



### Q3FY24 Highlights

- Visaka Industries Limited (VIL) in Q3FY24 reported a disappointing performance.
- Revenue stood at ₹344crs, of which ₹302crs came from building products and ₹42crs from textile segment. Total revenue witnessed a drop of 4% YoY, while remained flat sequentially.
- The net profit in Q3FY24 witnessed a staggering YoY decline of 314%, plummeting from ₹3.4crs in Q3FY23 to an alarming ₹-7.2crs in Q3FY24.
- EBITDA has witnessed a significant decline to ₹14.07crs from ₹25.5crs, equating to a 45% decrease on a YoY basis.
- Similarly, EBITDA margin declined 308 bps YoY in Q3FY24 to 4.09% from 7.17%.
- Earnings per share also fell by 313% YoY, from ₹0.39 to ₹-0.83 in Q3FY24
- The company has started commercial production at its new VBoards unit in Midnapur, West Bengal, since 7th Dec 2023.
- The company is focused on sustainability and leading the way in eco-friendly construction materials.

### VIEW

Although the company has an innovative leadership position in its sectors, its sales have been muted, margins have shrunk, and debt has increased. Despite favorable government policies and increase in the demand for housing and infrastructure development, the company has witnessed modest growth. We had initiated coverage on 14Dec21 around 120 levels with a Target Price of ₹150. **The target was met on (07Feb24) and later on made a 52-week High of ₹177.9 on (12Feb24), hence we recommend our clients to BOOK PROFITS.**

### Coverage

Date	Quarter / Report	Report Price	Target Price	Recommendation
01-Sep-23	Q1FY24	93.00		Accumulate
02-Mar-22*	Q3FY22	565.85 (113.17)*		Accumulate on Dips
14-Dec-21*	Quick Insight	633.8 (126.76)*	750 – 800 (150 – 160)*	Accumulate on Dips

\* (Split 1:5) (Ex – Split Date : 15-May-23)

### Important Data

Nifty	21,840
Sensex	71,822
CMP	₹135
Market Cap (₹ crs)	₹1168
52W High/Low	₹178/ 65
2W Avg Volume (Lakh)	2.81
BSE Code	509055
NSE Code	VISAKAIND
Bloomberg Code	VSKI:IN

Shareholding %	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Promoters	48.4	48.4	48.4	48.4	48.4
FIIIs	3.7	3.8	3.2	0.8	0.3
DIIIs	0.8	0.8	0.7	0.0	0.0
Public	47.0	46.9	47.7	50.7	51.2

### Financials & Ratios

Particulars	FY20	FY21	FY22	FY23
Net Sales	1050	1146	1416	1647
EBITDA	116	202	210	147
EBITA Margin	11%	18%	15%	9%
PAT	49.3	111	119	55
PAT Margin	4.7%	9.7%	8.4%	3.3%
EPS (₹)	6.2	13.7	14.2	6.3
ROE (%)	9.8%	17.7%	17.4%	7.3%
ROCE (%)	9%	20.3	18	7.9
P/E (x)	4.35	7.06	1.71	2.16
EV/EBITDA (x)	3.97	3.86	1.63	3.23

Source: Company, Way2Wealth Research

### Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
Visaka	59	38	66
Nifty 50	22	44	103
SENSEX	18	39	100

Source: Company, Way2Wealth Research

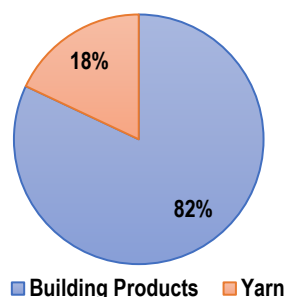
Dhananjay Kansara

dhananjay.k@way2wealth.com

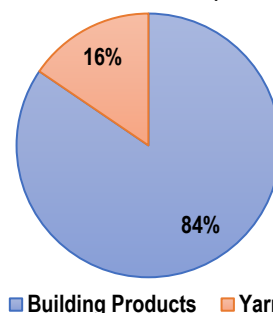
Ph: 022 – 4019 2911

## Operational Position

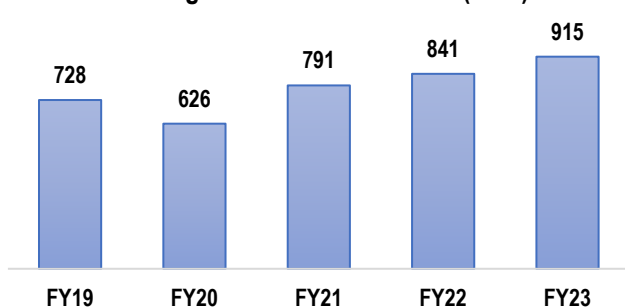
Contribution to Sale FY23



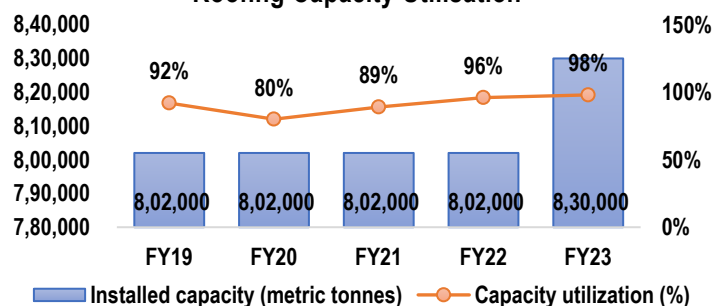
Contribution to Sale (9MFY24)



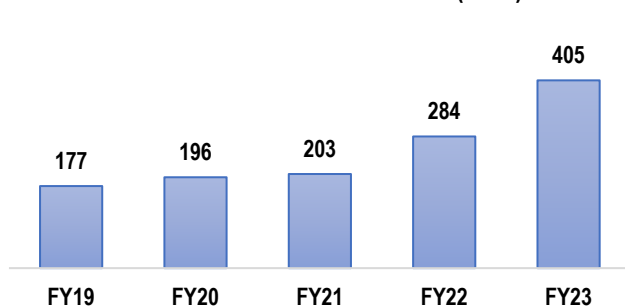
Roofing Annual Sales Growth (₹ Cr)



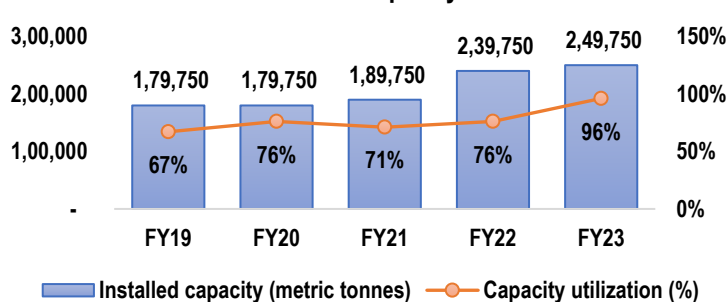
Roofing Capacity Utilisation



V-Next Annual Sales Growth (₹ Cr)



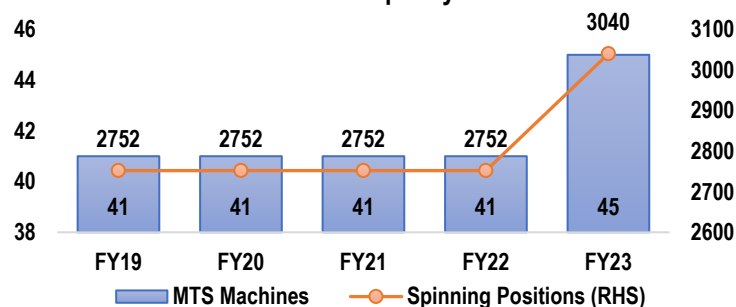
V-Next Capacity



Yarn Annual Sales Growth (₹ Cr)



Yarn Capacity



Source: Company, Way2Wealth Research

## FINANCIAL PERFORMANCE

(₹ Cr)

Particulars	Q3FY24	Q3FY23	YoY	Q2FY24	QoQ	9MFY24	9MFY23	YoY	FY23
Revenue from Operations	343.6	356.5	-4%	338.8	1%	1130.6	1200.9	-6%	1653.4
Other Income	2.4	2.4	-2%	2.4	-1%	7.0	7.4	-5%	10.5
Total Revenue	346.0	359.0	-4%	341.2	1%	1137.5	1208.3	-6%	1664.0
Expenses									
Cost of Materials consumed	226.6	231.7	-2%	180.0	26%	654.6	660.8	-1%	902.4
Purchase of Stock -In-trade	-0.5	2.6	-118%	2.9	-116%	5.0	8.1	-38%	12.3
Changes in Inventories	-48.2	-48.0	0%	2.6	-1928%	-51.9	-48.6	7%	-29.0
Employee benefits expense	34.8	32.0	9%	31.6	10%	103.3	103.0	0%	137.1
Finance costs	10.5	7.0	49%	8.3	26%	27.1	14.0	94%	22.3
Depreciation expense	15.0	12.9	16%	13.6	10%	42.1	37.0	14%	50.2
Other expenses	116.7	112.7	4%	108.6	8%	356.2	363.9	-2%	491.8
Total expenses	354.9	350.9	1%	347.6	2%	1136.5	1138.2	0%	1587.2
Profit/(Loss) before exceptional Items and tax	-9.0	8.1	-211%	-6.3	42%	1.1	70.1	-98%	76.8
Exceptional item	0.0	3.2	-100%	0.0	-	0.0	3.2	-100%	3.2
Profit/(Loss) before tax	-9.0	4.9	-284%	-6.3	42%	1.1	66.9	-98%	73.6
Tax expense									
Current tax	-3.1	1.1	-377%	-1.3	138%	0.2	17.2	-99%	19.4
Deferred tax	1.3	0.4	212%	0.0	2794%	1.2	0.4	188%	0.6
Net Profit/(Loss) for the period after tax	-7.2	3.4	-314%	-5.1	41%	-0.3	49.3	-101%	53.6
Paid-up equity share capital	17.3	17.3	0%	17.3	0%	17.3	17.3	0%	17.3
EPS(Face Value of 2/- per Share)	-0.83	0.39	-313%	-0.59	41%	-0.03	5.7	-101%	6.2

Source – Company, Way2Wealth Research

## SEGMENT DETAILS

Particulars	Q3FY24	Q3FY23	YoY	Q2FY24	QoQ	9MFY24	9MFY23	YoY	FY23
<b>Segment Revenue</b>									
Building products	301.5	288.4	5%	278.9	8%	966.5	967.7	0%	1357.5
Synthetic blended yarn	42.1	68.1	-38%	59.9	-30%	164.0	233.2	-30%	295.9
Total Revenue	343.6	356.5	-4%	338.8	1%	1130.6	1200.9	-6%	1653.4
<b>Segment Results</b>									
Profit before tax and interest from each segment									
Building Products	8.6	10.8	-20%	2.8	213%	38.2	76.7	-50%	94.1
Synthetic blended yarn	3.0	10.2	-71%	9.7	-69%	20.6	33.8	-39%	43.3
Total	11.6	20.9	-45%	12.5	-7%	58.8	110.6	-47%	137.5
Less:									
Interest	10.5	7.0	49%	8.3	26%	27.1	14.0	94%	22.3
Other unallocable expenditure net of unallocable income	10.1	9.0	12%	10.5	-4%	30.6	29.6	3%	41.6
<b>Total Profit/(Loss) before tax</b>	<b>-9.0</b>	<b>4.9</b>	<b>-284%</b>	<b>-6.3</b>	<b>42%</b>	<b>1.1</b>	<b>66.9</b>	<b>-98%</b>	<b>73.6</b>
<b>Segment Assets</b>									
Building products	1253.8	1091.8	15%	1084.1	16%	1253.8	1091.8	15%	1089.9
Synthetic blended yarn	141.8	114.5	24%	121.8	16%	141.8	114.5	24%	119.2
Unallocated	123.9	129.1	-4%	226.3	-45%	123.9	129.1	-4%	161.2
<b>Total Assets</b>	<b>1519.4</b>	<b>1335.4</b>	<b>14%</b>	<b>1432.2</b>	<b>6%</b>	<b>1519.4</b>	<b>1335.4</b>	<b>14%</b>	<b>1370.4</b>
<b>Segment Liabilities</b>									
Building products	149.2	122.4	22%	118.7	26%	149.2	122.4	22%	132.6
Synthetic blended yarn	14.9	17.3	-14%	18.0	-17%	14.9	17.3	-14%	16.7
Unallocated	602.4	428.4	41%	535.2	13%	602.4	428.4	41%	449.6
<b>Total Liabilities</b>	<b>766.5</b>	<b>568.0</b>	<b>35%</b>	<b>671.8</b>	<b>14%</b>	<b>766.5</b>	<b>568.0</b>	<b>35%</b>	<b>598.9</b>

Source: Company, Way2Wealth Research

Disclaimer

**Analyst Certification:** I, Dhananjay Kansara the research analyst and author of this report, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s), principally responsible for the preparation of this research report, receives compensation based on overall revenues of the company (Way2Wealth Brokers Private Limited, hereinafter referred to as Way2Wealth) and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

It is confirmed that Dhananjay Kansara, the author of this report has not received any compensation from the companies mentioned in the report in the preceding 12 months. Our research professionals are paid in part based on the profitability of Way2Wealth, which include earnings from other business. Neither Way2Wealth nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information contained in this report.

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Way2Wealth is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. The contents of this material are general and are neither comprehensive nor appropriate for every individual and are solely for the informational purposes of the readers. This material does not take into account the specific objectives, financial situation or needs of an individual/s or a Corporate/s or any entity/s.

This research has been prepared for the general use of the clients of the Way2Wealth and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient, you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Way2Wealth will not treat recipients as customers by virtue of their receiving this report. The distribution of this document in other jurisdictions may be restricted by the law applicable in the relevant jurisdictions and persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

The report is based upon information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up to date and it should not be relied upon as such. Way2Wealth or any of its affiliates or employees makes no warranties, either express or implied of any kind regarding any matter pertaining to this report, including, but not limited to warranties of suitability, fitness for a particular purpose, accuracy, timeliness, completeness or non-infringement. We accept no obligation to correct or update the information or opinions in it. Way2Wealth or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. The recipients of this report should rely on their own investigations. In no event shall Way2Wealth be liable for any damages of any kind, including, but not limited to, indirect, special, incidental, consequential, punitive, lost profits, or lost opportunity, whether or not Way2Wealth has advised of the possibility of such damages.

This material contains statements that are forward-looking; such statements are based upon the current beliefs and expectations and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. These uncertainties include but are not limited to: the risk of adverse movements or volatility in the securities markets or in interest or foreign exchange rates or indices; adverse impact from an economic slowdown; downturn in domestic or foreign securities and trading conditions or markets; increased competition; unfavorable political and diplomatic developments; change in the governmental or regulatory policies; failure of a corporate event and such others. This is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form by any means or redistributed without the written consent of Way2Wealth. In no event shall any reader publish, retransmit, redistribute or otherwise reproduce any information provided by Way2Wealth in any format to anyone. Way2Wealth and its affiliates, officers, directors and employees including persons involved in the preparation or issuance of this report may from time to time have interest in securities / positions, financial or otherwise in the securities related to the information contained in this report.

To enhance transparency, Way2Wealth has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Disclosure of Interest Statement Visaka Industries Ltd. as on 15 February 2024

Name of the Security	Visaka Industries Ltd.
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

This information is subject to change without any prior notice. Way2Wealth reserves at its absolute discretion the right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, Way2Wealth is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.