Visaka Industries Limited

September 08, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	351.33 (Reduced from 414.91)	CARE A+; Stable	Reaffirmed; Outlook revised from Negative
Short-term bank facilities	RBI	6.00	CARE A1+	Assigned
Short-term bank facilities	RBI	185.04 (Reduced from 191.04)	CARE A1+	Reaffirmed
Fixed deposit	MCA	25.00	CARE A+; Stable	Reaffirmed; Outlook revised from Negative

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in outlook for the long-term bank facilities of Visaka Industries Limited (VIL) factors in the company's improved operational and financial performance in FY26 (refers to April 01 to March 31) and the stronger-than-expected performance witnessed in Q1FY27 (refers to April 01 to June 30). The improvement was supported by healthy volume growth across key product segments, improved realisations in the asbestos cement (AC) products business, higher capacity utilisation, and timely pricing actions undertaken to pass on increases in input costs. The company also benefited from favourable market dynamics, including a widening price differential between fibre cement roofing sheets and metal roofing sheets due to elevated steel prices, which supported demand, particularly in semi-urban and rural markets. Despite inflationary pressures on key raw materials in Q1FY27 arising from geopolitical developments, higher oil prices, increased freight costs, and supply-side disruptions, the company was able to fully pass on the increase through higher selling prices resulting in improved profitability in FY26.

Ratings continue to derive strength from VIL's experienced promoters and management team, its long and established track record of operations, and its strong brand presence in the domestic building products market. Ratings further benefit from the company's established market position as one of the leading players in the asbestos fibre cement sheet industry in India, supported by an extensive distribution network, a diversified product portfolio with increasing presence in non-asbestos building products, and a moderately diversified revenue profile.

The rating strengths, however, remain constrained by the profitability susceptible to fluctuations in raw material prices and foreign exchange movements. Although the company's profitability has improved over the recent periods, the sustainability of the improvement and its ability to demonstrate a sustained track record of stronger profitability remain to be seen. Ratings also continue to factor in the regulatory and environmental risks associated with the use of asbestos fibre, although the company operates within the prescribed regulatory framework and approved limits.

CARE Ratings Limited (CareEdge Ratings) notes that the company is undertaking a ₹185 crore capacity expansion project in its building products segment involving setting up a new fibre cement boards and calcium silicate boards manufacturing facility. While the project is expected to strengthen its market position and growth prospects, the company's ability to execute the project within the envisaged cost and timeline while maintaining its improved financial risk profile will remain a key monitorable. Although the project is proposed to be largely funded through internal accruals, reliance on incremental debt funding could exert pressure on its leverage and debt protection metrics.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Continuous diversification of revenue stream and sustainable growth in revenue between 10% and 15%.
- Improving profit level and margin with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 10% on a sustained basis.
- Improving Net debt to PBILDT below 1.5x on a sustained basis.

Negative factors

- Increase in debt levels resulting in Net Debt/PBILDT to 3x on a sustained basis.
- Changes in regulation considering usage of asbestos fibre, adversely impacting business and consequently liquidity profile.

Analytical approach: Consolidated

CareEdge Ratings has adopted a consolidated approach for arriving at ratings of VIL, given the linkages with its subsidiaries. Companies considered for consolidation are listed under Annexure-5.

Outlook: Stable

The stable outlook reflects CareEdge ratings expectation that the company will continue to derive benefits from the existence of experienced promoters and management team and a strong brand image.

Detailed description of key rating drivers

Key strengths

Experienced promoters with the company's long track record of operation

VIL's promoters have been in the asbestos sheets industry for over four decades. The company commenced operations in 1981 with an installed capacity of 36,000 MTPA in the asbestos cement sheets (ACS) segment and has grown to be the second-largest player in the industry in terms of installed capacity. The company has been promoted by Dr G Vivekanand, and currently, the business operations are led by G Vamsi Krishna S/o G Vivekanand. VIL's business operations benefited from his long-established track record in diversified businesses and the vast industry network developed over the years. This has enabled the company expand its size and scale of operation. VIL is managed by a professional board with directors having long-standing industry experience of over two decades. They are supported by a team of experienced and capable professionals with considerable experience in the segment manage day-to-day operations.

Widespread marketing distribution network

VIL has a wide distribution network of over 7,000 dealers in urban, suburban, and rural areas, and depots in over 40 cities in India. The company markets its products, pan-India. Given limited organised players in the segment, key players cater to different regions across the country with limited overlapping. The marketing team directly supplies to dealer/retailers rather than routing through distributors, and the dealer contribution to sales is ~60% with balance 40% comprising institutional sales to industries, government, and poultry companies. Given that majority sales is to rural and semi-urban areas, the company routes its sales through retailers/dealers rather than setting up their sales channels in all its segments across India. VIL supplies its products on pan-India basis with 13 marketing offices across the country.

Diversified revenue stream

VIL has a diversified product portfolio with the company having presence in building products through ACS, non-asbestos boards and panels (V-Next products) and 'ATUM', an integrated solar roofing product where solar panels are fused with the company's roofing V-boards. VIL has presence in textiles business, where it manufactures synthetic yarns, including mélange yarns, high twist yarn, and specialty yarns with different blend styles, which is supplied to major textile players, including Siyaram, Raymonds, Arvind Mills, and Donear among others. In FY26, the company generated 53% revenue from ACS segment, 31% from non-asbestos boards and panels, and ~16% from textile segment.

Improved operational performance

The company reported an improvement in its operating performance in FY26, supported by higher volumes in boards & panels and synthetic yarn segments, stable performance in the cement roofing business, and improved cost efficiencies. Total operating income increased by ~8.6% to ₹1,678 crore in FY26 from ₹1,545 crore in FY25. PBILDT margin expanded by 180 bps to 8.3% from 6.5% in FY25. Margin improvement was driven by lower input cost in the cement roofing business, better operating efficiencies, and a higher contribution from value-added boards & panels products. The boards & panels segment remained the

key growth driver, registering revenue growth of ~19%, while the cement roofing business maintained stable revenues and profitability. Supported by healthy cash generation and lower finance costs following debt reduction, the company reported a profit after tax of ₹85.36 crore in FY26 against a net loss in FY25. In Q1FY27, VIL reported a further improvement in operating performance, with TOI increasing by 16.6% y-o-y to ₹589 crore from ₹505 crore in Q1FY26. PBILDT grew sharply by 72.5% to ₹88 crore, resulting in a significant expansion in PBILDT margin to 15.0% from 10.1% in the previous year period, driven by better operating efficiencies and stronger scale.

Although the company reported an improvement in operating performance in FY26 and Q1FY27, its profitability metrics continue to remain moderate and leave limited cushion against adverse business conditions. Therefore, the company's ability to sustain the recent improvement in margins and earnings and establish a track record of consistently stronger profitability will remain a key monitorable going forward.

Improving financial profile

The company's financial profile improved in FY26, driven by healthy profitability, improved cash generation, and substantial debt reduction. Total debt reduced from ~₹479 crore as on March 31, 2025, to ~₹303 crore as on March 31, 2026, resulting in an improvement in the overall gearing ratio to 0.37x as on March 31, 2026, from 0.64x as on March 31, 2025. The company recognised ~₹59.7 crore exceptional profit from the sale of land/assets at Ahmedabad and Kanchipuram in FY26. These proceeds aided profitability, cash generation and debt reduction.

Debt coverage indicators improved significantly in the year. Supported by higher operating profits and lower debt levels, the interest coverage ratio improved to 4.30x in FY26 from 2.26x in FY25, while total debt to PBILDT improved to 2.17x from 4.76x. Lower leverage and improved debt protection metrics provide greater financial flexibility and support the company's future growth plans.

VIL had entered agreements with the Hyderabad Cricket Association (HCA) for sponsorship and naming rights relating to the Rajiv Gandhi International Cricket Stadium, Hyderabad. Subsequently, disputes arose regarding the execution of these agreements, leading to arbitration proceedings. The Arbitral Tribunal ruled in favour of VIL, and following the dismissal of HCA's legal challenges and enforcement of the award by the court, the company received ₹68.73 crore, including interest, in July 2026. The receipt marked the closure of the long-pending dispute and resulted in a one-time exceptional gain in FY27.

CareEdge Ratings takes note of the company's proposed capital expenditure of ₹185 crore towards augmenting capacities in the building products segment by establishing a new manufacturing facility for fibre cement boards and calcium silicate boards. The project is expected to enhance operational scale and strengthen the company's market position. The company's ability to execute the project as envisaged and maintain its financial risk profile will remain a key rating monitorable. While funding is expected to be largely through internal accruals, material increase in debt to support the project may adversely affect leverage and coverage metrics.

Key weaknesses

Exposure to raw material price volatility

VIL depends on imported chrysotile asbestos fibre (CAF), a key raw material for its cement roofing sheets business, with sourcing concentrated in countries such as Russia, Kazakhstan and Brazil. While supply conditions remained largely stable in FY26, the company continues to be exposed to geopolitical developments, including the ongoing conflict in West Asia, which could indirectly impact global commodity markets, energy prices, freight costs and supply-chain stability. the increase in CAF prices in Q1FY27 highlights the company's continued vulnerability to fluctuations in global raw material prices and supply conditions.

Foreign exchange fluctuation risk

VIL remains exposed to foreign exchange fluctuations given its dependence on imported raw materials, which constituted ~45% of total raw material consumption in FY26. The company is particularly reliant on imported CAF, a key raw material for the cement roofing sheets business. Although the company benefits from a partial natural hedge through exports of V-Next products and synthetic yarns and monitors its forex exposure through a dedicated forex committee, import-related forex outflows continue to exceed export inflows, resulting in a net foreign currency exposure. The company's established forex monitoring and risk management mechanisms provide some mitigation against adverse currency movements. While foreign exchange impact was insignificant in absolute terms, the company reported a forex loss of ₹0.89 crore in FY26, compared to a forex gain of ₹1.80 crore in FY25.

Regulatory and environmental issues concerning asbestos

The building materials industry remains exposed to regulatory and environmental risks. The buildings and construction sector accounts for ~37% of global energy-and-process related CO_2 emissions, leading to increasing regulatory focus on decarbonisation, sustainable construction practices, and adoption of environmentally friendly building materials. These evolving regulations and changing customer preferences could influence product standards and demand across the industry.

VIL is involved in manufacturing ACS, and the use of asbestos-related products have been banned in most developed countries. While mining asbestos is banned in India, the use of asbestos is permitted in related products, though it has been a matter of litigation in the past with the court's ruling in favour of the ACS industry. However, due to ban on mining asbestos in India, Indian players depend on the asbestos exporting nations including Russia, Kazakhstan, and Brazil, China among others. VIL primarily sources its asbestos primarily from Russia, Kazakhstan, and Brazil. Regulations against mining or trading asbestos in the current major exporting nations can make operations of the Indian players including VIL vulnerable. The company uses white fibre in place of the banned carcinogenic blue fibre. This apart, free-floating asbestos used by the company are well-below the 0.1 fibre/ml of air mark fixed by the Ministry of Environment.

However, the company's Vnext Boards and panels have low CO_2 emissions in manufacturing. ATUM Solar promotes operational sustainability for rooftops and wonder yarn, made from PET pellets, and tackles plastic pollution in oceans. As the company is in manufacturing cement-based and yarn products, it requires water for manufacturing. For conservation of water, the company has installed digital water metres across factories and rainwater harvesting pits to ensure efficient consumption and recharging of underground water.

Liquidity: Adequate

The company's liquidity remains adequate marked by adequate cash accruals against debt repayment obligations. In FY26, the company generated cash accruals of ~₹150 crore against repayment obligations of ~₹45 crore. The company also had cash and liquid investments of ~₹27 crore as on March 31, 2026. The company is expected to generate cash accruals of over ₹155-190 crore in FY27 against repayment obligations of ~₹53 crore. Working utilisation for the fund-based facility remained low at ~33% for 12-months ended July 2026, providing further liquidity cushion.

However, the company has planned a ₹185 crore capacity expansion in its building products segment through the establishment of a new fibre cement boards and calcium silicate boards manufacturing facility at Tonk, Rajasthan. The company's capital expenditure is estimated at ~₹90-95 crore annually in the next two years, which is expected to be largely funded through internal accruals.

Consequently, working capital utilisation levels are likely to increase from the current levels during the project implementation phase, although liquidity is expected to remain supported by the company's healthy accrual generation.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

Environmental risks have been mentioned under weaknesses.

The company has ensured employee safety and employee health through proactive measures and safeguards. Overall, governance risk is idiosyncratic, usually reflecting the corporate culture, strategy, geographic footprint, and group complexity. The company is focusing on growth of its stakeholders through its long-term perspective, process-driven approach, and integrity.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Construction materials	Other construction materials	Other construction materials

Promoted by Dr G Vivekanand, VIL was incorporated in 1981 in Hyderabad, Telangana. Currently, the company's operations are led by G Vamsi Krishna, S/o G. Vivekanand. The company is engaged in manufacturing ACS, non-asbestos boards and panels, synthetic fibre yarns and solar roofing products. VIL's business is divided in three major verticals including building products (ACS and non-asbestos boards & panels), textiles (synthetic fibre yarns), and solar roofing products. The company is the second-largest player in manufacturing ACS in India.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	1545.09	1677.86	588.85
PBILDT*	100.54	139.68	88.17
Profit after tax (PAT)	-3.01	85.36	50.03
Overall gearing (x)	0.64	0.37	NA
Interest coverage (x)	2.26	4.30	15.12

A: Audited; UA: Unaudited NA: Not available; Note: these are latest available financial results
PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fixed Deposit	MCA	Simple		-	-	2027#	25.00	CARE A+; Stable
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	200.00	CARE A+; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	31-03-2036	151.33	CARE A+; Stable
Fund-based - ST-Working Capital Demand loan	RBI	Simple	-		-	-	6.00	CARE A1+
Non-fund-based - ST-Bank Guarantee	RBI	Simple	-		-	-	10.00	CARE A1+
Non-fund-based - ST-Credit Exposure Limit	RBI	Simple	-		-	-	8.04	CARE A1+
Non-fund-based - ST-Letter of credit	RBI	Simple	-		-	-	87.00	CARE A1+
Non-fund-based - ST-Standby Line of Credit	RBI	Simple	-		-	-	80.00	CARE A1+

#The maturity of these deposits fall on different dates depending on the date of each deposit.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	200.00	CARE A+; Stable	-	1)CARE A+; Negative (12-Sep-25)	1)CARE A+; Negative (07-Oct-24)	1)CARE A+; Stable (23-Nov-23)
2	Non-fund-based - ST-Bank Guarantee	ST	10.00	CARE A1+	-	1)CARE A1+	1)CARE A1+	1)CARE A1+

						(12-Sep-25)	(07-Oct-24)	(23-Nov-23)
3	Non-fund-based - ST-Letter of credit	ST	87.00	CARE A1+	-	1)CARE A1+ (12-Sep-25)	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (23-Nov-23)
4	Fund-based - LT-Term Loan	LT	151.33	CARE A+; Stable	-	1)CARE A+; Negative (12-Sep-25)	1)CARE A+; Negative (07-Oct-24)	1)CARE A+; Stable (23-Nov-23)
5	Fixed Deposit	LT	25.00	CARE A+; Stable	-	1)CARE A+; Negative (12-Sep-25)	1)CARE A+; Negative (07-Oct-24)	1)CARE A+; Stable (23-Nov-23)
6	Non-fund-based - ST-Standby Line of Credit	ST	80.00	CARE A1+	-	1)CARE A1+ (12-Sep-25)	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (23-Nov-23)
7	Non-fund-based - ST-Credit Exposure Limit	ST	8.04	CARE A1+	-	1)CARE A1+ (12-Sep-25)	1)CARE A1+ (07-Oct-24)	-
8	Fund-based - ST-Working Capital Demand loan	ST	6.00	CARE A1+				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Visaka Green Private Limited	Full	Subsidiary
2	Atum Life Private Limited	Full	Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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