



VISAKA INDUSTRIES LIMITED[®]

CIN: L52520TG1981PLC003072

CORP. OFF.: "VISAKA TOWERS" 1-8-303/69/3, S.P. ROAD, SECUNDERABAD - 500 003.
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Ref: VIL/SEC/ST-EX/Investors' Presentation/2020-21/49

Date: 06.11.2020

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	Bombay Stock Exchange Limited, The Senior General Manager, Listing Compliances, Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001
Scrip Code – VISAKAIND	Scrip Code – 509055

Sub: Presentation - 2nd quarter 2020-21 results

Ref: Regulation 30 of SEBI (LODR) Regulations

Dear Sir/s,

With reference to above, please find enclosed herewith a copy of investors' presentation for the quarter ended 30.09.2020,

This is for your information and records please.

Thanking you,

Yours faithfully,

for **VISAKA INDUSTRIES LIMITED**

I SRINIVAS

Vice President (Corporate Affairs)
& Company Secretary

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



Q2FY21

**RESULTS
PRESENTATION**

Nov 2020



DISCLAIMER



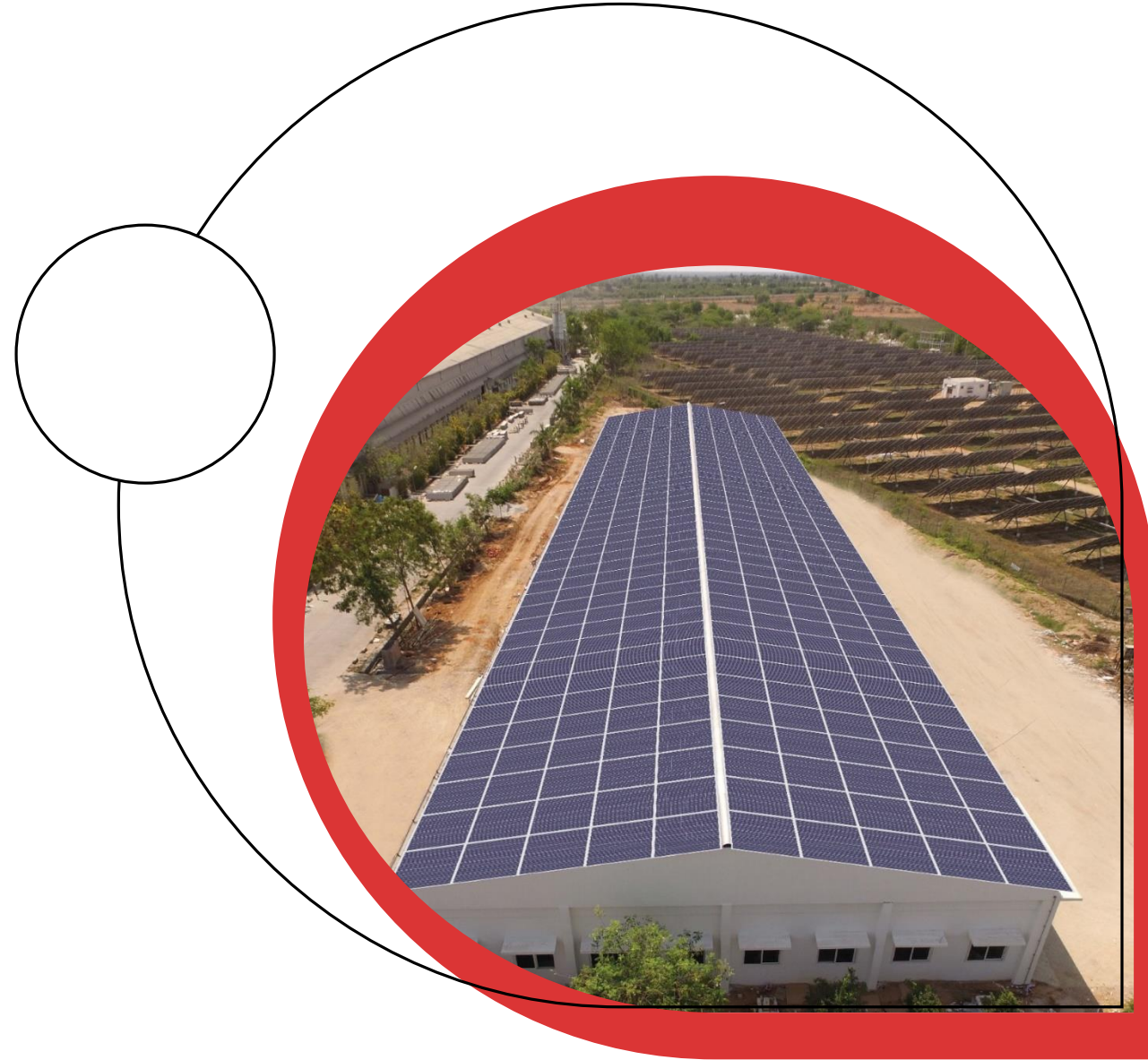
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RESULT HIGHLIGHTS



QUARTERLY RESULT SNAPSHOT



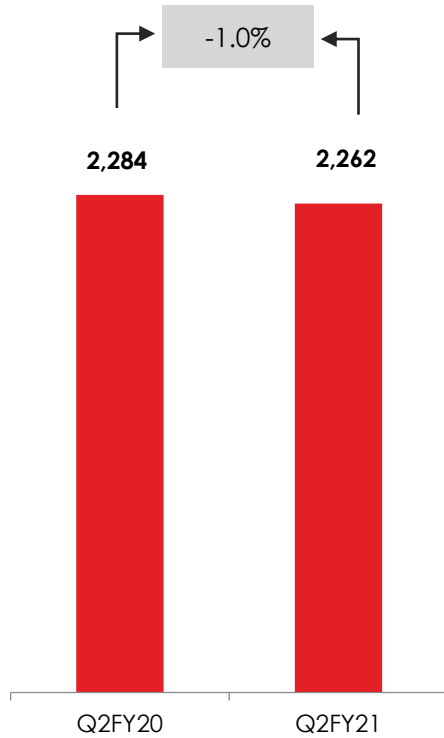
Particulars (₹ mn)	Q2FY21	Q2FY20	% chg	Q1FY21	% chg	1HFY21	1HFY20	% chg
Segment Sales Vol (Mt)								
Building Products	1,63,270	1,58,859	2.8%	2,26,492	-27.9%	3,89,762	4,37,847	-11.0%
Spinning	1,388	2,683	-48.3%	737	88.3%	2,125	5,586	-62.0%
Segment Mix								
Building Products	2,019	1,756	15.0%	2,719	-25.7%	4,738	4,716	0.5%
Spinning	243	529	-54.1%	133	82.6%	376	1,096	-65.7%
Income from Operations	2,262	2,284	-1.0%	2,852	-20.7%	5,114	5,812	-12.0%
Other Income	24	20	19.4%	16	56.1%	40	35	13.0%
Total Income - (A)	2,286	2,304		2,867		5,154	5,848	
Direct Costs	910	1,066	-14.7%	1,387	-34.4%	2,297	2,882	-20.3%
Employee Expenses	298	286	4.1%	293	1.7%	591	594	-0.6%
Other Expenses	648	749	-13.4%	590	9.9%	1,238	1,666	-25.7%
Total Operating Expenses -(B)	1,856	2,102	-11.7%	2,269	-18.2%	4,125	5,142	-19.8%
EBITDA (A-B)	430	203	112.0%	598	-28.1%	1,029	705	45.9%
D& A	100	101	-1.1%	98	2.4%	198	210	-5.5%
EBIT	330	101	225.1%	500	-34.1%	830	495	67.6%
Interest Expenses	30	41	-26.3%	39	-23.5%	70	85	-17.9%
Profit Before Tax	300	60	395.5%	461	-35.0%	761	410	85.3%
Provision for Tax	77	-72		117		193	48	
Profit After Tax	223	132	68.8%	344	-35.2%	567	363	56.3%

- Sales in Q2FY21 was flattish at -1% YoY to Rs 2,263 mn impacted due to Covid-19 with intermittent working days resulting in lower utilisations in the synthetic yarns
- EBITDA saw a significant rise of 112% over Q2FY20 with price increase and lower other operating expenses
- Robust profitability at Rs 223mn a 69% increase YoY aided by lower interest cost

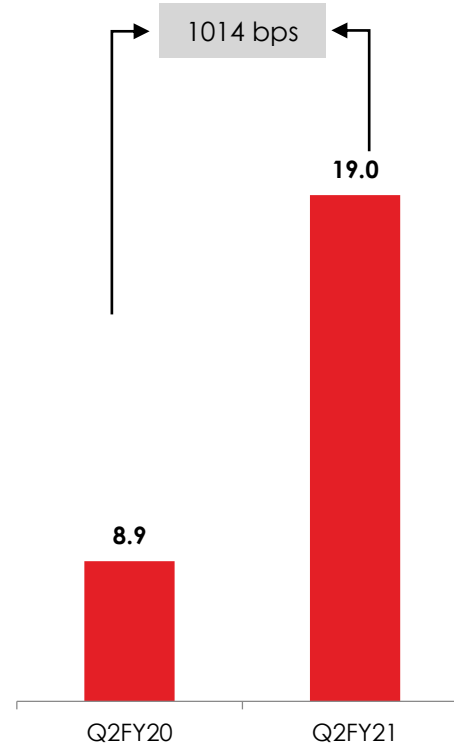
QUARTERLY FINANCIAL HIGHLIGHTS



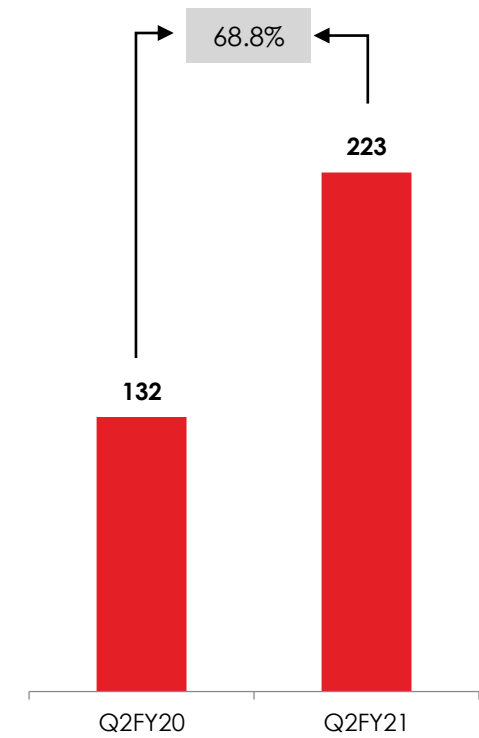
Operating Revenue (₹ mn)



EBITDA (%)



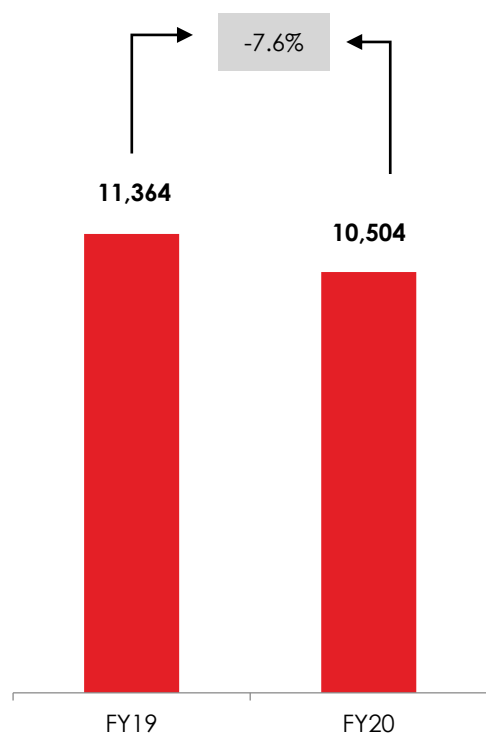
PAT (₹ mn)



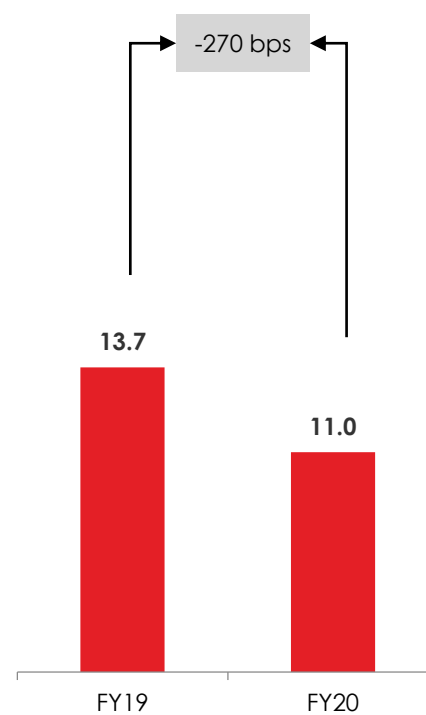
YEARLY FINANCIAL HIGHLIGHTS



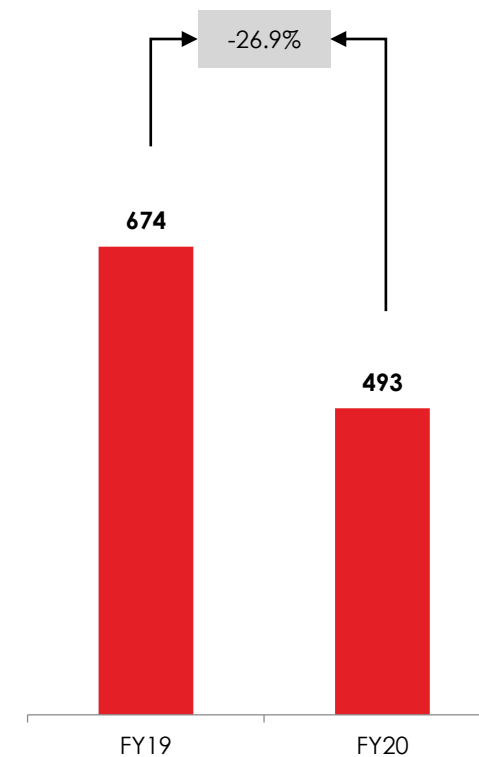
Operating Revenue (₹ mn)



EBITDA (%)



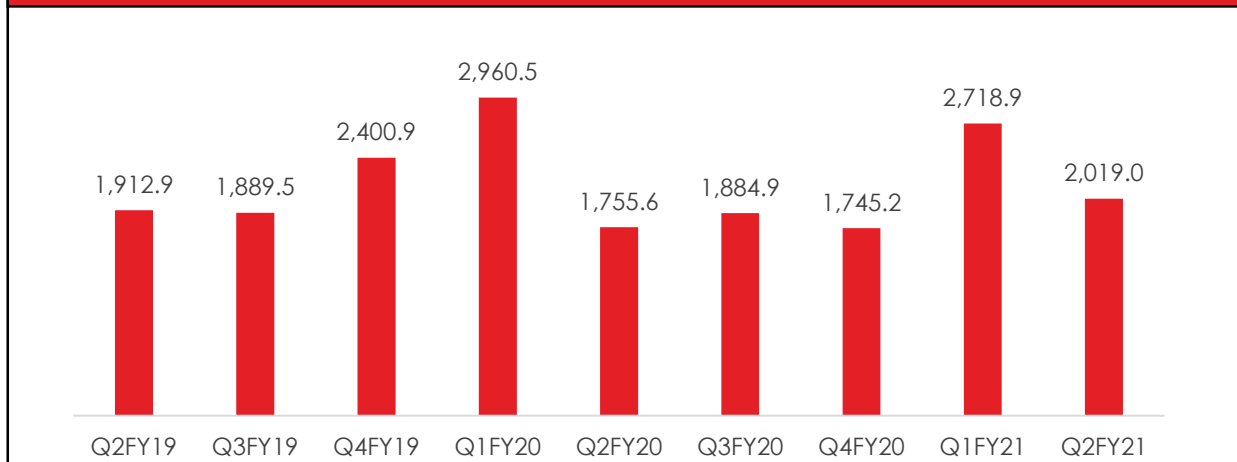
PAT (₹ mn)



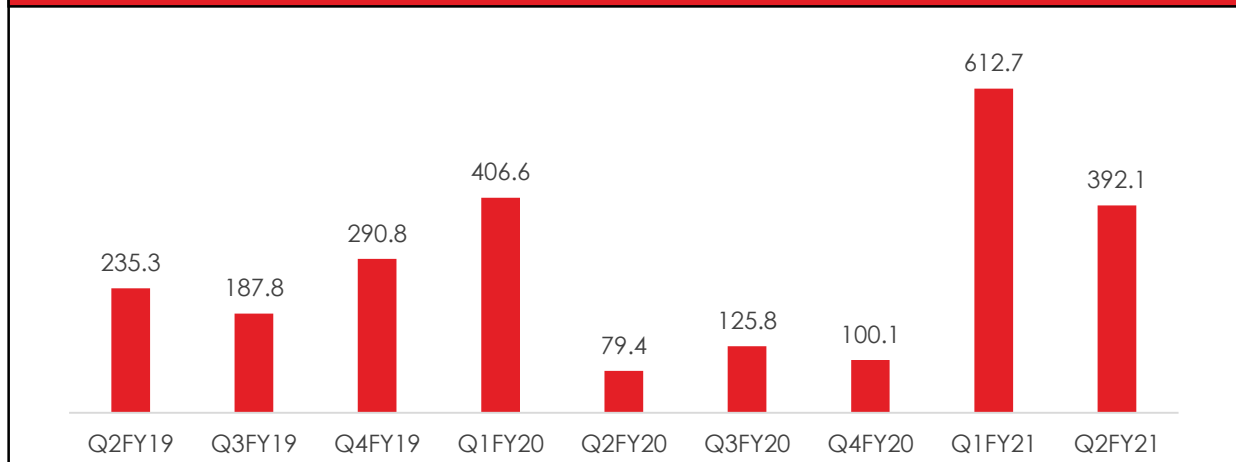
QUARTERLY SEGMENT MIX



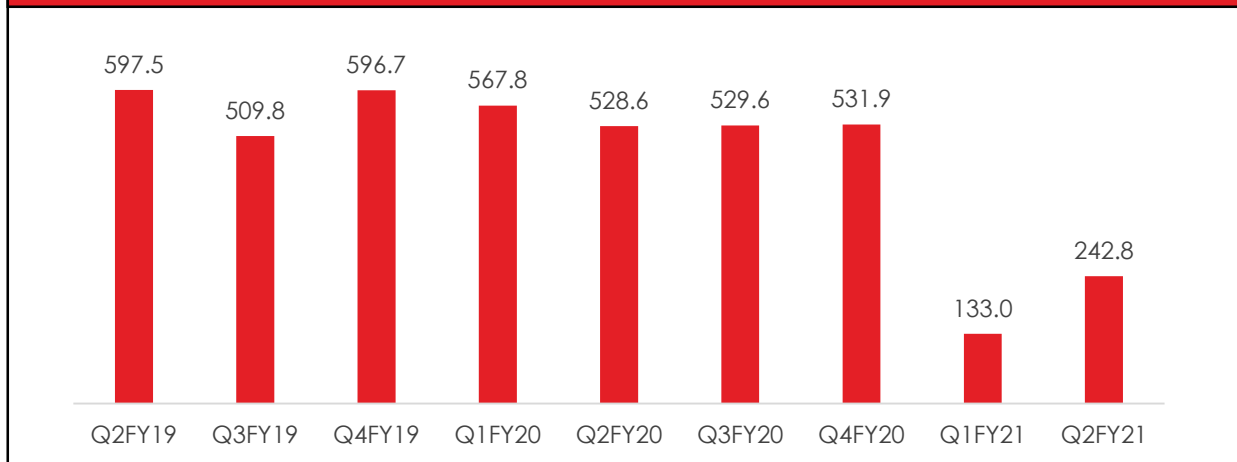
Building Product Revenues (₹ mn)



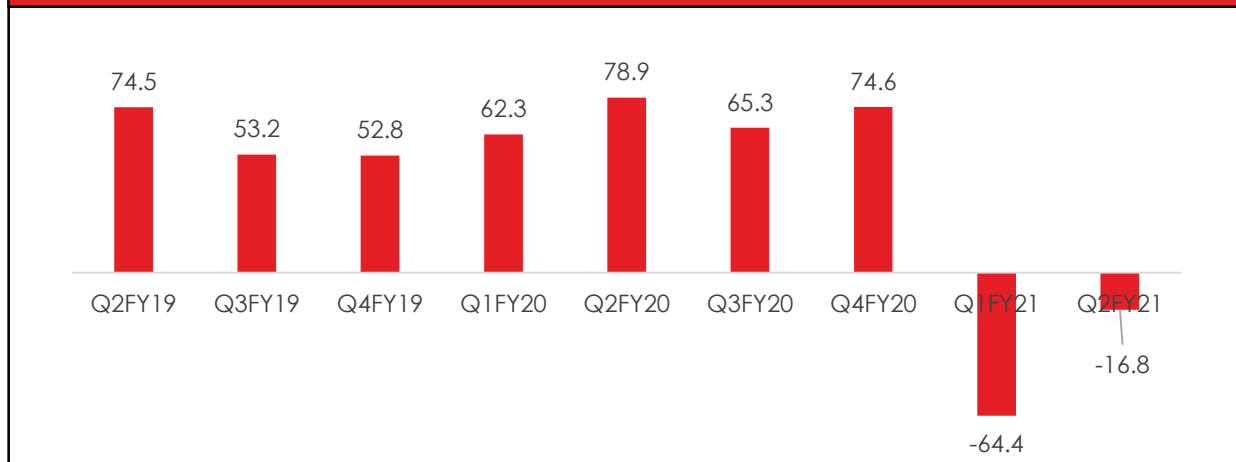
Building EBIT (₹ mn)



Synthetic Revenues (₹ mn)



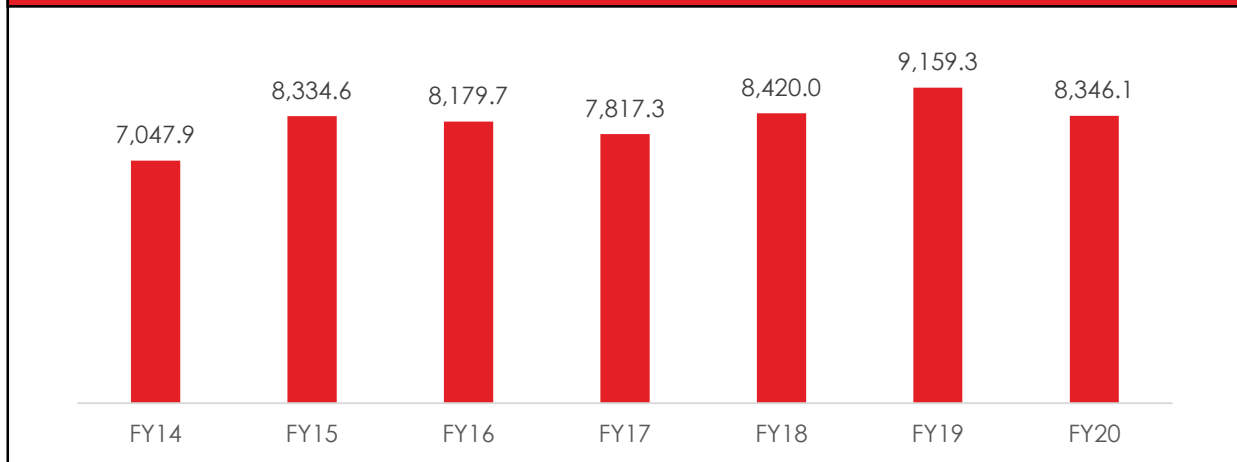
Synthetic EBIT (₹ mn)



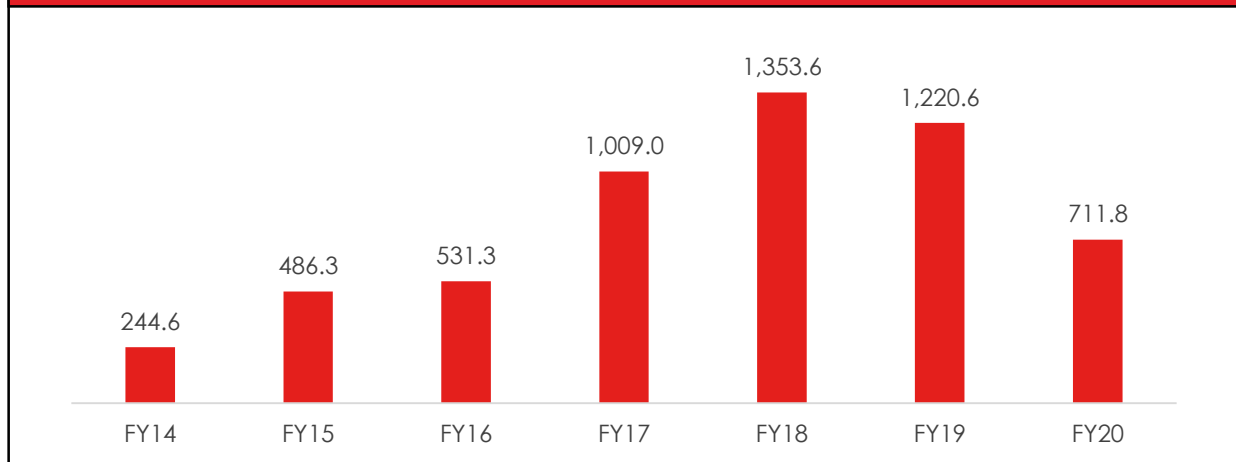
YEARLY - SEGMENT MIX



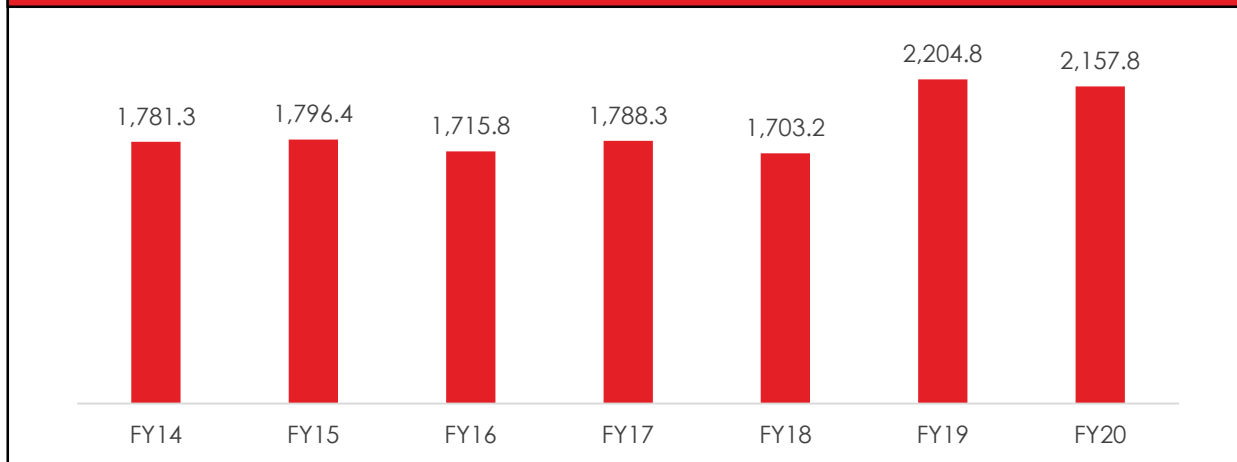
Building Product Revenues (₹ mn)



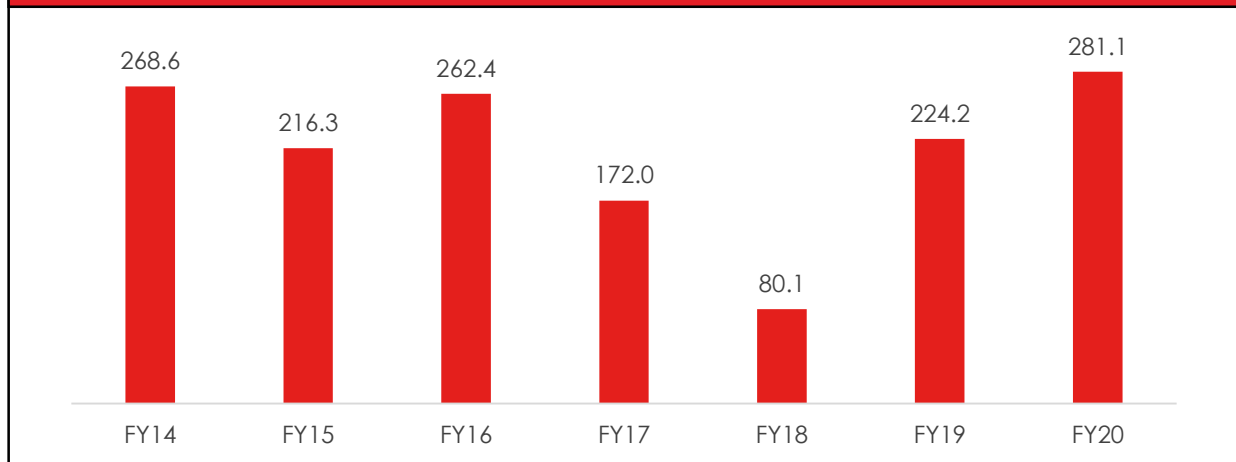
Building EBIT (₹ mn)



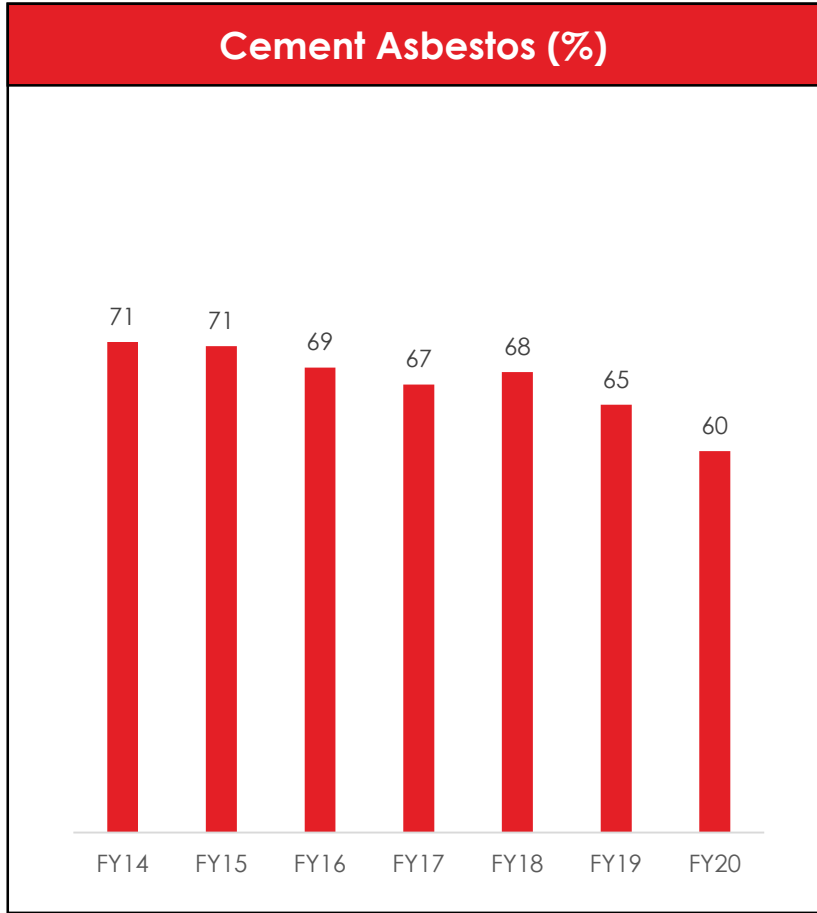
Synthetic Revenues (₹ mn)



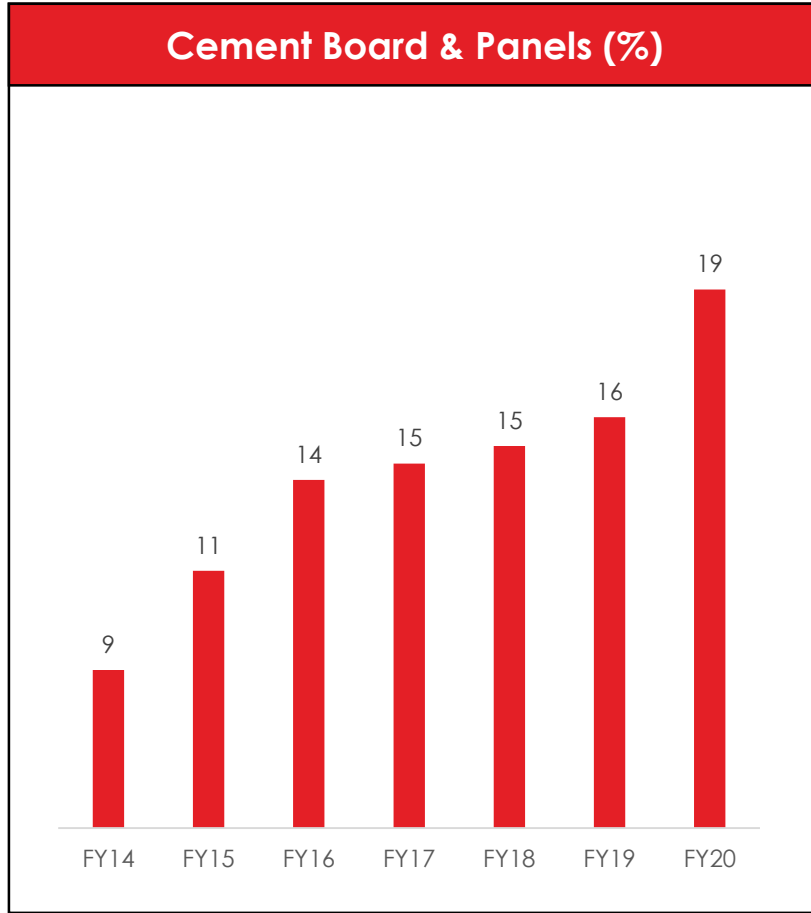
Synthetic EBIT (₹ mn)



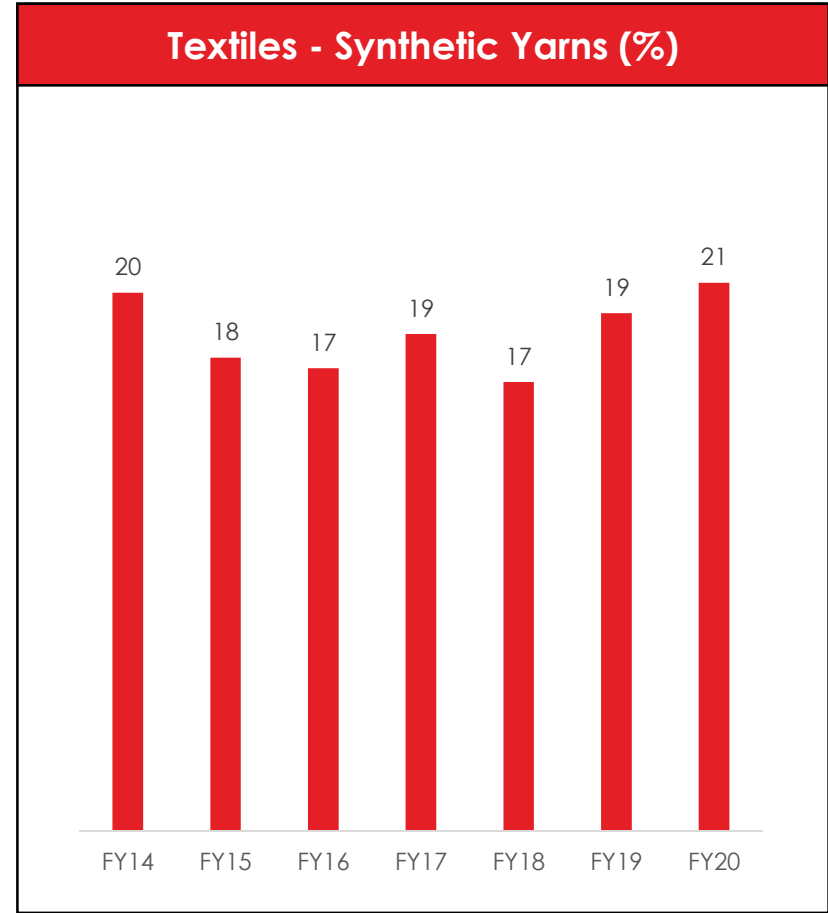
Building Product revenues dominant, Textiles pick up gradual



Revenue share dip with lower demand off-take



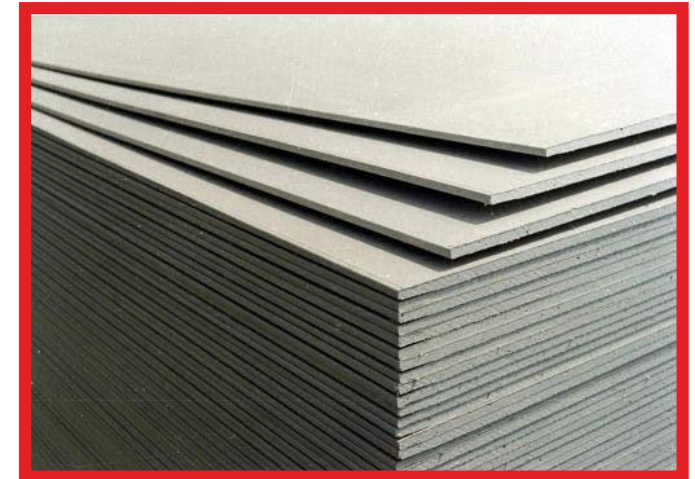
Diversified Product Portfolio – A shift from Asbestos based Revenues



MANAGEMENT COMMENTARY



- Overall Revenue from operations in Q2FY21 was flattish
- Overall EBIDT margins increased 1014 bps at 19% in QFY21 vs. 8.9% in Q2FY20
- EBIT of Building Products in Q2FY21 rose by 394% YoY to Rs 392 mn, synthetic yarns EBIT is negative
- Capacity Utilization in Building Products at 66% in Q2FY21 and 46% for Synthetic Yarns
- Synthetic yarn sales volumes in Q2FY21 declined 48%
- Synthetic yarns revenues was at Rs 242 mn in Q2FY21
- Management continues to remain vigilant in the wake of Covid-19 and continues to take initiatives to rationalise cost without effecting the business operations
- Management is bullish on its building products segment and optimistic on the synthetic yarn segment for the rest of the financial year



CURRENT MARKET SHARE OF BUSINESS SEGMENT

- Cement Asbestos market share stays at 18% in FY20
- Boards and Panels market share at 32%
- Visaka's spinning business is a unique technology and management expects significant improvement in sales as the demand improves in the textile markets post Covid-19 unlocking



OPERATIONAL METRICS

OPERATIONAL METRICS - QUARTERLY



Operational Metrics (₹ mn)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Segmental revenues									
Building Products	1,912.9	1,889.5	2,400.9	2,960.5	1,755.6	1,884.9	1,745.2	2,718.9	2,019.0
Synthetic Yarn	597.5	509.8	596.7	567.8	528.6	529.6	531.9	133.0	242.8
Segmental Profits									
Building Products	235.3	187.8	290.8	406.6	79.4	125.8	100.1	612.7	392.1
Synthetic Yarn	74.5	53.2	52.8	62.3	78.9	65.3	74.6	-64.4	-16.8
Segmental EBIT margins									
Building Products	12.3%	9.9%	12.1%	13.7%	4.5%	6.7%	5.7%	22.5%	19.4%
Synthetic Yarn	12.5%	10.4%	8.8%	11.0%	14.9%	12.3%	14.0%	-48.4%	-6.9%
Installed capacity in MT									
Building Products	931,750	931,750	981,750	9,81,750	9,81,750	9,81,750	9,81,750	9,81,750	9,91,750
ATUM (Solar Panels) – KW	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Synthetic Yarn – Spinning Positions	2,752	2,752	2,752	2,752	2,752	2,752	2,752	2,752	2,752
Production in MT									
Building Products	237,613	209,922	219,140	2,39,356	1,85,061	1,67,900	1,76,885	1,49,508	2,14,468
ATUM (Solar Panels) – KW	1,245	1,658	521	120	964	149	446	443	771
Synthetic Yarn	2,849	2,979	2,838	2,765	2,815	2,905	2,629	830	1,464
Sales in MT									
Building Products	176,009	173,941	227,163	2,78,988	1,58,859	1,74,757	1,60,938	2,26,492	1,63,270
ATUM (Solar Panels) – KW	25	304	190	241	456	827	909	807	0
Synthetic Yarn	2,981	2,474	3,043	2,903	2,683	2,711	2,838	737	1,388
Utilization (on sales)									
Building Products	76%	75%	93%	114%	65%	71%	66%	92%	66%
Synthetic Yarn	99%	82%	101%	97%	89%	90%	95%	25%	46%

OPERATIONAL METRICS – ANNUALLY



Operational Metrics (₹ mn)	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Segmental revenues							
Building Products	7,047.9	8,334.6	8,179.7	7,817.3	8,420.0	9,159.3	8,346.1
Synthetic Yarn	1,781.3	1,796.4	1,715.8	1,788.3	1,703.2	2,204.8	2,157.8
Segmental Profits							
Building Products	244.6	486.3	531.3	1,009.0	1,353.6	1,220.6	711.8
Synthetic Yarn	268.6	216.3	262.4	172.0	80.1	224.2	281.1
Segmental EBIT margins							
Building Products	3.5%	5.8%	6.5%	12.9%	16.1%	13.3%	8.5%
Synthetic Yarn	15.1%	12.0%	15.3%	9.6%	4.7%	10.2%	13.0%
Installed capacity in MT							
Building Products	881,750	931,750	931,750	931,750	931,750	981,750	9,81,750
ATUM (Solar Panels) – KW					30,000	30,000	30,000
Synthetic Yarn - Spinning Positions	2,032	2,032	2,176	2,752	2,752	2,752	2,752
Production in MT							
Building Products	664,436	855,293	797,157	800,817	837,220	895,004	7,69,202
ATUM (Solar Panels) – KW					582	3,512	1,680
Synthetic Yarn	8,614	8,900	9,290	9,985	10,691	11,383	11,114
Sales in MT							
Building Products	697,714	805,604	796,238	787,481	807,700	853,220	7,73,542
ATUM (Solar Panels) – KW					8	519	2,434
Synthetic Yarn	8,522	8,958	9,199	9,453	9,382	11,221	11,135
Utilization (on sales)							
Building Products	79%	86%	85%	85%	86.7%	86.9%	78.8%
ATUM (Solar Panels) – KW						1.7%	8.1%
Synthetic Yarn	96%	101%	97%	79%	78.2%	93.5%	92.8%

ONE STOP SOLUTION PROVIDER



Fibre Cement Roof



V Next by Visaka



A T U M by V Next



The Wonder Yarn



PROFIT & LOSS STATEMENT - QUARTERLY



Profit & Loss (₹ mn)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Income from Operations	2,510.4	2399.3	2,997.5	3,528.2	2,284.1	2,414.4	2,277.1	2,851.9	2,261.8
Other Income	20.0	13.4	17.9	14.9	20.3	14.3	16.7	15.6	24.3
Total Income	2,530.3	2412.7	3,015.4	3,543.1	2,304.5	2,428.7	2,293.7	2,867.5	2,286.1
Operating Expenses	2,192.7	2155.4	2,655.0	3,040.8	2,101.6	2,200.6	2,072.2	2,269.0	1,856.0
EBITDA	337.6	257.4	360.4	502.3	202.9	228.1	221.6	598.4	430.2
Margin %	13.4	10.7	12.0	14.2	8.9	9.4	9.7	21.0	19.0
Depreciation	84.8	89.3	93.5	108.5	101.5	100.3	99.4	98.0	100.4
EBIT	252.8	168.0	266.9	393.9	101.4	127.8	122.2	500.4	329.8
Margin %	10.1	7.0	8.9	11.2	4.4	5.3	5.4	17.5	14.6
Financial Charges	43.6	50.9	53.2	43.9	41.0	42.6	46.7	39.4	30.2
Interest %	1.7	2.1	1.8	1.2	1.8	1.8	2.0	1.4	1.3
PBT	209.2	117.1	213.7	350.0	60.5	85.2	75.5	461.0	299.6
Margin %	8.3	4.9	7.1	9.9	2.6	3.5	3.3	16.2	13.2
Tax	69.8	26.3	73.3	119.2	-71.7	23.7	6.9	116.8	76.6
PAT	139.4	90.9	140.5	230.8	132.1	61.5	68.6	344.2	223.0
Margin %	5.6	3.8	4.7	6.5	5.8	2.5	3.0	12.1	9.9
EPS	8.8	5.7	8.8	14.5	8.3	3.9	4.3	21.7	13.9

PROFIT & LOSS STATEMENT – ANNUALLY



Profit & Loss (₹ mn)	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Income from Operations	8,921.0	10,211.3	10,048.5	9,605.7	10,123.2	11,364.1	10,503.8
Other Income	53.6	24.2	27.3	57.1	45.7	120.4	66.2
Total Income	8,974.6	10,235.5	10,075.8	9,662.8	10,168.9	11,484.5	10,570.1
Operating Expenses	8,348.1	9,252.3	9,096.2	8,433.8	8,621.6	9,927.9	9,415.1
EBITDA	626.5	983.3	979.6	1,229.0	1,547.3	1,556.5	1,154.9
Margin %	7.0	9.6	9.7	12.8	15.3	13.7	11.0
Depreciation	224.6	430.9	363.0	340.8	348.4	353.6	409.7
EBIT	401.9	552.4	616.6	888.2	1,198.9	1,203.0	745.3
Margin %	4.5	5.4	6.1	9.2	11.8	10.6	7.1
Financial Charges	214.0	220.3	212.9	196.0	182.6	199.5	174.1
Interest %	2.4	2.2	2.1	2.0	1.8	1.8	1.7
PBT	188.0	332.1	403.7	692.2	1,016.3	1,003.5	571.2
Margin %	2.1	3.3	4.0	7.2	10.0	8.8	5.4
Tax	68.3	119.7	159.4	264.4	350.8	329.4	78.2
PAT	119.6	212.4	244.3	427.8	665.5	674.1	493.0
Margin %	1.3	2.1	2.4	4.5	6.6	5.9	4.7
EPS	7.5	13.3	15.3	26.9	41.8	42.5	31.0

BALANCE SHEET & KEY RATIOS



Balance Sheet (₹ mn)	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Share capital	159.2	159.2	159.2	159.2	159.2	159.2	159.2
Reserves and Surplus	3,174.5	3,162.6	3,311.4	3,719.5	4,297.4	4,835.8	4890.9
Non-current liabilities	1,258.2	1,193.9	758.9	999.3	1,090.4	982.9	1001.3
Current liabilities	2692.3	3,386.5	3,959.6	2,812.9	3,298.3	3,283.2	3383.7
Total Equity and Liabilities	7,284.2	7,902.2	8,189.2	7,690.8	8,845.3	9,261.1	9435.2
Non-current assets	3,877.8	3,464.4	3,368.8	3,563.7	4,258.3	4,339.1	4298.4
Current assets	3,406.4	4,437.8	4,820.4	4,127.1	4,587.0	4,922.0	5136.7
Total Assets	7,284.2	7,902.20	8,189.2	7,690.8	8,845.3	9,261.1	9435.2
Key Ratios	FY14	FY15	FY16	FY17	FY18	FY19	FY20
RoCE (%)	6.2	8.0	8.6	13.4	16.3	14.9	9.0
RoE (%)	3.6	6.4	7.0	10.9	14.9	13.5	9.8
Total Debt to equity (x)	0.87	1.00	1.02	0.64	0.63	0.57	0.60
Interest coverage (x)	2.9	4.5	4.6	6.3	8.5	7.8	6.6
Inventory days	77	89	84	74	85	88	106
Receivable days	40	46	53	59	53	50	49
Payable days	19	21	23	29	34	25	30



ANNEXURE

STOCK INFORMATION



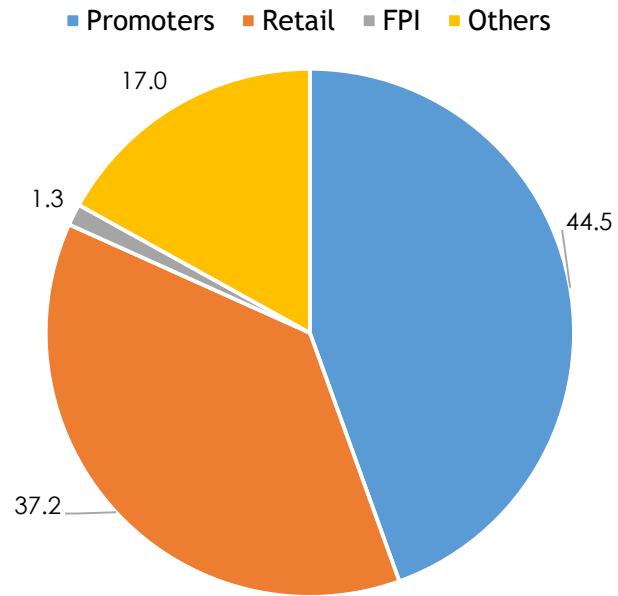
Market cap (₹)
5,700 mn
(as on 4^h Nov 2020)

Shares outstanding
16.1 mn
(30th Sept 2020)

NSE code
VISAKAIND

BSE code
509055

Shareholding Pattern as on 30th Sept 2020



Relative stock price vs BSE Small Cap



KEY MANAGERIAL TEAM



**SHRI. DR G.
VIVEKANAND**

Vice Chairman

An MBBS graduate from Osmania University and a former Member of Parliament is a first-generation entrepreneur playing a pivotal role in the company growth. It is under his leadership and guidance, Visaka Industries has grown multifold and diversified into building products and synthetic blended yarn with a prominent position in both industries.

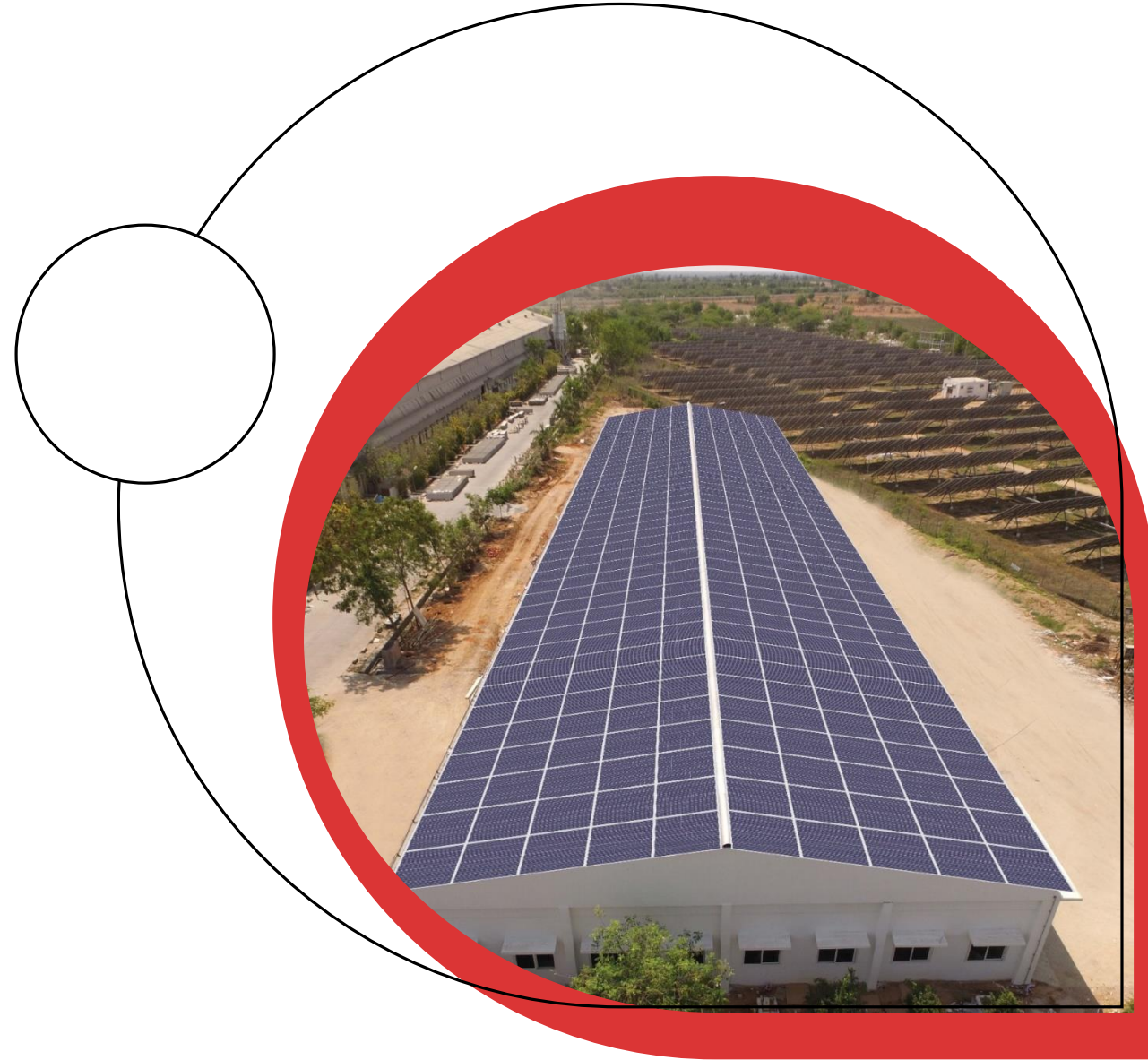


**SHRI. G. VAMSI
KRISHNA**

Joint Managing Director

He is a science graduate from Purdue University, USA. He joined Visaka in June 2010 as a management trainee and was later promoted as Chief Business strategist then as whole time director and he is currently joint managing director. He spearheaded the growth of the V-next business and invented ATUM. He was responsible in repositioning the company and introduction of ATUM.

BRAND OFFERINGS



PRESTIGIOUS BRANDS OF VISAKA INDUSTRIES



VISAKA & SHAKTI



V-Next



V-Board



V-Premium



V-Plank



V-Panel



ATUM



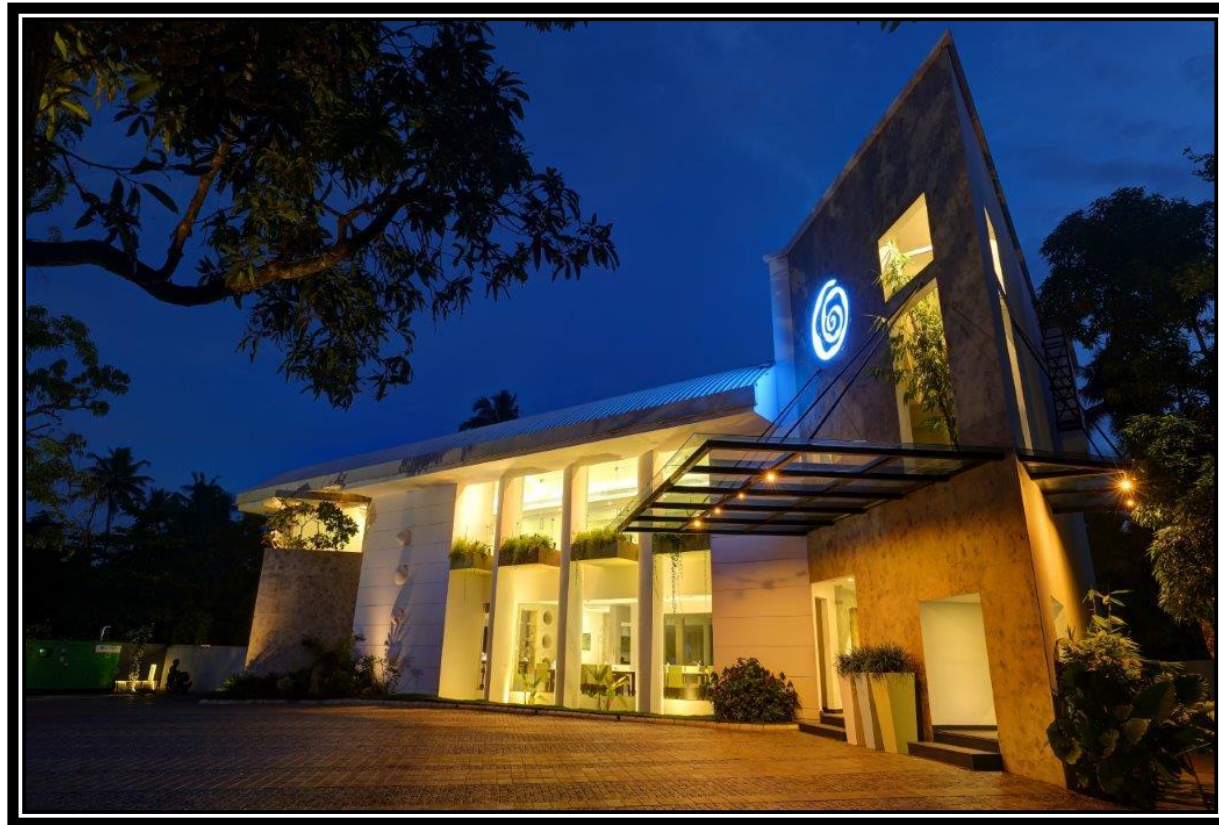
V-Infill

GREEN PRODUCTS FOOTPRINTS INCREASING



Vnext by Visaka products are manufactured using Cellulose fiber and are **Green Pro Certified** product (V board, V designer, V plank & V premium, and V panel) by **CII-IGBC**, the first and only company to be certified **Green Products in the category of FCB**. With use of V board, you save huge amount of electricity and water as our product is dry wall construction. Due to shortage of Red Sand for construction, Vnext is an ideal ecofriendly product for future generations to come.

REVOLUTIONIZING USE OF ENERGY EFFICIENTLY - ATUM



AESTHETIC APPEARANCE WITH THE V-BOARDS AND PANELS



INCREASED ACCEPTANCE OF VISAKA'S OFFERINGS IN RESIDENTIALS



AWARDS AND ACCOLADES



- Silver Winner-Spot light 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 the year 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



Thank You

INVESTOR RELATIONS CONTACT

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