

Shankara Building Products Limited

CIN: L26922KA1995PLC018990

Registered and Corporate Office: G-2, FARAH WINSFORD, 133, INFANTRY ROAD, BANGALORE - 560 001

Website:www.shankarabuildpro.com, Email:compliance@shankarabuildpro.com

Standalone financial results for the Quarter and Year ended 31 March 2018

(Rs. In Lacs unless other wise stated)

Particulars	For the quarter ended			For the year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	Unaudited	Unaudited	Unaudited	Audited	Audited
I Revenue from operations	67,832.55	56,188.60	51,872.25	2,24,797.71	1,97,603.67
II Other Income	15.96	15.97	27.14	64.44	90.19
III Total Income (I+II)	67,848.51	56,204.57	51,899.39	2,24,862.15	1,97,693.86
IV Expenses					
Purchase of Stock-in-Trade	67,509.41	53,909.60	48,309.48	2,16,998.42	1,84,476.63
Changes in inventories of stock in trade	(4,808.02)	(2,293.77)	(13.77)	(9,447.64)	196.36
Employee benefits expense	929.80	901.20	633.54	3,305.18	2,532.34
Finance costs	871.43	654.33	668.20	2,744.64	2,910.44
Depreciation and amortization expenses	197.91	109.53	93.26	497.82	402.48
Other expenses	1,512.07	1,185.38	1,143.49	4,846.88	4,124.32
Total expenses	66,212.60	54,466.27	50,834.20	2,18,945.30	1,94,642.57
V Profit before tax (III-IV)	1,635.91	1,738.30	1,065.19	5,916.85	3,051.29
VI Tax expense:					
Current tax	624.50	600.00	376.00	2,154.50	1,147.00
for earlier years	(0.00)	(26.87)	25.89	(26.87)	25.89
Deferred tax	(31.72)	15.62	(21.39)	(35.63)	(52.03)
	592.78	588.75	380.50	2,092.00	1,120.86
VII Profit for the period (V-VI)	1,043.13	1,149.55	684.69	3,824.85	1,930.43
VIII Other Comprehensive Income					
A (i) Items that will not be reclassified to Profit or loss	6.55	-	(0.10)	6.55	(0.10)
(ii) Income tax relating to items will not be reclassified to Profit or loss	(2.27)	-	0.03	(2.27)	0.03
Total A	4.28	-	(0.07)	4.28	(0.07)
B (i) Items that will be reclassified to Profit or loss	-	-	-	-	-
(ii) Income tax relating to items will be reclassified to Profit or loss	-	-	-	-	-
Total B	-	-	-	-	-
Total Other Comprehensive Income/(loss) (A+B)	4.28	-	(0.07)	4.28	(0.07)
IX Total Comprehensive Income	1,047.41	1,149.55	684.62	3,829.13	1,930.36
X Paid Equity share capital	2,284.93	2,284.93	2,284.93	2,284.93	2,284.93
Face Value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00
XI Earning per equity share:					
Basic & Diluted (In Rs.)	4.59	5.03	3.13	16.76	8.83

See accompanying notes



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Standalone statement of assets and liabilities as at 31st March 2018

(Rs. In Lacs unless other wise stated)

Particulars		31.03.2018	31.03.2017	01.04.2016
I. ASSETS				
1 Non-current assets				
Tangible assets				
Property, plant and equipment	10,892.38	9,774.27	8,972.73	
Investment property	243.20	244.93	246.66	
Intangible assets	1,035.18	-	-	
Financial Assets				
Investments	3,848.31	3,897.77	3,870.70	
Trade receivables	306.02	229.92	137.24	
Loans	4,507.98	5,662.07	5,418.18	
Other non-current assets	171.97	38.62	63.75	
Total Non current assets	21,005.04	19,847.58	18,709.26	
2 Current Assets				
Inventories	25,659.45	16,211.80	16,414.16	
Financial Assets				
Trade receivables	37,806.40	25,792.96	23,378.32	
Cash and cash equivalents	112.18	158.90	117.39	
Bank balances other than above	48.22	6,299.15	0.05	
Loans	2,432.01	-	-	
Other financial assets	1,738.26	105.13	85.09	
Other current assets	2,561.70	325.85	218.98	
Total current assets	70,358.22	48,893.79	40,213.99	
Total Assets	91,363.26	68,741.37	58,923.25	
II. EQUITY AND LIABILITIES				
1 Equity				
Equity Share capital	2,284.93	2,284.93	2,187.10	
Other equity	29,381.13	26,349.67	20,286.83	
Total Equity	31,666.06	28,634.60	22,473.93	
2 Non-Current Liabilities				
Financial liabilities				
Borrowings	85.12	444.83	-	
Other financial liabilities	1.50	1.50	1.50	
Provisions	59.12	101.23	79.69	
Deferred tax liabilities (Net)	76.61	109.97	162.04	
Total Non-current liabilities	222.35	657.53	243.23	
3 Current liabilities				
Financial liabilities				
Borrowings	22,427.60	14,978.65	14,339.97	
Trade payables	34,754.49	21,574.45	20,242.68	
Other financial liabilities	1,134.30	1,222.91	592.36	
Provisions	55.84	41.36	6.82	
Current tax liabilities(Net)	375.12	956.67	402.90	
Other current liabilities	727.50	675.20	621.36	
Total current liabilities	59,474.85	39,449.24	36,206.09	
Total Equity and Liabilities	91,363.26	68,741.37	58,923.25	

Previous year figures have been regrouped wherever considered necessary.

By order of the Board
SUKUMAR SRINIVAS

Managing Director


Place : Bangalore

Date : 10th May 2018

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Notes :

- 1 Figures for the previous years have been regrouped wherever necessary to conform to the current period's classification.
- 2 The above results have been reviewed and recommended by the Audit Committee and approved by the Board at their meetings held on 10th May, 2018.
- 3 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2017, the Company has for the first time adopted Ind AS, the transition date being April 1, 2016.
- 4 In terms of SEBI circular no : CIR/CFD/CMD/56/2016 dt: 27th May 2016, the company hereby declares that the Auditors have issued Audit Reports both for Standalone & Consolidated financial results with unmodified opinion for the year ended 31st March 2018
- 5 The company conducts its operations along with its subsidiaries. The consolidated financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial results as set out in the accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).
- 6 The figures for the quarters ended 31st March 2018 and 31st March 2017 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial year which were subjected to limited review.
- 7 Pursuant to Initial Public Offering ('IPO'), 75,00,029 equity shares of Rs. 10 each which were allotted on 31st March 2017 at a premium of Rs.450 per share consisting of fresh issue of 9,78,289 equity shares and offer for sale of 65,21,740 equity shares by the selling shareholders. The proceeds of the IPO have been utilised as under:

Particulars	Amount in Rs.
Gross Proceeds from IPO	45,00,12,940
Less: Share Issue Expenses	2,69,84,539
Net Proceeds from IPO	42,30,28,401
Less: Utilisation towards repayment of short term borrowings	42,30,28,401
Amount kept unutilised	-

- 8 Amount utilised for share issue expenses includes payment made for merchant banker fees, legal counsel fees, brokerage and selling commission, auditors fees, registrar to the issue, printing and stationary expenses, advertising and marketing expenses, statutory fees to regulator and stock exchanges and other incidental expenses towards Initial Public Offering ('IPO'). Of the total expenses relating to share issue, expenses aggregating to Rs.3,11,24,582 have been adjusted against the Securities Premium Account and expenses aggregating to Rs.18,23,60,059 have been recovered from the selling shareholders. The recovery of expenses is in proportion to shares offered for sale by the selling shareholders to total shares offered for IPO.
- 9 The Board of Directors, in its meeting on May 10, 2018, has proposed a final dividend of Rs.3.25 per equity share for the financial year ended March 31, 2018. The proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately Rs.8.95 Crores including Corporate Dividend Tax.
- 10 The reconciliation of net profit reported under Indian GAAP for the year ended 31st March 2017 with Ind AS is given below:

Description	Year ended 31.03.2017	
	Standalone	Consolidated
Net profit as per Indian GAAP	2,068.69	6,028.36
Amortisation of Prepaid rent	(55.42)	(64.03)
Unwinding of interest income on Deposits	31.52	39.34
Commission on Guarantee	5.52	-
Provision for doubtful debts under expected credit loss method	(206.49)	(239.76)
Amortisation of unamortised finance cost	13.34	13.34
Tax impact on the above	73.17	79.41
Other comprehensive income, net of tax		
(i) Items that will not be reclassified to Profit or loss	0.03	7.49
(ii) Items that will be reclassified to Profit or loss	-	0.84
Total comprehensive income for the period	1,930.38	5,864.99

Place : Bangalore

Date : 10th May 2018



By order of the Board
SUKUMAR SRINIVAS

Managing Director

**Auditor's Report on Annual Consolidated Ind AS Financial Results of the Company
Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015**

To
The Board of Directors
Shankara Building Products Limited,
Bangalore

1. We have audited the accompanying Statement of Annual Consolidated Ind AS Financial Results of Shankara Building Products Limited, (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the year then ended ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement has been prepared on the basis of the annual consolidated Ind AS financial statements. Our responsibility is to express an opinion on this Statement based on our audit of such annual consolidated Ind AS financial statements, which have been prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Account) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.



3. We believe that the audit evidences obtained by us and obtained by the other auditors in terms of their report referred to in paragraph 5 below, is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.

4. In our opinion and to the best of our information and according to the explanations given to us, and on consideration of the reports of the other auditors, the Statement:

(i) includes the annual Ind AS financial results of the following entities:

Sr. No.	Name of the Entity	Relationship
1	Vishal Precision Steel Tubes & Strips Private Limited	Subsidiary
2	Taurus Value Steel & Pipes Private Limited	Subsidiary
3	Steel Networks Holdings Pte Limited	Subsidiary
4	Centurywells Roofing India Private Limited	Step-down Subsidiary

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(iii) gives a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information of the Group for the year ended March 31, 2018.

5. We did not audit the Ind AS financial statements of 3 subsidiaries included in the Statement, whose Ind AS financial statements reflects total assets of Rs. 19,640.71 Lacs as at March 31, 2018, total revenues of Rs. 71,517.05 Lacs and total profit (including other comprehensive income) after tax of Rs.1,753.97 Lacs for the year ended on that date, as considered in the Statement. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the statement is not modified in respect of the above matter.



6. The Statement includes the results for the Quarters ended March 31, 2018 and Quarter ended March 31, 2017, being the balancing figure between audited figures in respect of full financial year and the published year-to-date figures up to the third quarter of the respective financial year which were subject to limited review.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048



S. Sundararaman
Partner
Membership No.: 028423



Bangalore
May 10, 2018

Shankara Building Products Limited

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Consolidated financial results for the Quarter and Year ended 31 March 2018

(Rs. In Lacs unless other wise stated)

Particulars	For the quarter ended			For the year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	Unaudited	Unaudited	Unaudited	Audited	Audited
I Revenue from operations	76,080.98	62,461.61	60,038.91	2,54,866.56	2,31,014.06
II Other Income	13.73	23.32	21.93	64.43	67.97
III Total Income (I+II)	76,094.71	62,484.93	60,060.84	2,54,930.99	2,31,082.03
IV Expenses					
Cost of Materials Consumed	38,041.59	28,595.99	26,613.23	1,25,166.08	1,03,493.14
Purchase of Stock-in-Trade	33,414.02	25,206.55	23,144.22	1,01,041.33	96,244.15
Changes in inventories of finished goods & stock in trade	(6,311.11)	(162.02)	1,027.63	(8,828.25)	(1,798.89)
Employee benefits expense	1,541.82	1,605.82	1,242.50	5,923.43	4,918.74
Finance costs	1,373.81	1,099.91	1,276.12	4,634.69	5,061.66
Depreciation and amortization expenses	431.27	329.85	290.51	1,359.07	1,140.62
Other expenses	3,986.16	3,131.85	3,518.39	14,044.97	13,001.24
Total expenses (IV)	72,477.56	59,807.95	57,112.60	2,43,341.32	2,22,060.66
V Profit before tax (III-IV)	3,617.15	2,676.98	2,948.24	11,589.67	9,021.37
VI Tax expense:					
Current tax	1,199.90	833.40	957.30	3,814.80	2,893.80
for earlier years	140.61	(30.76)	60.89	109.85	22.61
Deferred tax	115.63	108.93	70.91	284.62	226.67
	1,456.14	911.57	1,089.10	4,209.27	3,143.08
VII Profit for the period	2,161.01	1,765.41	1,859.14	7,380.40	5,878.29
VIII Other Comprehensive Income					
A (i) Items that will not be reclassified to Profit or loss	13.10	-	(21.64)	13.10	(21.64)
(ii) Income tax relating to items will not be reclassified to Profit or loss	(4.53)	-	7.49	(4.53)	7.49
Total A	8.57	-	(14.15)	8.57	(14.15)
B (i) Items that will be reclassified to Profit or loss	1.90	0.26	1.41	1.59	0.84
(ii) Income tax relating to items will be reclassified to Profit or loss	-	-	-	-	-
Total B	1.90	0.26	1.41	1.59	0.84
Total Other Comprehensive Income/(loss) (A+B)	10.47	0.26	(12.74)	10.16	(13.31)
IX Total Comprehensive Income	2,171.48	1,765.67	1,846.40	7,390.56	5,864.98
Total comprehensive income for the year attributable to:					
- Owners of the Company	2,171.00	1,765.36	1,846.09	7,389.11	5,863.71
- Non-controlling interest	0.47	0.31	0.31	1.44	1.27
	2,171.47	1,765.67	1,846.40	7,390.55	5,864.98
X Paid Equity share capital	2,284.93	2,284.93	2,284.93	2,284.93	2,284.93
Face Value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00
XI Earning per equity share:					
Basic & Diluted (in Rs.)	9.49	7.73	8.44	32.34	26.81

See accompanying notes



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Consolidated statement of assets and liabilities as at 31st March 2018

(Rs. In Lacs unless other wise stated)

Particulars		31.03.2018	31.03.2017	01.04.2016
I. ASSETS				
1 Non-current assets				
Tangible assets				
Property, plant and equipment		27,257.57	24,483.69	21,914.41
Investment property		13.66	13.86	14.07
Intangible assets		1,035.18	-	-
Goodwill on Consolidation		1,404.03	1,404.03	1,404.03
Financial Assets				
Trade receivables		306.02	229.92	137.24
Loans		1,795.59	1,034.79	724.26
Other non-current assets		252.08	226.63	296.38
Total Non current assets		32,064.13	27,392.92	24,490.39
2 Current Assets				
Inventories		41,570.90	27,945.35	25,587.71
Financial Assets				
Trade receivables		42,413.80	30,839.95	27,861.16
Cash and cash equivalents		123.41	183.55	138.51
Bank balances other than above		476.89	6,437.73	98.77
Other financial assets		116.30	138.74	108.61
Other current assets		4,509.92	1,262.94	1,119.85
Total current assets		89,211.22	66,808.26	54,914.61
Total Assets		1,21,275.35	94,201.18	79,405.00
II. EQUITY AND LIABILITIES				
1 Equity				
Equity Share capital		2,284.93	2,284.93	2,187.10
Other equity		43,285.34	36,693.89	26,697.72
Non-Controlling Interest		6.12	4.67	3.39
Total Equity		45,576.39	38,983.49	28,888.21
2 Non-Current Liabilities				
Financial liabilities				
Borrowings		85.12	580.05	526.40
Other financial liabilities		1.50	1.50	1.50
Provisions		59.34	81.00	64.54
Deferred tax liabilities (Net)		1,694.32	1,405.17	1,185.99
Total Non-current liabilities		1,840.28	2,067.72	1,778.44
3 Current liabilities				
Financial liabilities				
Borrowings		24,196.95	21,010.41	20,827.42
Trade payables		46,122.00	26,100.79	23,381.06
Other financial liabilities		1,814.82	2,286.76	1,853.44
Provisions		66.86	44.68	16.57
Current tax liabilities(Net)		808.96	1,817.54	1,256.68
Other current liabilities		849.09	1,889.79	1,403.18
Total current liabilities		73,858.68	53,149.97	48,738.35
Total Equity and Liabilities		1,21,275.35	94,201.18	79,405.00

Previous year figures have been regrouped wherever considered necessary.

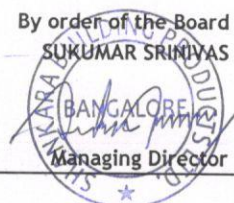
By order of the Board

SUKUMAR SRINIVAS

Managing Director

Place : Bangalore

Date : 10th May 2018



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Consolidated Segment information for the quarter and year ended 31 March 2018

(Rs. In Lacs unless other wise stated)

Particulars	For the quarter ended			For the year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	Unaudited	Unaudited	Unaudited	Audited	Audited
1. Segment Revenue					
- Retail	37,784.40	29,893.57	26,501.91	1,21,969.68	98,072.86
- Channel & Enterprise	38,296.57	32,568.04	33,536.90	1,32,896.87	1,32,941.20
Revenue from operation	76,080.97	62,461.61	60,038.81	2,54,866.55	2,31,014.06
2. Segment Results					
- Retail	4,061.63	3,095.64	2,690.37	13,031.46	9,620.40
- Channel & Enterprise	2,304.89	1,765.81	2,488.29	7,547.19	8,337.87
Total Segment Profit before Interest and Tax and unallocable expenses/income	6,366.52	4,861.45	5,178.66	20,578.65	17,958.27
Finance Cost	1,373.81	1,099.91	1,276.12	4,634.69	5,061.66
Unallocable Corporate Expenses (Net)	1,375.55	1,084.56	954.00	4,354.28	3,875.23
Profit before Tax	3,617.16	2,676.98	2,948.54	11,589.68	9,021.38
3. Segment Assets					
- Retail	29,603.41	23,922.41	17,452.25	29,603.41	17,452.25
- Channel & Enterprise	56,375.82	47,895.00	49,335.03	56,375.82	49,335.03
- Unallocated	35,296.12	34,294.40	27,413.91	35,296.12	27,413.91
Total Assets	1,21,275.35	1,06,111.81	94,201.19	1,21,275.35	94,201.19
4. Segment Liabilities					
- Retail	7,592.90	4,876.79	4,110.27	7,592.90	4,110.27
- Channel & Enterprise	38,529.10	21,536.02	22,402.30	38,529.10	22,402.30
- Unallocated	29,576.96	36,238.40	28,705.13	29,576.96	28,705.13
Total Liabilities	75,698.96	62,651.21	55,217.70	75,698.96	55,217.70





Key Financial Highlights for Q4 & FY 17-18

Shankara Building Products Limited reported a revenue growth of 27% year on year for the quarter ended 31st March 2018 & 10% growth year on year for full year FY 17-18. Retail segment recorded revenue growth of 43% year on year for the quarter ended 31st March 2018 & 24% for the year ended FY17-18. Adjusted for Excise/GST impact, Same Store Sales Growth (SSSG) in the retail segment stood at 27% for the full year. The retail EBIDTA grew by 45% with margins of 10.7% for the quarter. The consolidated PAT of the company grew by 26% year on year for FY18.

Key Financial Highlights

Consolidated P&L	Quarterly performance					Annual performance		
	Q4 FY18	Q4 FY17	Q3 FY18	YoY	QoQ	FY18	FY17	Growth
	(Amt in Rs. million)							
Revenue from Operations (Net of GST)	7,608	6,004	6,246	27%	22%	25,487	23,101	10%
Retail Revenue	3,778	2,650	2,989	43%	26%	12,197	9,807	24%
Same Store Sales Growth *						16.1%	19.4%	
Retail Segment EBIDTA	406	279	310	45%	31%	1,303	962	
%	10.7%	10.5%	10.4%			10.7%	9.8%	
Retail No of Stores	129	106	124			129	106	22%
Retail Area in Square Feet	5,05,034	3,81,070	4,73,034	33%	7%	5,05,034	3,81,070	33%
Consolidated EBIDTA	542	452	411	20%	32%	1,758	1,522	16%
EBITDA Margin	7.1%	7.5%	6.6%			6.90%	6.6%	
Profit before Tax	362	295	268	23%	35%	1,159	902	
PBT Margin	4.8%	4.9%	4.3%			4.5%	3.9%	
PAT	217	185	177	18%	23%	739	586	26%
PAT Margin %	2.9%	3.1%	2.8%			2.9%	2.5%	

* Adjusted for GST the SSSG stood at 27.3% for FY 18

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