021

43. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	36.35	19.31
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

44. Impact assessment of the global health pandemic- COVID-19

The impact of Covid -19 pandemic was felt across the economy and business segments. Consequent to significant opening up of the economic activity in the country, the demand for the company's products has improved compared to that during the initial phases of Covid-19 including the lock down period. All the business segments of the Company have substantially recovered as at year end. In preparation of these financial statements, the Company has taken into account both the current situation and likely future developments.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K.Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafiulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &
VP (Corporate Affairs)

Independent Auditor's Report

To the Members of
Visaka Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Visaka Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph [16] of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition as per Ind AS 115</p> <p>Refer to Note-2(d) (Significant Accounting Policies) and Note-24 (Revenue from operations) of the consolidated financial statements.</p> <p>The Holding Company's revenue is principally derived from sale of building products and synthetic blended yarn.</p> <p>In accordance with Ind AS 115, revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms of contract with the customer. Revenue is measured at fair value of the consideration received or receivable after deduction of any trade/volume discounts and taxes or duties collected.</p> <p>We identified revenue recognition as a key audit matter since revenue is significant to the consolidated financial statements and is required to be recognised as per the requirements of applicable accounting framework.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the design and tested operating effectiveness of the Holding Company's relevant controls with respect to revenue recognition including those relating to cut off at year end; • We assessed the appropriateness of the revenue recognition accounting policies of Holding Company in line with Ind AS 115 "Revenue from Contracts with Customers"; • We performed substantive testing of revenue transactions of the Holding Company, recorded during the year by testing the underlying documents which included goods dispatch notes, shipping documents and customer acknowledgments, as applicable; • We tested manual journal entries posted to revenue of Holding Company to identify unusual items; • We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date including examination of credit notes issued after the year end to determine whether the revenue has been recognised in the appropriate financial period by the Holding Company. <p>Based on the above stated procedures, no significant exceptions were noted in revenue recognition.</p>

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.
6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our

knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us (Refer paragraph [16] below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the

requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the

consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹29.96 lakhs and net assets of ₹1.80 lakhs as at March 31, 2021, total revenue of ₹46.42 lakhs, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹0.20lakhs and net cash flows amounting to ₹26.97 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in

agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of the subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements.

- ii. The Group did not have any long-term contracts including derivative contracts as at March 31, 2021 for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

18. The Group 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.

For Price Waterhouse &
Co Chartered Accountants LLP

Firm Registration
Number: 304026E/E-300009

UDIN: 21090196AAAAAU3931
Place: Secunderabad
Date: April 22, 2021

N.K. Varadarajan
Partner
Membership Number:
090196

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(f) of the Independent Auditors' Report of even date to the members of Visaka Industries Limited on the Consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Visaka Industries Limited (hereinafter referred to as "the Holding Company") as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two subsidiaries incorporated in India namely Vnext Solutions Private Limited and Atum Life Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding company which is a Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be

prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(f) of the Independent Auditors' Report of even date to the members of Visaka Industries Limited on the Consolidated financial statements for the year ended March 31, 2021

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, which is a Company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse &
Co Chartered Accountants LLP

Firm Registration
Number: 304026E/E-300009

UDIN: 21090196AAAAAU3931

Place: Secunderabad

Date: April 22, 2021

N.K. Varadarajan

Partner

Membership Number:
090196

Consolidated Balance Sheet as at 31 March 2021

All amounts in ₹ lakhs

Particulars	Note	31 March 2021	31 March 2020
I. ASSETS			
Non-current Assets			
(a) Property, plant and equipment	4.1	39,617.22	40,600.60
(b) Capital work-in-progress		509.33	878.09
(c) Intangible assets	4.2	0.00	0.00
(d) Financial assets			
Investments	5.1	0.00	0.00
Other financial assets	5.2	107.90	34.90
(e) Other non-current assets	6	4,309.45	1,470.64
Current Assets			
(a) Inventories	7	24,926.70	30,392.65
(b) Financial assets			
(i) Trade receivables	8	10,516.34	14,000.81
(ii) Cash and cash equivalents	9	11,107.20	1,628.00
(iii) Other bank balances	10	573.57	298.48
(iv) Other financial assets	11	202.57	282.23
(c) Current tax assets (net)	12	-	647.25
(d) Other current assets	13	3,019.76	4,118.05
TOTAL ASSETS		94,890.04	94,351.70
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	1,652.07	1,592.07
(b) Other equity	15	61,039.75	48,909.42
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	7,650.44	8,573.42
(ii) Other financial liabilities	17	13.66	21.70
(b) Deferred tax liabilities (net)	18	1,270.33	1,417.76
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,018.23	15,620.77
(ii) Trade payables	20		
(a) total outstanding dues of micro and small enterprises		36.35	19.31
(b) total outstanding dues other than (ii) (a) above		9,255.10	8,500.98
(iii) Other financial liabilities	21	5,938.28	6,265.51
(b) Other current liabilities	22	5,482.82	2,906.54
(c) Provisions	23	275.16	524.22
(d) Current Tax Liabilities (net)	12	257.85	-
TOTAL EQUITY AND LIABILITIES		94,890.04	94,351.70

Summary of significant accounting policies.

2

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K. Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &

VP (Corporate Affairs)

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

All amounts in ₹ lakhs, except earning per share

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
I. Revenue from operations	24	1,14,653.91	1,05,038.46
II. Other income	25	858.60	662.04
III. Total revenue (I + II)		1,15,512.51	1,05,700.50
IV. Expenses			
Cost of materials consumed	26	50,544.52	48,783.22
Purchases of stock-in-trade		303.77	156.70
Changes in inventories of finished goods and work in progress	27	1,573.59	2,381.91
Employee benefits expense	28	12,012.12	11,602.21
Finance costs	29	1,281.39	1,740.84
Depreciation and amortization expense	30	3,999.00	4,096.51
Other expenses	31	30,872.55	31,227.45
Total expenses		1,00,586.94	99,988.84
V. Profit before tax (III - IV)		14,925.57	5,711.66
VI. Tax expense:			
(1) Current tax		4,032.95	1,472.92
(2) Deferred tax		(147.43)	(583.94)
(3) Tax relating to prior years		(24.22)	(106.82)
VII. Profit for the year (V-VI)		11,064.27	4,929.50
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
a) Remeasurement of defined employee benefit plans		29.54	(221.89)
b) Income tax relating to item (a) above		(7.43)	55.85
Other comprehensive income (net of tax)		22.11	(166.04)
IX. Total comprehensive income for the year		11,086.38	4,763.46
X. Earning per equity share attributable to owners of Visaka Industries Limited:			
(1) Basic	40	68.47	31.04
(2) Diluted		67.63	31.04

Summary of significant accounting policies.

2

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K.Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &

VP (Corporate Affairs)

Consolidated Statement of Cash Flow for the year ended 31 March 2021

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit before tax	14,925.57	5,711.66
Adjustments for:		
Depreciation and amortisation expense	3,999.00	4,096.51
Property, plant and equipment written off	10.10	9.35
Interest income on financial assets carried at amortized cost	(317.70)	(143.60)
Gain on disposal of property, plant and equipment	(12.67)	(17.40)
Provision for doubtful debts	73.63	100.24
Bad Debts written off	41.74	38.42
Amortisation of government grants	(385.05)	(294.54)
Finance costs	1,281.39	1,740.84
Remeasurement of defined employee benefit plans	29.54	(221.89)
Change in operating assets and liabilities		
(Increase) / Decrease in Trade Receivables	3,369.10	1,389.13
(Increase) / Decrease in financial assets other than trade receivables	15.81	(30.72)
(Increase) / Decrease in other assets	1,048.25	(386.99)
(Increase) / Decrease in Inventories	5,465.95	(3,148.71)
Increase / (Decrease) in Trade payables	771.16	718.85
Increase / (Decrease) in other financial liabilities	(106.15)	86.08
Increase / (Decrease) in provisions	(249.06)	198.92
Increase / (Decrease) in other liabilities	2,576.28	(811.68)
Cash Generated from Operations	32,536.89	9,034.47
Income taxes paid	(3,111.06)	(1,631.24)
Net cash inflow from operating activities	29,425.83	7,403.23
Cash flows from investing activities		
Payments for property plant and equipment	(5,430.08)	(3,883.82)
Interest received	308.55	262.59
Proceeds from sale of property, plant and equipment	25.87	133.24
Movement in other bank balances	(275.09)	58.79
Net cash outflow from investing activities	(5,370.75)	(3,429.20)

Consolidated Statement of Cash Flow for the year ended 31 March 2021

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Cash flow from financing activities		
Proceeds from non current borrowings	-	2,125.12
Repayment of non current borrowings	(1,099.44)	(1,278.64)
Proceeds/ (repayment) from current borrowings	(13,466.54)	570.92
Repayment of loan to related parties	(1,852.70)	(484.30)
Receipt of loan from related parties	1,716.70	734.30
Dividend paid to company's shareholders (Including corporate dividend tax)	(830.96)	(4,181.29)
Proceeds from Issue of shares and share warrants	1,928.00	-
Finance cost	(970.94)	(1,495.09)
Net cash outflow from financing activities	(14,575.88)	(4,008.98)
Net increase/(Decrease) in cash and cash equivalents	9,479.20	(34.95)
Cash and Cash equivalents at the beginning of the financial year (Refer note 9)	1,628.00	1,662.95
Cash and Cash equivalents at the end of the year	11,107.20	1,628.00

Statement of Cash flow 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 consolidated financial statements.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K.Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &

VP (Corporate Affairs)

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

a. Equity share capital

All amounts in ₹ lakhs

Particulars	Note	Equity share capital
As at 01 April 2019		1,592.07
Changes in equity share capital		-
As at 31 March 2020	14	1,592.07
Changes in equity share capital		60.00
As at 31 March 2021		1,652.07

b. Other equity

All amounts in ₹ lakhs

Particulars	Note	Reserves and Surplus			Money received against share warrants	Total
		Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at 1 April 2019	15	4,903.45	27,000.00	16,454.49	-	48,357.94
Profit for the year		-	-	4,929.50	-	4,929.50
Other comprehensive income		-	-	(166.04)	-	(166.04)
Dividends (including corporate dividend tax)		-	-	(4,211.98)	-	(4,211.98)
Balance as at 31 March 2020		4,903.45	27,000.00	17,005.97	-	48,909.42
Profit for the year		-	-	11,064.27	-	11,064.27
Other comprehensive income		-	-	22.11	-	22.11
Dividends		-	-	(824.05)	-	(824.05)
Share premium on issue of equity shares		1,386.00	-	-	-	1,386.00
Money received against share warrants		-	-	-	482.00	482.00
Balance as at 31 March 2021		6,289.45	27,000.00	27,268.30	482.00	61,039.75

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K.Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &

VP (Corporate Affairs)

Notes to the Consolidated financial statements for the year ended 31 March 2021

1. Background

Visaka Industries Limited was incorporated in 1981 having its registered office in Survey No.315, Yelumala Village, R.C. Puram Mandal, Sangareddy District - 502 300, Telangana State. The Company has two subsidiaries namely Vnext Solutions Private Limited and ATUM Life Private Limited. The group is engaged into the business of manufacture, trading and construction activity of cement fibre sheets, fibre cement boards & panels, solar panels, synthetic yarn and trading of green products, eco-friendly products, sustainable products and organic products.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the group consisting of Visaka Industries Limited (the "company") and its subsidiaries.

a) Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

(iii) New and amended standards adopted by the group

The group has applied the following amendments for the first time for their annual reporting period commencing 1 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Definition of business - amendments to Ind AS 103
- Covid-19 related concessions- amendments to Ind AS 116
- Interest rate benchmark reform-amendments to Ind AS109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly effect the current or future periods.

Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Notes to the Consolidated financial statements for the year ended 31 March 2021

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account an investment because of a loss of control, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The group has identified the Managing Director and Joint Managing Director as chief operating decision makers. Refer note 36 for segment information presented.

c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the groups entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated 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 the statement of profit and loss.

d) Revenue Recognition

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

Sale of products

Timing of recognition- Revenue from sale of products is recognised when control of the products is 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 expected discounts and returns in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the sales are made with credit terms consistent with market practices. A receivable is recognised when the goods are dispatched, delivered or upon formal customer acceptance depending on terms of contract with the customer.

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 group 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.

Notes to the Consolidated financial statements for the year ended 31 March 2021

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 group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised 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.

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:

The group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Notes to the Consolidated financial statements for the year ended 31 March 2021

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

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 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 group 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 group has made

Notes to the Consolidated financial statements for the year ended 31 March 2021

an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

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

ii) Measurement

At initial recognition, the group 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 group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

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

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

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

Equity instruments:

The group subsequently measures all equity investments at fair value. Where the group'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 group'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 group 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 33 details how the group determines whether there has been a significant increase in credit risk.

For trade receivables only, the group 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.

Notes to the Consolidated financial statements for the year ended 31 March 2021

iv) Derecognition of financial assets

A financial asset is derecognized only when

- The group 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 group 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 group has not retained control of the financial asset. Where the group 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 group estimates the expected cash flows by considering all the contractual terms of the financial instruments.

n) Derivatives

The group 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 group or the counterparty.

p) Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group 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 April 1, 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 which are as follows:

Notes to the Consolidated financial statements for the year ended 31 March 2021

Asset Description	Life of the asset (in years)
Buildings	
Borewells	5
Roads	10
Factory buildings	30
Non factory buildings	60
Plant and equipment	
Process Machinery	15
Others	10
Furniture and fixtures	10
Vehicles	8
Office Equipment	5
Data processing equipment	
Servers and networks	6
Others	3

The group follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortised over the period of lease or useful life whichever is less. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with the 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 group amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortised over a period of three years.

r) Trade and other payables

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

s) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Notes to the Consolidated financial statements for the year ended 31 March 2021

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 group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

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 group 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.

Notes to the Consolidated financial statements for the year ended 31 March 2021

Gratuity obligations

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

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

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

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

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

Defined contribution plans

The group pays provident fund contributions to publicly administered funds as per local regulations and superannuation fund to LIC. The group 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 group recognizes a liability and an expense for bonuses. The group 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.

Money received against share warrants are reflected as a separate line item - 'Money received against share warrants' under 'Other equity'.

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.

Notes to the Consolidated financial statements for the year ended 31 March 2021

(ii) Diluted earnings per share

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

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

z) Rounding of amounts

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

aa) Standards issued but not yet effective

There is no such notification which would have been applicable from April 1, 2021.

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 group'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. Estimation of defined benefit obligation - Refer Note 23
2. Useful lives of fixed assets - Refer Note 2(p) and Note 30
3. Impairment of trade receivables - Refer Note 8

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 group and that are believed to be reasonable under the circumstances.

Notes to the Consolidated financial statements for the year ended 31 March 2021

4.1(a) Property, Plant and Equipment

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2020	Additions	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the Year	Deletions/ Adjustments	As at 31 March 2021	As at 31 March 2021
Owned Assets									
Land	8,871.17	538.84	-	9,410.01	-		-	-	9,410.01
Buildings	24,017.33	545.25	1.44	24,561.14	3,998.53	1,219.91	0.21	5,218.23	19,342.91
Plant and Equipment	20,040.49	1,856.02	134.40	21,762.11	9,316.22	2,479.25	129.51	11,665.96	10,096.15
Furniture and Fixtures	113.67	4.92	0.13	118.46	46.67	12.21	0.13	58.75	59.71
Vehicles	898.59	26.25	34.02	890.82	303.86	108.00	17.18	394.68	496.14
Office Equipment	218.61	29.29	0.33	247.57	116.56	37.29	0.33	153.52	94.05
Data Processing Equipment	717.69	38.35	3.67	752.37	495.11	142.34	3.33	634.12	118.25
TOTAL	54,877.55	3,038.92	173.99	57,742.48	14,276.95	3,999.00	150.69	18,125.26	39,617.22

4.1(b) Property, plant and equipment

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2019	Additions	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the Year	Deletions/ Adjustments	As at 31 March 2020	As at 31 March 2020
Owned Assets									
Land	7,221.81	1,759.98	110.62	8,871.17	-	-	-	-	8,871.17
Buildings	23,609.39	407.94	-	24,017.33	2,782.64	1,215.89	-	3,998.53	20,018.80
Plant and Equipment	19,555.69	507.92	23.12	20,040.49	6,810.29	2,519.73	13.80	9,316.22	10,724.27
Furniture and Fixtures	107.61	6.06	-	113.67	33.49	13.18	-	46.67	67.00
Vehicles	708.17	212.82	22.40	898.59	211.78	109.28	17.20	303.86	594.73
Office Equipment	191.25	27.36	-	218.61	80.15	36.41	-	116.56	102.05
Data Processing Equipment	603.03	34.85	0.51	637.37	256.60	158.63	0.44	414.79	222.58
Assets taken on Finance Lease									
Data Processing Equipment	80.32	-	-	80.32	75.41	4.93	0.02	80.32	-
TOTAL	52,077.27	2,956.93	156.65	54,877.55	10,250.36	4,058.05	31.46	14,276.95	40,600.60

Notes to the Consolidated financial statements for the year ended 31 March 2021

4.2(a) Intangible assets

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at 1 April 2020	Additions	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the Year	Deletions/ Adjustments	As at 31 March 2021	As at 31 March 2021
Computer Software	124.94	-	-	124.94	124.94	-	-	124.94	0.00
TOTAL	124.94	-	-	124.94	124.94	-	-	124.94	0.00

4.2(b) Intangible assets

All amounts in ₹ lakhs

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at 1 April 2019	Additions	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the Year	Deletions/ Adjustments	As at 31 March 2020	As at 31 March 2020
Computer Software	124.94	-	-	124.94	86.48	38.46	-	124.94	0.00
TOTAL	124.94	-	-	124.94	86.48	38.46	-	124.94	0.00

5.1. Investments

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Investments in Equity Instruments (unquoted - fully paid up)		
Other entities - Fair value through Profit and Loss (FVTPL)		
a) Visaka Thermal Power Limited 2,078,600 (2020-2,078,600) shares of ₹10 each	0.00	0.00
b) Somerset Entertainment Ventures (Singapore) Pte Ltd 131,903 (2020 -131,903) shares of Singapore \$ 10 each	0.00	0.00
c) OPGS Power Gujarat Pvt Ltd 702,000(2020 - 702,000) shares of ₹0.10 each	0.00	0.00
d) V- Solar Roofings Pvt Ltd 1,900 (2020- 1900) of ₹10 each	0.00	0.00
TOTAL	0.00	0.00
Aggregate amount of unquoted investments	0.00	0.00

The group holds investments as at date, however the fair value of the same is determined as nil.

5.2. Other financial assets (non - current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Unsecured, Considered good		
Employee advances	46.77	34.90
Secured, Considered good		
Deposits with maturity of more than 12 months	61.13	-
TOTAL	107.90	34.90

Notes to the Consolidated financial statements for the year ended 31 March 2021

6. Other non-current assets

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Unsecured, considered good		
i) Capital advances	3,557.37	768.60
ii) Deposits with government and others	752.08	702.04
TOTAL	4,309.45	1,470.64

7. Inventories

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
a) Raw material {including material in transit of ₹ 3,671.71lakhs (2020- ₹2,288.69 lakhs)}	12,210.33	16,123.92
b) Work-in-progress	2,847.80	928.88
c) Finished goods {including material in transit of ₹359.27lakhs (2020- ₹275.07 lakhs)}	8,849.29	12,341.80
d) Stores and spares	1,019.28	998.05
TOTAL	24,926.70	30,392.65

8. Trade receivables

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Secured, considered good	2,374.23	2,671.08
Unsecured, considered good	8,142.11	11,329.73
Unsecured, considered doubtful	579.18	505.55
	11,095.52	14,506.36
Less: Allowance for doubtful debts	(579.18)	(505.55)
TOTAL	10,516.34	14,000.81

9. Cash and cash equivalents

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
a) Balances with banks in current accounts	1,212.81	1,624.23
b) Cash on hand	2.91	3.77
c) Cheques in hand	130.11	-
d) Deposits with maturity of less than 3 months	9,761.37	-
TOTAL	11,107.20	1,628.00

10. Other bank balances

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Earmarked balances with banks		
Unpaid dividend account	112.75	119.66
Reserve towards Public deposit	202.00	170.00
Margin money deposit	8.82	8.82
Deposit with maturity of more than 3 months but less than 12 months	250.00	-
TOTAL	573.57	298.48

Notes to the Consolidated financial statements for the year ended 31 March 2021

11. Other financial assets (current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Interest receivable	73.03	63.88
Employee advances	125.71	199.15
Advances to related parties (Refer note 39)	3.83	19.20
TOTAL	202.57	282.23

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

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance	647.25	326.26
Add: Taxes paid (net of refunds)	3,111.06	1,631.24
Less: Current tax expense for the year	(4,040.38)	(1,417.07)
Add: Tax relating to prior years	24.22	106.82
TOTAL	(257.85)	647.25

13. Other current assets

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Rent deposits	40.68	44.29
Prepaid expenses	201.13	148.82
Supplier advances	1,081.66	2,451.72
Cenvat , VAT & GST credit available	1,046.70	1,081.19
Others	649.59	392.03
TOTAL	3,019.76	4,118.05

14. Equity share capital

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
AUTHORIZED:		
30,000,000 (2020- 30,000,000) Equity Shares of ₹10/- each	3,000.00	3,000.00
500,000 (2020- 500,000) 12% Cumulative Redeemable Preference Shares ₹100/- each	500.00	500.00
TOTAL	3,500.00	3,500.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
16,480,952 (2020- 15,880,952) equity shares of ₹ 10/- each fully paid up	1,648.10	1,588.10
Add: Shares forfeited - 79,408 (2020- 79,408) shares	3.97	3.97
TOTAL	1,652.07	1,592.07

Notes to the Consolidated financial statements for the year ended 31 March 2021

14. Equity share capital (contd)

(A) Movement in equity share capital:

All amounts in ₹ lakhs

Particulars	Number of shares	Amount
Balance at April 1, 2019	1,58,80,952	1,592.07
Movement during the year	-	-
Balance at March 31, 2020	1,58,80,952	1,592.07
Movement during the year	6,00,000	60.00
Balance at March 31, 2021	1,64,80,952	1,652.07

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

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	% holding	No. of Shares	% holding
a) Dr.G Vivekanand	66,11,980	40.12	58,99,425	37.15
b) Vigilance Security Services Private Limited	16,14,406	9.80	15,27,018	9.62

(C) Terms/Rights attached to equity shares

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

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

15. Other equity

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Reserves and surplus		
Securities premium reserve	6,289.45	4,903.45
General reserve	27,000.00	27,000.00
Retained earnings	27,268.30	17,005.97
Money received against share warrants	482.00	-
TOTAL	61,039.75	48,909.42

(i) Securities Premium Reserve

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance	4,903.45	4,903.45
Movement during the year	1,386.00	-
Closing balance	6,289.45	4,903.45

(ii) General Reserve

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance	27,000.00	27,000.00
Movement during the year	-	-
Closing balance	27,000.00	27,000.00

Notes to the Consolidated financial statements for the year ended 31 March 2021

15. Other equity (contd.)

(iii) Retained earnings

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance	17,005.97	16,454.49
Profit for the year	11,064.27	4,929.50
Interim dividend	(824.05)	(2,382.15)
Final dividend	-	(1,111.67)
Corporate dividend tax	-	(718.16)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	22.11	(166.04)
Closing balance	27,268.30	17,005.97

During the year

- the Company had made preferential allotment of 2,00,000 fully paid up equity shares of face value of ₹10/- each at a price of ₹241/- each to the promoters of the company and received an amount of ₹482 lakhs. "
- the Company had allotted 12,00,000 convertible warrants to the promoters group each carrying a right exercisable by the warrant holder to subscribe one equity share per warrant, at a price of ₹241/- each aggregating to ₹2892.00 lakhs and received a sum of ₹723 lakhs during the year being 25% of the warrant issue price. Balance 75% is payable by the warrant holder at the time of allotment of the equity share which may be exercised at any time before expiry of 18 months from the date of allotment of warrants, failing which the warrants shall lapse and the amount paid shall stand forfeited by the Company. Out of these, during the financial year, the Company had allotted 4,00,000 fully paid equity shares of face value ₹10/- each against 4,00,000 convertible warrants after receiving the balance amount. Convertible warrants outstanding as at March 31, 2021 - 800,000.

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.

16. Borrowings (non-current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Non-current		
a) Secured loans		
Term loans from banks	1,257.29	2,263.13
Loans from others		
PICUP Loan	3,797.87	3,449.55
Deferred revenue grant - PICUP Loan	2,142.80	2,527.19
b) Unsecured loans		
Public deposits	452.48	333.55
TOTAL	7,650.44	8,573.42

Notes to the Consolidated financial statements for the year ended 31 March 2021

16. Borrowings (non-current) (contd.)

- (i) Term loan is taken from IDBI Bank Limited for the Textile unit near Mouda Taluk, Nagpur in Maharashtra. The loan sanctioned is ₹6,035.00 lakhs during the year 2016-17, out of which ₹3,500 lakhs is drawn in 2016-17 and ₹2,535 lakhs is drawn in 2017-18 and is repayable in 24 quarterly installments at the rate of ₹251.46 lakhs each quarter from the financial year 2017-18 to 2022-23 (i.e., from September' 2017 to June' 2023). The current rate of interest is 9.55% p.a. This loan is secured by first mortgage and charge in favour of the Bank on all the Company's fixed assets both present and future on pari passu basis with other lenders, second charge on the current assets of the Company and personal guarantee of the Dr G Vivekanand, Director of the Company. The amount outstanding as at balance sheet date is ₹2263.13 lakhs repayable in 9 quarterly installments (out of which ₹1,005.84 lakhs are included in other financial liabilities (current)).
- (ii) Loans from others include interest free loans of ₹6,246.33 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, ₹2,125.12 lakhs in 2019-20) from The Pradeshiya Industrial & Investment Corporation of U.P. Ltd (PIC UP) for the cement asbestos unit at Raebareli, U.P which is sanctioned under the Industrial Investment Promotion Scheme, 2003. The loan is secured by first charge on all assets of the company both present and future, by way of first pari-passu charge with all the secured lenders of the Company and personal guarantee of Mrs. G Saroja Vivekanand, Managing director of the company. The loans are repayable (each installment drawn) after 10 years from the date of disbursement.
- As per Ind AS requirements, these loans should be recognised at fair value and the difference between fair value and transaction value is recognised as Deferred Revenue Grant.
- (iii) Public deposits represent deposits accepted from public carrying interest varying from 9.5% to 11.5% p.a. 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.

17. Other financial liabilities (non-current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Interest accrued but not due	13.66	21.70
TOTAL	13.66	21.70

18. Deferred tax liabilities (net)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
a) Deferred tax assets		
Expenses allowable on payment basis	165.97	147.44
b) Deferred tax liabilities		
Depreciation and amortisation	1,436.30	1,565.20
Deferred tax liabilities (net)	1,270.33	1,417.76

Movement in deferred tax liabilities (net)

All amounts in ₹ lakhs

Particulars	WDV of depreciable PPE	Expenses allowable on payment basis	Total
As at 01 April, 2019	2,313.30	(311.60)	2,001.70
Charged/(Credited) to statement of profit and loss	(748.10)	164.16	(583.94)
As at 31st March, 2020	1,565.20	(147.44)	1,417.76
Charged/(Credited) to statement of profit and loss	(128.90)	(18.53)	(147.43)
As at 31 March 2021	1,436.30	(165.97)	1,270.33

Notes to the Consolidated financial statements for the year ended 31 March 2021

19. Borrowings (current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Current		
a) Secured loans		
Working capital loans from banks	477.26	11,543.13
b) Unsecured loans		
Short term loans from banks	1,076.72	3,827.64
Loans from related parties (Refer note 39)	-	250.00
Inter corporate deposits from related parties (Refer note 39)	114.00	-
Inter corporate deposits from others	350.25	-
TOTAL	2,018.23	15,620.77

19.1 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 7.80% p.a.

19.2 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.

19.3 Inter Corporate Deposits are short term loans repayable on demand carrying on interest rate of 9% p.a.

19.4 Net Debt Reconciliation

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Opening balance of borrowings	26,286.04	24,638.66
Add:- Proceeds from non-current borrowings	-	2,125.12
Less:- Repayment of non-current borrowings	(1,099.44)	(1,278.64)
Proceeds/ (repayment) from current borrowings	(13,602.54)	820.92
Fair Value Adjustment	(35.53)	(20.02)
Closing balance of borrowings	11,548.53	26,286.04

20. Trade payables

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
(a) Total outstanding dues of micro and small enterprises (Refer note 42)	36.35	19.31
(b) Total outstanding dues other than (a) above	9,255.10	8,500.98
TOTAL	9,291.45	8,520.29

21. Other financial liabilities (current)

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Current maturities of long term debts (Refer note a below)	1,005.84	1,086.58
Current maturities of public deposits	874.02	1,005.27
Interest accrued but not due	78.13	109.16
Unpaid dividend	112.75	119.66
Sundry deposits(Refer note b below)	3,834.96	3,936.93
Foreign-exchange forward contracts not designated as hedges	-	4.18
Capital creditors	32.58	3.73
TOTAL	5,938.28	6,265.51

(a) Current Maturities of long term debts of previous year include sales tax deferment of ₹81.28 lakhs relating to cement asbestos unit at Patancheru, Sangareddy District. This loan was interest free and repaid in the year 2020-21.

(b) Sundry deposits include security deposits from stockists, agents and transporters etc.

Notes to the Consolidated financial statements for the year ended 31 March 2021

22. Other current liabilities

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Advances from customers	1,160.49	767.54
Statutory liabilities	1,607.11	586.18
Employee benefits payable	2,715.22	1,552.82
TOTAL	5,482.82	2,906.54

23. Provisions

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Current		
Provision for contingencies	123.16	123.16
Provision for employee benefits		
- Leave encashment	152.00	224.10
- Gratuity	-	176.96
TOTAL	275.16	524.22

Movement in provision for contingencies

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Balance as at beginning of the year	123.16	-
Provision made during the year	-	123.16
Balance as at end of the year	123.16	123.16

(i) Leave obligations

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

(ii) Defined contribution plans

The group 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 group has created an approved superannuation fund and accounts for the contribution made to LIC against an insurance policy taken with them. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plans is as follows:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Company's Contribution to Provident Fund	580.23	612.29
Company's Contribution to Superannuation Fund	102.54	123.78

(iii) Post-employment obligations

a) Gratuity

The group 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 group 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.

Notes to the Consolidated financial statements for the year ended 31 March 2021

23. Provisions (contd.)

All amounts in ₹ lakhs

Particulars	Present value of obligation	Fair Value of Plan Assets	Net Liability
1 April 2019	2,426.34	2,386.89	39.45
Current service cost	261.70	-	261.70
Interest expense/(income)	183.11	200.06	(16.95)
Total amount recognized in profit and loss	444.81	200.06	244.75
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(13.93)	13.93
(Gain)/loss from change in financial assumptions	(7.88)	-	(7.88)
Experience (gains)/loss	215.84	-	215.84
Total amount recognized in other comprehensive income	207.96	(13.93)	221.89
Employer contributions	-	329.13	(329.13)
Benefit payments	(139.32)	(139.32)	-
31 March 2020	2,939.79	2,762.83	176.96

All amounts in ₹ lakhs

Particulars	Present value of obligation	Fair Value of Plan Assets	Net Liability/ (Asset)
1 April 2020	2,939.79	2,762.83	176.96
Current service cost	259.03	-	259.03
Interest expense/(income)	183.52	192.28	(8.76)
Total amount recognized in profit and loss	442.55	192.28	250.27
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.50	(2.50)
(Gain)/loss from change in financial assumptions	4.54	-	4.54
Experience (gains)/loss	(31.58)	-	(31.58)
Total amount recognized in other comprehensive income	(27.04)	2.50	(29.54)
Employer contributions	-	415.41	(415.41)
Benefit payments	(513.62)	(513.62)	-
31 March 2021	2,841.68	2,859.40	(17.72)

The group has no legal obligation to settle deficit in the funded plan with an immediate contribution or additional one off contribution. The group intends to contribute as any request for contribution is made by LIC.

The net (surplus) / deficit disclosed above relating to funded and unfunded plans are as follows:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Present value of funded obligations	2,841.68	2,939.79
Fair value of plan assets	2,859.40	2,762.83
Deficit of funded plans	(17.72)	176.96

Expected contributions to post- employment benefit plans of gratuity for the year ending 31 March 2022 are ₹224.17Lakhs.

Notes to the Consolidated financial statements for the year ended 31 March 2021

23. Provisions (contd.)

iv) Significant estimates and sensitivity Analysis

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

All amounts in ₹ lakhs

Particulars	Key assumptions		(Increase)/Decrease in Defined benefit obligation by					
			Increase in assumption by			Decrease in assumption by		
	31 March 2021	31 March 2020	Rate	31 March 2021	31 March 2020	Rate	31 March 2021	31 March 2020
Discount rate	6.82%	6.84%	1%	217.84	225.30	1%	(252.77)	(262.71)
Salary growth rate	5.00%	5.00%	1%	(240.24)	(249.81)	1%	210.75	218.00
Attrition rate	3.00%	3.00%	1%	(23.90)	(26.43)	1%	26.24	29.55

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.

Expected cash flow and duration of the plan

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Weighted average duration of DBO	14	14
Expected total benefit payments		
Year 1	447.82	362.06
Year 2	238.49	353.86
Year 3	233.17	256.96
Year 4	152.42	211.20
Year 5	160.90	165.44
Next 5 years	904.03	883.63

v) Risk exposure

Through its defined benefit plans, the group 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 Consolidated financial statements for the year ended 31 March 2021

24. Revenue from operations

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	1,14,371.39	104,654.16
Other operating revenue		
Export incentives	96.71	68.77
Industrial incentives	68.73	191.28
Sale of scrap	117.08	124.25
TOTAL	1,14,653.91	105,038.46

25. Other income

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on financial assets carried at amortised cost	317.70	143.60
Insurance claim received	70.03	48.06
Government grants	385.05	294.54
Net gain on disposal of property, plant and equipment	12.67	17.40
Miscellaneous income	73.15	158.44
TOTAL	858.60	662.04

26. Cost of materials consumed

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cost of materials consumed	50,544.52	48,783.22
TOTAL	50,544.52	48,783.22

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

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening inventory		
Finished goods	12,341.80	12,947.78
Work in progress	928.88	2,704.81
	(A) 13,270.68	15,652.59
Closing inventory		
Finished goods	8,849.29	12,341.80
Work in progress	2,847.80	928.88
	(B) 11,697.09	13,270.68
TOTAL (A-B)	1,573.59	2,381.91

28. Employee benefits expense

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	10,271.17	9,611.04
Contribution to provident and other funds	782.57	842.33
Gratuity	250.27	244.75
Leave compensation	129.49	189.80
Staff welfare expenses	578.62	714.29
TOTAL	12,012.12	11,602.21

Notes to the Consolidated financial statements for the year ended 31 March 2021

29. Finance costs

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on borrowings	1,177.27	1,677.59
Other borrowing cost	44.11	63.25
Interest on shortfall in payment of advance tax	60.01	-
TOTAL	1,281.39	1,740.84

30. Depreciation and amortization expense

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	3,999.00	4,058.05
Amortisation of intangible assets	-	38.46
TOTAL	3,999.00	4,096.51

31. Other expenses

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spares	2,533.02	3,008.58
Cost of packing materials consumed	949.39	1,017.24
Power and fuel	4,370.86	4,324.57
Repairs and maintenance		
Buildings	446.77	446.48
Plant and machinery	362.58	479.51
Insurance	353.05	295.49
Rates & taxes	217.52	134.06
Rent	381.43	448.37
Wages - contract labour	3,500.23	4,062.65
Travelling & conveyance	559.46	1,265.01
Commission	219.22	432.40
Freight	10,519.61	9,891.11
Advertisement & sales promotion expenses	2,708.60	1,429.87
Payments to auditors (refer note 31 a)	54.12	44.93
Directors' sitting fee	11.90	10.90
Bad debts written off	41.74	38.42
Foreign exchange (gain)/loss (net)	(52.02)	271.92
Non Whole-time directors' commission	69.17	56.67
Property, plant and equipment written off	10.10	9.35
Provision for doubtful debts	73.63	100.24
Corporate social responsibility (CSR) expenditure	177.16	186.75
Contribution to political party *	300.00	-
Miscellaneous expenses	3,065.01	3,272.93
TOTAL	30,872.55	31,227.45

* Donations to Bharatiya Janata Party

Notes to the Consolidated financial statements for the year ended 31 March 2021

31 a. Payment to auditor

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(a) To statutory auditors		
-Statutory audit fee	32.20	29.00
-Quarterly audit fee	4.00	4.00
-Certification fee	8.50	2.50
-Reimbursement of expenses	1.76	1.88
(b) To others		
-Cost audit fee	1.50	1.50
-Tax audit fee	6.00	6.00
-Certification and taxation matters	0.16	0.05
TOTAL	54.12	44.93

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

All amounts in ₹ lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit before income tax expense	14,925.57	5,711.66
Tax at the Indian tax rate of 25.168%	3,756.56	1,437.51
Effect of non-deductible expense	144.21	58.13
Effect of allowances for tax purpose	(15.25)	(13.68)
Tax relating to prior years	(24.22)	(106.82)
Remeasurement of net deferred tax liabilities*	-	(592.98)
Income tax expense	3,861.30	782.16

*The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year ended March 31, 2020 and re-measured its net Deferred Tax Liabilities basis the rate prescribed in the said section.

33. Financial instruments and risk management

Fair values

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

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

Notes to the Consolidated financial statements for the year ended 31 March 2021

33. Financial instruments and risk management (contd.)

(i) Categories of financial instruments

All amounts in ₹ lakhs

Particulars	Level	31 March 2021		31 March 2020	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost:					
Non-current					
Other financial assets	3	107.90	107.90	34.90	34.90
Current					
Trade receivables	3	10,516.34	10,516.34	14,000.81	14,000.81
Cash and Cash Equivalents	3	11,107.20	11,107.20	1,628.00	1,628.00
Other bank balances	3	573.57	573.57	298.48	298.48
Other financial assets	3	202.57	202.57	282.23	282.23
Measured at fair value through profit and loss					
Non-current					
Investments	3	0.00	0.00	0.00	0.00
Total		22,507.58	22,507.58	16,244.42	16,244.42
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3	7,650.44	7,650.44	8,573.42	8,573.42
Other financial liabilities	3	13.66	13.66	21.70	21.70
Current					
Borrowings	3	2,018.23	2,018.23	15,620.77	15,620.77
Trade Payables	3	9,291.45	9,291.45	8,520.29	8,520.29
Other Financial Liabilities	3	5,938.28	5,938.28	6,261.33	6,261.33
Measured at fair value through profit and loss					
Foreign-exchange forward contracts not designated as hedges (grouped under other current financial liabilities)	2	-	-	4.18	4.18
Total		24,912.06	24,912.06	39,001.69	39,001.69

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

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

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

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

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the group 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 group has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

Notes to the Consolidated financial statements for the year ended 31 March 2021

34. Financial risk management

The group 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 group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the group.

(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, 2021 and March 31, 2020.

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 2021 and 31 March 2020.

(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 group'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, GBP against the functional currency of the group. The group's exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollars and GBP exchange rates, with all other variables held constant. The impact on the group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

All amounts in ₹ lakhs

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Change in USD				
1% increase	(18.86)	(24.63)	(14.11)	(18.43)
1% decrease	18.86	24.63	14.11	18.43
Change in GBP				
1% increase	0.77	0.03	0.58	0.02
1% decrease	(0.77)	(0.03)	(0.58)	(0.02)

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 and GBP, where the functional currency of the entity is a currency other than US dollars 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 group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. As the group 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,

Notes to the Consolidated financial statements for the year ended 31 March 2021

34. Financial risk management (contd.)

wherever possible, reacts to material movements in such rates by restructuring its financing arrangement. As the group 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 group's profit before tax is affected through the impact on floating rate borrowings, as follows:

All amounts in ₹ lakhs

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Change in interest rate				
increase by 100 basis points	(38.17)	(188.90)	(28.56)	(141.36)
decrease by 100 basis points	38.17	188.90	28.56	141.36

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the group 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, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents group'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 group'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 group also holds deposits as security from certain customers to mitigate credit risk.

i. Credit risk on cash and cash equivalents, deposits with banks and other bank balances is limited as the group generally invest in deposits with banks with high credit ratings assigned by external agencies.

ii. Expected credit loss provision created for trade receivable primarily comprise of specific provisions created towards certain receivables as the group considers the life time credit risk of these financial assets to be very low.

Notes to the Consolidated financial statements for the year ended 31 March 2021

34. Financial risk management (contd.)

(i) Expected credit loss for trade receivable under simplified approach:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Gross carrying amount	11,095.52	14,506.36
Expected credit losses (Loss allowance provision)	(579.18)	(505.55)
Carrying amount of trade receivables	10,516.34	14,000.81

Expected credit loss for financial assets where general model is applied

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

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default
Gross carrying amount		
Employee advances	176.31	253.25
	176.31	253.25
Net carrying amount		
Employee advances	176.31	253.25
Total	176.31	253.25

(ii) Reconciliation of loss allowance provision

All amounts in ₹ lakhs

Particulars	Trade receivables
Loss allowance as at 1 April 2019	405.31
Changes in loss allowance during the period of 2019-20	100.24
Loss allowance as at 31 March 2020	505.55
Changes in loss allowance during the period of 2020-21	73.63
Loss allowance as at 31 March 2021	579.18

(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 group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group'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. Group'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.

Notes to the Consolidated financial statements for the year ended 31 March 2021

34. Financial risk management (contd.)

(i) Financing arrangements:

The group had access to the following undrawn borrowing facilities at the end of the reporting period

All amounts in ₹ lakhs

Particulars	As at	As at
	31 March 2021	31 March 2020
Expiring within one year (bank overdraft and other facilities)	28,490.00	23,523.00

(ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at :

All amounts in ₹ lakhs

Particulars	31 March 2021		31 March 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	2,018.23	7,650.44	15,620.77	8,573.42
Trade Payables	9,291.45	-	8,520.29	-
Other Financial Liabilities	5,938.28	13.66	6,265.51	21.70
Total	17,247.96	7,664.10	30,406.57	8,595.12

(iii) Management expects finance cost to be incurred for the year ending 31 March 2022 is ₹ 1500 lakhs.

35. Capital management

A. Capital management and Gearing Ratio

For the purpose of the group'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 group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The group monitors capital using a gearing ratio, which is debt divided by total capital. The group includes within debt, interest bearing loans and borrowings.

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Borrowings		
Current	2,018.23	15,620.77
Non current	7,650.44	8,573.42
Current maturities of non- current borrowings	1,879.86	2,091.85
Debt	11,548.53	26,286.04
Equity		
Equity share capital	1,652.07	1,592.07
Other equity	61,039.75	48,909.42
Total capital	62,691.82	50,501.49
Gearing ratio in % (Debt/ capital)	18%	52%

In order to achieve this overall objective, the group'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 2021 and 31 March 2020.

Notes to the Consolidated financial statements for the year ended 31 March 2021

35. Capital management (contd.)

B. Dividends

Particulars	All amounts in ₹ lakhs	
	31 March 2021	31 March 2020
Dividends recognised		
Final dividend for the year ended 31 March 2020 of INR Nil/- (31 March 2019 - INR 7/-) per fully paid share	-	1,111.67
During the year, the directors have recommended the payment of an interim dividend of INR 5/- per fully paid equity share (March 31, 2020 - INR 15/-).	824.05	2,382.15
For the year ended the directors have recommended the payment of a final dividend of INR 10/- per fully paid equity share (March 31, 2020 - INR Nil/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting, hence the same is not recognised.	1,648.10	-

36. Segment information

The Company's Managing Director and Joint Managing Director examines the group's performance from a product perspective and has identified two reportable segments:

1. Building products - The building products division produces and trades asbestos sheets, solar panels, accessories used mostly as roofing material and non asbestos flat sheets and sandwich panels used as interiors.
2. Synthetic Yarn - Synthetic yarn division manufactures Yarn out of blends of polyester, viscose, other materials which go into the weaving of fabric.

They primarily uses a measure of profit before tax to assess the performance of the operating segments.

Segment revenue and expenses:

The group 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 group. 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 group adopts a policy of pricing inter-segment transfers at cost to the transferor segment.

Notes to the Consolidated financial statements for the year ended 31 March 2021

36. Segment information (contd.)

Summary of segment information

Particulars	All amounts in ₹ lakhs	
	31 March 2021	31 March 2020
A. Revenue		
Segment revenue		
Building product	1,00,990.16	83,460.92
Synthetic yarn	13,663.75	21,577.54
Total revenue	1,14,653.91	1,05,038.46
B. Segment profit		
Building product	18,421.96	7,118.40
Synthetic yarn	312.07	2,810.50
Segment operating profit	18,734.03	9,928.90
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Unallocated corporate expenses	(3,139.83)	(2,823.34)
Unallocated corporate Income	612.76	346.94
Operating profit	16,206.96	7,452.50
Finance costs	(1,281.39)	(1,740.84)
Profit before tax	14,925.57	5,711.66
Income tax expense	(3,861.30)	(782.16)
Profit after tax	11,064.27	4,929.50

Particulars	All amounts in ₹ lakhs	
	31 March 2021	31 March 2020
Segment Assets		
Building product	65,623.10	74,398.35
Synthetic yarn	13,784.48	16,055.49
Unallocated corporate assets	15,482.46	3,897.86
Total assets	94,890.04	94,351.70
Segment liabilities		
Building product	13,506.93	9,971.48
Synthetic yarn	1,423.09	1,586.41
Unallocated corporate liabilities	17,268.20	32,292.32
Total liabilities	32,198.22	43,850.21

Particulars	All amounts in ₹ lakhs	
	31 March 2021	31 March 2020
Geographical segment revenue by location of customers		
India	108,180.68	98,078.02
Outside India	6,473.23	6,960.44
	1,14,653.91	105,038.46

Particulars	All amounts in ₹ lakhs	
	31 March 2021	31 March 2020
Geographical segment assets		
India	93,822.86	92,785.14
Outside India	1,067.18	1,566.56
	94,890.04	94,351.70

Notes to the Consolidated financial statements for the year ended 31 March 2021

37. Contingent liabilities

The group has following contingent liabilities as at:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
(i) VAT/CST/Entry tax*	146.43	172.16
(ii) Excise duty/Customs duty*	5,974.63	229.11
(iii) Thirty party claims not acknowledged as debts	200.01	200.01
Total	6,321.07	601.28

*Includes ₹58.47 lakhs (2020 ₹57.99 lakhs) paid under protest.

The group has established a liability with respect to contingencies for which loss is probable or estimable. While the ultimate resolution of and liability and cost relating to these matters cannot be determined with certainty, the management does not believe any of these pending actions, individually or in the aggregate, will materially impact operations or materially affect financial condition or liquidity.

38. Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Property, plant and equipment	4,706.12	412.24
Total	4,706.12	412.24

39. 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 (till September 08,2020)	Whole-time Director & CFO
Mr.J.Pruthvidhar Rao	Whole-time Director
Mr.S.Shafiulla (with effect from September 9,2020)	Chief Financial Officer
Mr.I. Srinivas	Company Secretary & Vice-President (Corporate Affairs)
ii) Non-whole-time Directors	
Mr. Bhagirat B. Merchant (Retired on March 31, 2021)	Director
Dr. G.Vivekanand	Director
Mr. Gusti Noria	Director
Mr. V. Pattabhi (Retired on March 31, 2021)	Director
Mr. P. Srikar Reddy	Director
Mr. Gogineni Appender Babu	Director
Mrs. Vanitha Datla (with effect from May 26,2020)	Director
iii) Relatives of key managerial personnel:	
Mrs. G.Vritika	Daughter of Mrs. Saroja Vivekanand
Mrs. G.Vaishnavi	Daughter of Mrs. Saroja Vivekanand
Mr. G.Venkat Krishna	Son of Mrs. Saroja Vivekanand
Mrs. B.L. Sujata	Spouse of Mr. V.Vallinath
Mrs. K.Vimala	Mother of Mrs. Saroja Vivekanand

Notes to the Consolidated financial statements for the year ended 31 March 2021

39. Related party transactions (contd.)

Names of the related parties	Nature of relationship
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 Private Limited	
d) A-Bond Strands Private Limited (ceased with effect from December 2, 2020)	
e) V-Solar roofing Private Limited	
f) G Vivekanand family trust	
g) SV family trust	
h) Arudra Roofings Private Limited	
i) Ecovav Construction Private Limited (ceased with effect from June 28,2019)	

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

All amounts in ₹ lakhs

Names of the related parties	Nature of Transactions	Year ended 31 March 2021	Year ended 31 March 2020
Mrs. G. Saroja Vivekanand	Remuneration*	834.83	267.70
Mr. G.Vamsi Krishna	Remuneration*	496.79	186.13
Mr. V.Vallinath	Remuneration*	164.29	96.00
Mr. J. Pruthvidhar Rao	Remuneration*	102.77	95.98
Mr. S. Shafiulla	Remuneration*	24.84	0.00
Mr. I. Srinivas	Remuneration*	36.71	35.07
Mrs. G. Saroja Vivekanand	Dividend paid	14.71	42.71
Dr. G. Vivekanand	Dividend paid	330.60	1,285.53
Mr. G. Vamsi Krishna	Dividend paid	1.09	3.39
Mrs. G. Vritika	Dividend paid	0.20	0.88
Mrs. G. Vaishnavi	Dividend paid	0.20	0.88
G Vivekanand family trust	Dividend paid	1.83	8.07
SV family trust	Dividend paid	0.77	3.41
Arudra Roofings Private Limited	Dividend paid	28.41	124.99
VIL Media Private Limited	Dividend paid	0.02	0.11
Mr. Bhagirat B. Merchant	Commission and Sitting fees	12.55	11.90
Dr. G.Vivekanand	Commission and Sitting fees	11.80	11.85
Mr. Gusti Noria	Commission and Sitting fees	12.15	12.60
Mr. V. Pattabhi	Commission and Sitting fees	12.55	12.60
Mr. P. Srikar Reddy	Commission and Sitting fees	11.35	10.95
Mr. Gogineni Appender Babu	Commission and Sitting fees	11.50	7.67
Mrs. Vanitha Datla	Commission	9.17	-
Mrs. G. Vritika	Interest on Public Deposits	2.67	2.68
Mrs. G. Vaishnavi	Interest on Public Deposits	3.65	3.62
Mr. G. Venkat Krishna	Interest on Public Deposits	0.60	0.66
Mrs. B. L. Sujata	Interest on Public Deposits	3.45	4.43
Mrs. K. Vimala	Interest on Public Deposits	2.80	2.88
Dr. G. Vivekanand	Loan received	1,130.00	465.00
	Loan Repaid	1,380.00	215.00
	Interest on Unsecured loan	7.49	1.14
Mrs. G. Saroja Vivekanand	Loan received	472.70	269.30
	Loan Repaid	472.70	269.30
	Interest on Unsecured loan	1.00	2.17

Notes to the Consolidated financial statements for the year ended 31 March 2021

39. Related party transactions (contd.)

All amounts in ₹ lakhs

Names of the related parties	Nature of Transactions	Year ended 31 March 2021	Year ended 31 March 2020
Mr. G. Vamsi Krishna	Royalty paid	9.57	-
Arudra Roofings Private Limited	ICD received	114.00	-
	Interest on ICD	1.38	-
VIL Media Private Limited	Advertising Expenses	591.72	410.42
Visaka Charitable Trust	Contribution towards CSR	136.10	171.00
Ecovav Construction Private Limited	Purchases	-	21.02
	sales	-	6.76
A- Bond Strands Private limited	Handling Charges	2.08	7.52
	Interest on security deposits	1.24	4.57
	Security deposit repaid	-	60.00
Mrs. G. Vritika	Public Deposits received	8.00	-
Mrs. G. Vaishnavi	Public Deposits received	3.42	3.06
Mrs. B. L. Sujata	Public Deposits received	-	38.96
Mrs. B. L. Sujata	Public Deposits repaid	36.00	-

*Post employment benefits are actuarially determined on overall basis and hence not separately provided.

Details of outstanding balances as at the year end where related party relationship existed:

All amounts in ₹ lakhs

Names of the related parties	Nature of Balance	31 March 2021	31 March 2020
Dr. G. Vivekanand	Unsecured Loan Outstanding	-	250.00
Arudra Roofings Private Limited	ICD outstanding	114.00	-
A- Bond Strands Private limited	Security deposit Outstanding	-	20.62
Mrs. G. Vritika	Public Deposits Outstanding	32.34	24.34
Ms. G. Vaishnavi	Public Deposits Outstanding	36.10	32.68
Mr. G. Venkat Krishna	Public Deposits Outstanding	6.00	6.00
Mrs. B. L. Sujata	Public Deposits Outstanding	-	52.55
Mrs. K. Vimala	Public Deposits Outstanding	25.00	25.00
Mr. J. Pruthvidhar Rao	Advances Outstanding	1.27	19.20
Mr. S. Shafiulla	Advances Outstanding	2.56	-

40. Earnings per share (EPS)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit after tax attributable to the owners ((₹ in lakhs))	11,064.27	4,929.50
Weighted average number of equity shares outstanding in calculating Basic EPS (Nos in lakhs)	161.59	158.81
Weighted average number of equity shares outstanding in calculating Diluted EPS (Nos in lakhs)	163.59	158.81
Face value per share ₹	10.00	10.00
Basic Earnings per Share (EPS) ₹	68.47	31.04
Diluted Earnings per Share (EPS) ₹	67.63	31.04

Notes to the Consolidated financial statements for the year ended 31 March 2021

41. Assets pledged as security

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

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Non-current Assets		
(a) Property, plant and equipment	39,617.22	40,600.60
(b) Capital work-in-progress	509.33	878.09
(c) Intangible assets	0.00	0.00
(d) Financial assets		
Investments	0.00	0.00
Other financial assets	107.90	34.90
(e) Other non-current assets	4,309.45	1,470.64
Current Assets		
(a) Inventories	24,926.70	30,392.65
(b) Financial assets		
(i) Trade receivables	10,516.34	14,000.81
(ii) Cash and cash equivalents	11,107.20	1,628.00
(iii) Other bank balances	573.57	298.48
(iv) Other financial assets	202.57	282.23
(c) Current tax assets (net)	-	647.25
(d) Other current assets	3,019.76	4,118.05
TOTAL	94,890.04	94,351.70

42. The group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

All amounts in ₹ lakhs

Particulars	31 March 2021	31 March 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	36.35	19.31
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

43. Impact assessment of the global health pandemic- COVID-19

The impact of Covid -19 pandemic was felt across the economy and business segments. Consequent to significant opening up of the economic activity in the country, the demand for the group's products has improved compared to that during the initial phases of Covid-19 including the lock down period. All the business segments of the Company have substantially recovered as at year end. In preparation of these consolidated financial statements, the group has taken into account both the current situation and likely future developments.

Notes to the Consolidated financial statements for the year ended 31 March 2021

44. Interest in Other Entities

The Company's subsidiaries as at March 31, 2021 are set out below.

Name of the entity	Place of Business/ Country of incorporation	Ownership interest held by the Company	Ownership interest held by Non-Controlling interests	
		31 March 2021	31 March 2021	Principal activity
Vnext Solutions Private Limited	India	100%	0%	To undertake various construction activities with V infill materials, fiber cement boards, solar panels and other building materials.
Atum Life Private Limited	India	100%	0%	Trading of green products, eco-friendly products, sustainable products and organic products.

45. Other disclosures

Additional Information required by Schedule III

All amounts in ₹ lakhs

31 March 2021	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent Company:								
Visaka Industries Limited	100.00%	62,692.02	100.00%	11,064.47	100.00%	22.11	100.00%	11,086.58
Sub-total (A)		62,692.02		11,064.47		22.11		11,086.58
Subsidiaries								
Vnext Solutions Private Limited	0.00%	1.19	0.00%	0.19	0.00%	-	0.00%	0.19
Atum Life Private Limited	0.00%	0.61	0.00%	(0.39)	0.00%	-	0.00%	(0.39)
Sub-total of subsidiaries (B)		1.80		(0.20)		-		(0.20)
Sub-total (A+B)	100.00%	62,693.82	100.00%	11,064.27	100.00%	22.11	100.00%	11,086.38
Adjustments arising out of Consolidation (c)		(2.00)		-		-		-
Total (A+B+C)		62,691.82		11,064.27		22.11		11,086.38

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

N.K.Varadarajan

Partner

Membership Number: 090196

Place: Secunderabad

Date: April 22, 2021

On behalf of Board of Directors

Dr. G. Vivekanand

Chairman

DIN : 00011684

S. Shafulla

Chief Financial Officer

Smt. G. Saroja Vivekanand

Managing Director

DIN : 00012994

I. Srinivas

Company Secretary &

VP (Corporate Affairs)

NOTICE

Notice is hereby given that the 39th Annual General Meeting of VISAKA INDUSTRIES LIMITED will be held on Tuesday, the 25th day of May 2021 at 11.30 A.M. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2021, the Consolidated Financial Statements for the said Financial Year and reports of Board of Directors of the company and Auditors' thereon as on that date.
2. To declare final dividend for the financial year ended 31st March, 2021.
3. To appoint a Director in place of Shri Gaddam Vamsi Krishna (DIN: 03544943) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary 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 21st May, 2021 i.e., from the expiry of his present term of office to 20th May, 2023 on the following terms and conditions:

- A) Basic Salary per Month: Shri J.P. Rao shall be paid a basic salary of ₹4,42,756/- (Rupees Four lakh Forty-two thousand Seven hundred and Fifty-six Only) per Month in the scale of ₹4,42,756/- to ₹6,00,000/-.
- B) Perquisites and Allowances: In addition to the aforesaid salary, Shri. J.P. Rao, shall also be entitled to the following perquisites and allowances.
 - i. 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 of the Company
- xii. The performance linked incentive (PLI) pay-out: As per the incentive policy guidelines in force from time to time.
- xiii. 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, 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 authorised to alter and vary the terms and conditions of appointment and / or remuneration including annual increments effective from first day of April in respect of each financial year based on the performance appraisal, within the scale 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."

5. 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 31st March, 2022, be paid

a remuneration of ₹1,65,000/- exclusive of out of pocket expenses and applicable taxes.

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

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

I SRINIVAS

Vice President (Corporate Affairs)

& Company Secretary

Date : 22nd April, 2021

Place : Hyderabad

Membership No. ACS15456

NOTES:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated 5th May, 2020 and 13th January, 2021 read with other previous circulars issued in that connection (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM and thus physical attendance of Members has been dispensed with. In compliance with the said Circulars, the AGM of the Company is being held through Video Conference (VC) / Other Audio-Visual Mode (OAVM) and as such the route map is not annexed to this Notice.
2. In compliance with the aforesaid circulars, this Notice together with annual report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the company / depositories. Copies of the Notice and annual report 2020-21 will also be uploaded on the company's website at www.visaka.co, websites of stock exchanges i.e., BSE Ltd and National Stock Exchange of India Ltd., at www.bseindia.com and www.nseindia.com respectively.
3. Members attending AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under the provisions of the Act.
4. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility to appoint proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. 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 and forming part of this Notice.
6. The Register of members and share transfer Books of the Company will be closed from 20th May, 2021 to 25th May, 2021 (both days inclusive). The members are requested to –
 - a) Intimate changes if any, relating to name, their registered addresses, email addresses, telephone/mobile numbers, Permanent Account Numbers (PAN), mandates, nominations, power of attorney at an early date to the Company or its Registrar and Transfer Agents, M/s. KFin Technologies Private Limited (KFTPL), 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 and
 - c) Intimate to their respective Depository Participant about changes in bank particulars such as name of the bank, branch details, bank account number, MICR Code, IFSC Code etc., in case members are holding shares in electronic form. In all such cases, the Company or its Registrar and Transfer Agents, KFTPL cannot act on any request received directly from such members.
7. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019. Accordingly, members holding shares in physical form are advised to avail

the facility of dematerialisation and the company / RTA has stopped accepting any fresh lodgment of transfer of shares in physical form.

8. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf or to participate in e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer through their registered mail-id addressing to vil-evoting2021agm@visaka.in. with a copy marked to KFTPL einward.ris@kfintech.com. The file scanned image of the board resolution should be in the naming format "Corporate name event no."
9. 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 during the meeting.
10. Adhering to the various requirements set out in terms of provisions of Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017:
 - i. The company has transferred 15,007 equity shares to the IEPF authority in respect of which no claim for dividend from the shareholders has been made for the seven consecutive preceding years;
 - ii. Details of the aforesaid shares are available on the website of the Company and the same can be accessed through the link <http://www.visaka.co>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in;
 - iii. Respective members may claim back the aforesaid shares as well as unclaimed dividend from IEPF authority and
 - iv. Amounts lying in the Unclaimed Dividend account together with shares, if any, in respect of the Dividend for the Year 2013-14 will be transferred to Investor Education and Protection Fund on or before 20th August, 2021. Accordingly, shareholders who have not claimed Dividend in respect of the said Dividend for the year 2013-14 are requested to claim the same on or before 20th August, 2021;
11. In connection with 1st Interim Dividend (₹5/- per share (i.e., 50%)) declared on equity share of ₹10/- each fully paid-up for the financial year 2020-21, an amount aggregating to ₹8,24,04,760/- was paid to the shareholders through electronic means i.e., NEFT, RTGS, ECS and NECS etc.
12. 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.
13. The business as set out in the Notice will be transacted only through voting by electronic means i.e., e-voting system and as required, the Company is providing the said e-voting facility to all its members. Under the said system, members are allowed to exercise their voting rights through remote e-voting process, wherein they can cast their vote from a place other than venue of the meeting. Apart from aforesaid remote e-voting facility, voting through e-voting system will also be provided during the AGM and those members who did not exercise their vote under remote e-voting, are allowed to cast their vote under this platform.
14. M/s. KFin Technologies Private Limited (KFTPL) will be providing facility for voting through remote e-voting, for participation in the Thirty-Ninth AGM through VC/OAVM and e-voting during the AGM. The e-voting facility will be available at the link <https://evoting.kfintech.com>. during the voting period as mentioned at point no. 20 below.
15. This Notice together with annual report 2020-21 containing instructions as to creation of login ID and password for e-voting along with process and manner is being sent only through electronic mode to those members who have registered their e-mail IDs. Since, physical attendance of Members has been dispensed with, the requirement relating to put every resolution to vote through a ballot process at the meeting will not be applicable. The detailed instructions as to accessing the KFTPL portal, creation of login ID and password etc., relating to remote e-voting and participation of AGM are provided at point no.20 in detailed manner.
16. 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.
17. 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 KFTPL, 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.

18. Details of Directors retiring by rotation and seeking appointment at the ensuing meeting:

In terms of the provisions of Section 152 of the Act, Shri Gaddam Vamsi Krishna, Joint Managing Director is liable to retire by rotation at the ensuing AGM. Shri Gaddam Vamsi Krishna holds a Bachelor of Science from Purdue University, IN, USA. He joined the Company as Management Trainee in June 2011. Considering his active role in development of Boards' Division he was appointed as Whole-time Director of the Company, effective from 1st June, 2014.

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

19. Members may join the Thirty-Ninth AGM through VC/OAVM by following the procedure which shall be kept open for the Members from 11.00 a.m. i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM 15 minutes after the scheduled time to start the Thirty-Ninth AGM. The detailed instructions for participating in the Thirty-Ninth AGM through VC/OAVM are given in point No 20. Members may note that the VC/OAVM provided by KFintech allows participation of at least 1000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters/promoter group, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
20. Information and other instructions relating to remote e-voting are as under:
- i. Use the following URL for e-voting from KFintech website: <https://evoting.kfintech.com>.
 - ii. Members of the Company holding shares either in physical form or in dematerialised form, as on 19th May, 2021, the cut-off date (Record Date), may cast their vote electronically.
 - iii. Enter the login credentials [i.e., user id and password mentioned in the Attendance Slip enclosed with this Member]. Your Folio No/DP ID Client ID will be your user ID.
 - iv. After entering the details appropriately, click on LOGIN.

- v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e., Visaka Industries Limited.
- viii. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- ix. Members holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
- x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
- xi. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
- xii. The Portal will be open for voting from 9.00 a.m. on 21st May, 2021 and closes at 5.00 p.m. on 24th May, 2021.
- xiii. Members of the Company who have purchased their shares after the dispatch of the Member but before the cut-off date (19th May, 2021) may contact KFintech at Tel No. 1800-345-4001 (toll free) to obtain login id and password or send a request to einward.ris@kfintech.com.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com> or contact KFintech at Tel No. 1800-345-4001 (toll free).

INSTRUCTIONS FOR PARTICIPATING THROUGH VC/OAVM

- i. Members will be able to attend the Thirty-Ninth AGM through VC/OAVM through KFinTech e-voting system at <https://evoting.kfintech.com> under shareholders login by using the remote e-voting credentials and selecting the EVENT for the Company's Thirty-Ninth AGM. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice of AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging in to the e-voting system.
 - ii. Members will be required to use internet with a good speed to avoid any disturbance during the Meeting. It is recommended to join the Meeting through Google Chrome for better experience.
 - iii. Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - iv. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID No./Folio No. and Mobile No. to reach the Company's email address investor.relations@visaka.in at least 48 hours in advance before the start of the meeting i.e., 23rd May, 2021 by 1.30 p.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
 - v. Members, who would like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the Thirty-Ninth AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID No./Folio No. and Mobile No. to reach the Company's email address investor.relations@visaka.in at least 48 hours in advance before the start of the meeting i.e. 23rd May, 2021 by 1.30 p.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the AGM, depending upon the availability of time.
 - vi. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM to vote on the resolutions as set out in the Notice of the Thirty-Ninth AGM and announce the start of the casting of vote through e-voting system. After the Members participating through VC/OAVM, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the Meeting.
 - vii. Only those Members who will be present in the AGM through the VC facility and have not casted their vote through remote e-voting are eligible to vote through e-voting in the AGM.
 - viii. Members who need assistance or help during the AGM, can contact KFinTech, Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500032, Telangana. Phone: +91-40-6716-2222.
21. Members intending to express their views or raise queries during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DPID & client ID / Folio Number, PAN, mobile number at vil-evoting2021agm@visaka.in from 19th May, 2021 (09.00 AM IST) to 21st May, 2021 (05.00 P.M. IST). Please note that those members who have registered themselves as a speaker will only be allowed to express their views / raise queries during the AGM. The company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.
 22. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of the Members w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / KFinTech (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
 23. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G/15H, to avail the benefit of non-deduction of tax at source by email to ris@kfintech.com by 11.59 p.m. IST on 19th May, 2021. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
 24. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents

i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to einward.ris@kfintech.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11.59 p.m. IST on 19th May, 2021. The formats of the same can be downloaded from the website of the Company, www.visaka.co.

ANNEXURE TO THE NOTICE

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

Item No. 4

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 21st May, 2021, i.e., from the expiry of the present term of office, up to 20th May, 2023. He has been associated with the Company for the last 36 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.4 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., Vnext Solutions Private Limited and Atum Life Private Limited. 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. 5

As per the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sagar and Associates, Cost Accountants, Hyderabad have been conducting Cost Audit of Synthetic Yarn Division as well as Building Products Division of the Company from the financial year 2014-15 onwards.

The Board of Directors of your Company, based on the recommendations of its Audit Committee, approved to appoint them as cost auditors for the financial year 2020-21 at a remuneration of ₹1,65,000/- exclusive of out-of-pocket expenses and applicable taxes subject to your ratification in the ensuing Annual General Meeting of the Company.

In terms of aforesaid rules, the remuneration payable to them is subject to ratification by the members. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice (hereinafter 'resolution') for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

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, recommends 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 : 22nd April, 2021

Place : Hyderabad

Membership No. ACS15456



www.visaka.co

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