To,

National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No. C/1G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code – VISAKAIND

BSE Limited,
The Senior General Manager,
Listing Compliances, Floor 25, P. J. Towers, Dalal
Street, Mumbai – 400 001

Scrip Code – 509055

Sub: Press Release – Quarterly Results

Dear Sir/s,

With reference to above and further to our submission of audited financial results for the quarter ended 30.06.2020, we enclose herewith a copy of press release made in that connection.

This is for your information and records please.

Thanking you,

Yours faithfully,

I Srinivas
Vice President (Corporate Affairs)
& Company Secretary

for VISAKA INDUSTRIES LIMITED

Encl. a/a
PRESS RELEASE

Financial Results Q1-FY 2020-21 with Vision Statement of Visaka Industries Ltd.

Despite the sudden turn of global events, last financial year has been a special one for Visaka Industries Ltd. Established in 1981, Visaka, being the second-largest manufacturer of cement roofing sheets in the country proudly shares the achievement of acquiring the largest market share in the Industry to take the No.1 position in terms of sales volume for the year 2019-20.

Vnext retains its position as the largest manufacturer of sustainable materials for the construction industry with the largest market share in the country. Additionally, over 1.9 lakh sq.ft of building units to aid COVID care, in 34 leading Hospitals across the country have been constructed with nearly 313 metric tons of Vnext products for various applications such as partitions, false ceiling, cladding, mezzanine, roof underlay and elevation. Since inception, we have saved over 5,00,000 trees and 90,000 tons of Co2 emissions from deforestation.

The last few months were challenging times for India as well as the world with demand and supply chains being disrupted drastically. An unprecedented event for humanity itself, COVID-19 has impacted lives and trade like no other. In this context, Visaka Industries Ltd. has taken proactive steps to minimize the impact on the company and its employees as much as possible. With April 2020 marking a global lockdown, the markets slowly opened for business from May 4 — a light at the end of the tunnel for businesses. Visaka has taken all appropriate steps in all its operations as counteractive measures for an active response.

Fortunately, the rural markets are fairly insulated from COVID, and hence, the demand for cement roofing sheets have been assuring. We maximized production and ensured that sales were made briskly, taking good care of logistics. Within the effective period — one month and 20 days — in this quarter, we could maximize sales, achieving 85% of the sales volume compared to the same quarter last year. Costs have been tightly reined in while sales prices rose, resulting in healthy margins.

The synthetic yarn division experienced the worst pressure since both the main markets for these products, Bhiwandi in Mumbai and Bhilwara in Rajasthan remained closed for a significant part of the first quarter. However, exports continued to do well. Hence, this business incurred some loss in the first quarter. Given the potential and uniqueness of Visaka’s yarn segment, and since this is a temporary phenomenon arising out of exceptional circumstances, we see Bhiwandi markets starting to open from this month of August. This unit will see a rapid ramp-up of sales and margins in subsequent months since the intrinsic demand remains intact.

The ATUM division, which is also urban market-oriented, managed to improve revenue to Rs. 2.2 cr compared to Rs. 85 lacs in the same quarter last year. We expect this business also to ramp up sales as lock downs are lifted more and more progressively.

As a combined effect of all the above, Visaka industries ended up with a minimal drop in revenue of 19% in quarter June 2020 to Rs. 285.18 cr over the same period last year of Rs.352.82 cr.
The EBITD margins grew to a very healthy 21% in June 2020 compared to 14% in the same period the previous year. The PBT rose by 31% to Rs. 46.10 cr over last year’s Rs. 35 cr. The PAT increased by 49% to Rs. 34.4 cr over previous year’s Rs. 23.07 cr. The interest cost came down from Rs. 4.38 cr in June 19 quarter to Rs. 3.94 cr in June 2020. Depreciation came down from Rs. 10.85 cr in June 2019 to Rs. 9.80 cr in June 2020. The net debt came down from Rs. 193 cr as on June 2019 to Rs.80 cr by the end of June 2020. Even if there is likely to be some increase in working capital borrowings during the offseason and pick up of CAPEX during the remaining part of the year, the debt is still expected to come down by at least Rs. 50-Rs. 75 cr by the end of FY 21 over FY 20.

While the main contributor in this quarter has been the Cement Roofing business, we expect Vnext (if June and July months are indications to go by) and Synthetic Yarn business to contribute handsomely in subsequent quarters. The market for cement roofing business continues to be robust, and we expect this run to continue. Generally, when cement roofing business picks up, it continues for 4 to 5 years, and we expect the same to happen now especially with steel sheets being subjected to antidumping duty and imports from China discouraged. The Vnext is expected to grow in double digits in the subsequent quarters with double-digit margins. Our yarn business is expected to come back to normalcy, generating double-digit margins. We want to conclude that this year is expected to be one of the most successful years among the last 4 to 5 years.

**Vision Statement of Visaka Industries Ltd is ‘Innovate Sustainability!’**

Visaka Industries Ltd. has also adopted a new vision statement to reflect its gradual transition towards sustainable building material that promote green building practices. From manufacturing yarn using materials from recycled PET bottles, to producing Eco-friendly building material like Vnext and supporting the renewable revolution with ATUM, Visaka has been a pioneer for establishing a strong wing of sustainable innovations.

At Visaka – we identify problems that we are facing as a society and find the most suitable, easy to adopt solutions. All the three new verticals of Visaka Industries are striving to address the three main non-renewable problems of the world today. Vnext is actively trying to solve the deforestation and the carbon emissions issue by active substitution of products manufactured and based on deforestation. Through this initiative, we have created an impact of saving over 5,00,000 trees and 90,000 tons of Co2 emissions from deforestation so far.

The new developments in our Textile division have developed sustainable yarns made out of PET bottles – addressing the issue of plastic waste impacting about 95 million PET bottles from piling up in dump yards and our oceans. With the same passion for innovation, ATUM, an integrated solar roof is the first of its kind in the world, addressing coal-based power production by providing solutions for sectors like affordable housing, net-zero industries and commercial establishments.

Visaka is among very few companies today that can quantify and back up their contributions to the sustainability movement. At Visaka, we started our sustainability journey almost ten years ago to claim the
developments and achievements we have so far with solutions that build, operate and excel in the field. Visaka is striving to create a ‘renewable, green and a sustainable’ tomorrow.

**Introducing Visaka’s newest entrant—Vnext Solutions**

With over 35 years of experience in channel sales, the company has understood modern-day requirements of going digital and has now launched its latest product, Vnext Solutions. Allowing a comfortable buying experience in situations like COVID-19 pandemic and a promising new development for our stakeholders, we now launch e-commerce services for a green, sustainable construction called Vnext Solutions.