

# Shankara

Building Products Limited

## ANNUAL REPORT 2022 - 2023



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. V. Ravichandar**  
Chairman, Independent Director

**Mr. Sukumar Srinivas**  
Managing Director

**Mr. B. Jayaraman**  
Independent Director

**Mr. Chandu Nair**  
Independent Director

**Ms. Jayashri Murali**  
Independent Director

**Mr. C. Ravikumar**  
Whole-Time Director

**Mr. RSV. Siva Prasad**  
Non-Executive and  
Non-Independent Director

## KEY MANAGERIAL PERSONNEL

**Ms. Ereena Vikram**  
Company Secretary and  
Compliance Officer

**Mr. Alex Varghese**  
Chief Financial Officer

## SECRETARIAL AUDITOR

**K. Jayachandran**  
Company Secretary  
No. 1181, 6th Main  
'A' Block, 2nd Stage  
(Next to Cafe Coffee Day)  
Rajajinagar  
Bengaluru - 560 010

## STATUTORY AUDITORS

**M/s Sundaram & Srinivasan**  
Chartered Accountants  
New No. 4, Old No. 23  
C.P Ramaswamy Road, Alwarpet  
Chennai - 600018

## INTERNAL AUDITORS

**M/s GRSM & Associates**  
Chartered Accountants  
No. 8/90, 1st Floor  
Pampa Mahakavi Road  
Shankarapuram  
Bengaluru - 560004

## REGISTERED OFFICE

G2, Farah Winsford  
133, Infantry Road  
Bengaluru - 560 001

## BANKERS

Citibank NA  
HDFC Bank Ltd  
Standard Chartered Bank  
Kotak Mahindra Bank Ltd  
IDFC First Bank Ltd  
Federal Bank Ltd  
IndusInd Bank  
Yes Bank  
South Indian Bank  
ICICI Bank

## CORPORATE OFFICE

No.21/1 & 35-A-1  
Hosur Main Road  
Electronic City Post  
Veerasandra  
Bengaluru - 560100

CORPORATE IDENTITY NUMBER (CIN)  
**L26922KA1995PLC018990**

WEBSITE  
**[www.shankarabuildpro.com](http://www.shankarabuildpro.com)**

## REGISTRAR AND SHARE TRANSFER AGENT (RTA)

**M/s KFin Technologies Limited**  
Selenium Tower B, Plot Nos. 31 & 32  
Financial District, Nanakramguda,  
Serilingampally Mandal  
Hyderabad - 500 032, Telangana  
Toll Free: 1-800-309-4001  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: <https://www.kfintech.com>





## Chairman's Message

Dear Shareholders,

It gives me immense pleasure to welcome you to our 28th Annual General Meeting of Shankara Building Products Limited. Trust all is well and our best wishes for the future.

The year FY 2022-23 started on a fairly uncertain note with the commencement of the Ukraine war. There was a spurt in commodity prices, fear of shortages and a sense of déjà vu. However, the world and India quickly adjusted to the new normal. Commodity prices started cooling off, supply chains were not affected and it was business as usual, albeit with a tinge of uncertainty. Fortunately, during this period, the pandemic also showed signs of waning and is probably becoming an endemic. India has emerged as the fastest growing large economy in the world and clocked about 6% annual GDP growth.

There was a marked increase of infrastructure activity throughout the country. We are witnessing a resurgence in the real estate sector. The economy is rebounding rapidly after the lull of the preceding covid years.

The year 2022-23 has been a remarkable year for all of us at Shankara. I would like to share with you the key highlights of your Company's good performance during the reported year.

### Financial year 2022-23

Your Company generated a total revenue of ₹ 4,029.72 crores in FY23 as compared to ₹2,418.40 crores in FY22, a growth of 67%. ₹2,235.72 crores (58%) was from our retail vertical, whose share of the total business, continues to grow year on year. The channel and enterprise business recorded ₹1,794 crores. Our PAT stood at ₹63 crores, a growth of 84%, vis-à-vis the preceding year.

Karnataka continues to be the major contributor of our business, having a share of 48.3%, followed by Tamil Nadu, Kerala, Telangana, Andhra Pradesh and the rest of the states. Our store metrics continue to show healthy traction.

The Company offers a fairly comprehensive range of building materials starting from TMT, cement, and construction chemicals to plumbing, sanitary ware and fittings, tiles, adhesives and surfaces. We also have electrical, lighting, paint, modular kitchens, hardware and appliances that form a part of our portfolio. MS tubes, structural steel and roofing solutions, complete our basket of offerings.

We run a chain of 91 retail stores (as on 31st March, 2023) operating under the brand "Shankara Buildpro". We are increasing our focus on branding our stores and continuing with our customer outreach programme. Your Company is also encompassing a market place model in addition to its focus on the retail business. Shankara will leverage its current strengths to offer a truly omni channel experience to its customers.

There has been an increase in retail walk-ins. Our brand equity is steadily gaining visibility. We have and will continue to maintain a sharp focus on our plumbing and surface verticals. We aim to give greater importance to our electrical, lighting and paints businesses in the coming year. We are selectively launching a few luxury brands in the bathroom segment.

The Company relies on its digital platforms like the Buildpro e-commerce website ([www.buildstore.com](http://www.buildstore.com)) and its mobile app (Shankara Buildpro) to create product awareness amongst potential customers and drive them to our offline stores. Shankara has a robust digital marketing program and is further refining its SEO activity. We are also developing a robust CRM program.



## Key Performance Highlights

- ☞ 67% revenue growth in FY 23 as compared with FY 22.
- ☞ 42.5% EBITDA growth for FY23 as against FY22.
- ☞ 84% PAT growth in FY23 compared with FY22.
- ☞ Strong operating cash flow of ₹92 crores as on 31st March, 2023.

## People and Culture

The Company has a unique organization structure which is fairly flat and therefore, the response time to meet employee needs is very fast. This also cuts down the red tape and business decisions are quickly executed. In the ever changing and complex customer requirements, the Company has to respond appropriately. Your Company understands and values the role of its human capital. We have in place, a strong human resource policy to induct and retain talent.

Your Company's work management system is transparent and performance-based. It strives to retain, develop and provide a better working environment for employees by creating an atmosphere of trust, competition, and challenge, thereby providing opportunities for personal and professional growth.

## Corporate Governance & Social Responsibility

Good corporate governance is essential to ensure transparency and to boost stakeholder trust and confidence. Being a listed company, Shankara complies with all applicable provisions within its ambit, relating to corporate governance as stipulated under the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations. Your company maintains the highest standards of transparency, accountability and adequate disclosures.

We are committed to our CSR activities. We do a lot of good work with the community. We run two schools for abandoned children with the help of a NGO. We have about 62 children who study with us and are provided schooling as per the state boards. We also take care of their accommodation, food and clothing. One of the important CSR objectives of Shankara is to contribute towards the environment. We support a water-shed program in Tumkur district of Karnataka which is also one of the driest parts of the state.



## Appreciation

In conclusion, I would like to thank all our stakeholders and partners for their support. My fellow Board Members have been extremely committed and have provided continued guidance for the betterment of Shankara. And I am also deeply appreciative to the management team and employees for diligently carrying forward the Company's vision and strategy.

I firmly believe that Shankara has the ability to seize the opportunities in this fast-changing world by being nimble and flexible. I am confident that we shall continue to perform better and the management endeavors to take your Company to greater heights in the years ahead.

**Best Wishes,**

**V. Ravichandar**  
Chairman



## Notice of 28<sup>th</sup> Annual General Meeting

Notice is hereby given that the Twenty-Eighth Annual General Meeting of Shankara Building Products Limited will be held on Thursday, June 22, 2023 at 10.30 A.M (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

### Ordinary Business:

**Item No. 1 - To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 together with Report of Auditors thereon.**

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company and to pass the following resolution as an **Ordinary resolution**:

**"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 together with reports of the Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

**"RESOLVED FURTHER THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

**Item No. 2- To re-appoint Mr. RSV. Siva Prasad (DIN: 01247339) as a Director of the Company who retires by rotation.**

To re-appoint Mr. RSV. Siva Prasad (DIN: 01247339), who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary resolution**:

**"RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013, Mr. RSV. Siva Prasad (DIN: 01247339), who retires by rotation at 28th Annual

General Meeting of the Company being eligible, offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**RESOLVED FURTHER THAT** the Managing Director/Company Secretary of the Company be and are hereby authorized severally to complete necessary formalities as per the applicable provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015."

### Item No. 3 - Declaration of Final Dividend

To declare a final dividend on equity shares for the financial year ended March 31, 2023 and to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** a final dividend at the rate of ₹2.50/- (Rupees Two and Fifty Paise Only) per equity share of ₹10/- (Rupees Ten only) each fully paid up of the Company be and is hereby declared for the financial year ended March 31, 2023 and that the same be paid as recommended by the Board of Directors of the Company for the financial year ended March 31, 2023.

**RESOLVED FURTHER THAT** the Managing Director/Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to foregoing resolution."

### Special Business:

**Item No. 4 - To approve increase in remuneration of Mr. Sukumar Srinivas (DIN: 01668064), Managing Director of the Company.**

To consider and if thought fit, to pass, the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any statutory modification n(s) or re-enactment(s)



thereof and subject to the provisions of the Article of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to the revision in remuneration of Mr. Sukumar Srinivas (DIN: 01668064), Managing Director of the Company on the terms & conditions as set out in the explanatory statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof, in the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned in the explanatory statement annexed to the Notice shall be paid as minimum remuneration.

**RESOLVED FURTHER THAT** the Managing Director/Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to foregoing resolution."

**Item No. 5-To approve increase in remuneration of Mr. C. Ravikumar (DIN: 01247347), Whole-time Director of the Company.**

To consider and if thought fit, to pass, the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any statutory modification(s) or re-enactment(s) thereof and subject to the provisions of the Article of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to the revision in remuneration of Mr. C. Ravikumar (DIN: 01247347), Whole-time Director of the Company on the terms & conditions as set out in the explanatory statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof, in the event of any loss or

inadequacy of the profits during the financial year, the remuneration mentioned in the explanatory statement annexed to the Notice shall be paid as minimum remuneration.

**RESOLVED FURTHER THAT** the Managing Director/Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to foregoing resolution."

**Item No. 6- To re-appoint Mr. B. Jayaraman (DIN: 00022567) as an Independent Director of the Company.**

To consider and if thought fit, to pass, the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded for reappointment of Mr. B. Jayaraman (DIN: 00022567), Independent, Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 14th August, 2023."

**RESOLVED FURTHER THAT** the Managing Director/Company Secretary of the Company be and are hereby authorized severally to complete necessary formalities as per the applicable provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015."

**By Order of the Board  
For Shankara Building Products Limited**

**Ereena Vikram  
Company Secretary & Compliance Officer  
Membership No: A33459**

**Place: Bengaluru  
Date: May 11, 2023**







**Notes:**

1. The Ministry of Corporate Affairs, Government of India (“MCA”) vide its General Circular Nos. 20/2020 and 10/2022 dated 5th May 2020 and 28th December 2022, respectively, and other circulars issued in this respect (“MCA Circulars”) allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means (“VC/OAVM”) facility on or before 30th September 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India (“SEBI”) also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 (“SEBI Circular”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 28th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 28th AGM shall be the Registered Office of the Company.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), setting out material facts under Item No.’s 2, 4, 5 and 6 of the Notice of the 28th AGM (“Notice”), is annexed hereto.

3. In terms of the MCA and the SEBI Circulars, since the physical attendance of Members has been dispensed with and, therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 28th AGM and hence the proxy form and attendance slip are not annexed to the Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting, for participation in the 28th AGM through VC/OAVM facility and e-voting during the 28th AGM. Scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 28th AGM on its behalf and to vote through e-voting or during the 28th AGM should be sent electronically through their registered email address to the Scrutinizer at [cs.skannan@gmail.com](mailto:cs.skannan@gmail.com) with a copy

to [evoting@kfinotech.com](mailto:evoting@kfinotech.com) and [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com) and since the 28th AGM is being held through VC/OAVM facility, the Route Map is not annexed to this Notice.

4. Dividend for the financial year ended March 31, 2023, as recommended by the Board of Directors of the Company, if approved at the 28th AGM by the Shareholders, payment of such dividend will be made within 30 days from the date of the 28th AGM as under:

(i) Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Wednesday, June 14, 2023;

(ii) Shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Wednesday, June 14, 2023.

5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of the SEBI (LODR) Regulations, 2015, read with the MCA Circulars and the SEBI Circulars as amended, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 28th AGM and a facility for those Members participating in the 28th AGM, to cast vote through e-voting system during the 28th AGM. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of Wednesday, June 14, 2023.

6. KFin Technologies Limited (“KFin”), the Registrar & Transfer Agents (RTA) of the Company, will be providing the facility for voting through remote e-voting, for participation in the 28th AGM through VC/OAVM facility and e-voting during the 28th AGM.

7. In line with the MCA Circulars and SEBI Circulars, the Notice of the 28th AGM and Annual Report for the financial year 2023, will be available on the website of the Company at



[www.shankarabuildpro.com](http://www.shankarabuildpro.com) on the websites of BSE Limited at [www.bseindia.com](http://www.bseindia.com), the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and also on the website of KFin at <https://evoting.kfintech.com/>

8. Attendance of the Members participating in the 28th AGM through VC/OVAM facility using their login credentials shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. In case of joint holders attending the 28th AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members on Thursday, June 22, 2023.

11. At the 24th AGM of the Company held on June 25, 2019, the Members approved the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration Number 004207S ) as the Statutory Auditors of the Company to hold office from the conclusion of the said Meeting till the conclusion of the 29th Annual General Meeting. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors.

12. The Register of Members and Share Transfer Books will remain closed from Thursday, June 15, 2023 to Thursday, June 22, 2023 (Inclusive of both days) for the purpose of the AGM.

13. Members are requested to notify the Registrar and Share Transfer Agent –KFin Technologies Limited, Selenium Tower B, Plot 31- 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, of any change in their address(es) to enable the Company to address future communications to their correct addresses including dividend matters.

14. Non-resident Indian shareholders are requested

to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be:-

a. Change in their residential status on return to India for permanent settlement.

b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank.

15. Pursuant to SEBI circular No: SEBI /HO /MIRSD /DOP1 /CIR /P/2018/73 dated April 20, 2018 and notification No. SEBI/ LAD-NRO/GN/2018/24 dated June 08, 2018, the members are requested to take necessary steps to dematerialize shares that are held in physical form, as transfer of shares held in physical form is no longer permitted.

16. Pursuant to Clause 2 (h) of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, individuals who hold a right or entitlement directly in the Company are requested to intimate the Company through a declaration in Form BEN-1.

17. The Notice of the 28th AGM, Annual Report and instructions for e-voting are being sent only through electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s)/ RTA. For members who have not registered their email addresses, please refer Clauses 23 "Instructions to shareholders for participating in the AGM through VC/OAVM and for e-voting" to this Notice for detailed instructions for registration. To support the "Green Initiative", shareholders who have not registered their email addresses are requested to register the same with their DP's in case the shares are held in electronic form and with the RTA in case the shares are held by them in physical form.

18. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.



19. The Members who are yet to encash the earlier dividend warrants are advised to send requests for duplicate dividend warrants in case they have not received/ not encashed the Dividend Warrants for any of the above mentioned financial year(s) and/ or send for revalidation the un-encashed Dividend Warrants still held by them, to the RTA of the Company.

Updation of Members' details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company /Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc.

Members holding shares in physical form are requested to furnish the above details to the Company or its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective Depository Participant (DP).

20. Members may also note that the Notice of the 28th AGM and the Annual Report 2022-23 will be available on the Company's website under <https://www.shankarabuildpro.com/>

21. Additional information, pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015, in respect of the Director seeking appointment/reappointment at the 28th AGM, forms part of this Notice.

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the

securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit the PAN to the RTA, KFin.

### 23. Instructions to the Members for attending the e-AGM through Video Conference:

i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members, the facility to exercise their right to vote on resolutions proposed to be considered at the 28th AGM by electronic means through e-voting. The facility of casting the votes by the members using an electronic voting system for the 28th AGM ("remote e-voting/ e-voting") will be provided by KFin Technologies Limited ("KFin")

ii. Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing situation, the Notice of the 28th AGM and the Annual Report for the year 2022-23 (including therein the Audited Financial Statements for year 2022-23), are being sent only by email to the Members whose email addresses are registered with the Company / Depositories / RTA. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered with their DP or RTA for electronic and physical folios respectively, in the manner stated below. For updation of dividend mandate, please send the details to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Process for registration of email address for obtaining Annual Report (if not received by the Member) and/or obtaining user ID/ password for e-voting are stated as here under:

Physical Holding	Submit a request to KFin at <a href="https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx">https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) for registering email address on or before Wednesday, June 14, 2023.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.



iii. In light of the MCA Circulars, shareholders who have not registered their email addresses and in consequence, the Notice & Annual Report could not be serviced, may temporarily get their email addresses registered with the Company's RTA- KFin, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> and follow the registration process. Post successful registration of the email address, the shareholder would get a soft copy of the Notice & Annual Report and the procedure for e-voting along with the User ID and Password to enable e-voting for the 28th AGM. If you are already registered with KFin for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

iv. It is clarified that for permanent registration of email address, the members are however requested to register their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's RTA, KFin Technologies Limited, Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, India, by following due procedure.

v. Those members who have already registered their email address are requested to keep their email addresses validated with their Depository Participants / the Company's RTA- KFin, to enable servicing of Notices / documents / Annual Reports and other communications electronically to their email address.

vi. The e-voting portal will open for voting on Monday, June 19, 2023 from 9:00 A.M. (IST) to Wednesday, 21 June, 2023 (IST), inclusive of both days. During this period, the members of the Company holding shares either in physical form or dematerialized form, as on the cut-off date of Wednesday, June 14, 2023 may cast their vote

electronically. The e-voting module will be disabled by KFin on Wednesday, June 21, 2023 post 5.00 P.M. (IST). Once vote on a resolution is cast by the member, members shall not be allowed to change it subsequently or cast the vote again.

vii. Mr. S. Kannan (Membership No. FCS 6261) M/s. S. Kannan and Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

viii. A member may participate in the 28th AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the meeting.

ix. The Scrutinizer shall unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 2 working days of the conclusion of the 28th AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him and declare the result of the voting forthwith.

x. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.shankarabuildpro.com](http://www.shankarabuildpro.com) and on the website of KFin <https://evoting.kfintech.com/> immediately after the declaration of result by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited, Mumbai.

xi. In case a person has become a Member of the Company after dispatch of the Notice but on or before the cut-of date for e-voting i.e. Wednesday, June 14, 2023 he/she may obtain the User ID and Password in the manner stated below. Institutional/ Corporate shareholders may write to KFin at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

### INSTRUCTION FOR REMOTE E-VOTING IS AS FOLLOWS:

In case of Physical Shareholders & Non-Individual (Physical / Demat):

If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD E-voting Event number + Folio No. (in case of physical shareholders) / DP ID Client ID (in case of Demat shareholders) to 9212993399.

Example for NSDL	MYEPWD IN12345612345678
Example for CDSL	MYEPWD 1402345612345678
Example for Physical	MYEPWD XXX1234567890



a. If email address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click “forgot password” and enter Folio No. / DP ID Client ID and PAN to generate a password.

b. Member may call KFin toll free number 1-800-3094-001 for all e-voting related matters.

c. Member may send an email request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for all e-voting related matters. If the member is already registered with KFin e-voting platform, then he can use his existing User ID and password for casting the vote through remote e-voting.

**The remote e-voting facility will be available during the following period:**

Commencement of remote e-voting: From 9:00 a.m. (IST) on Monday, June 19, 2023

End of remote e-voting: At 5:00 p.m. (IST) on Wednesday, June 21, 2023

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked by KFin upon expiry of aforesaid period. Once the vote on a resolution is cast by the Member (s), they shall not be allowed to change it subsequently or cast the vote again.

In case you are an individual shareholder, having shares in electronic / demat mode then please refer to the e-voting procedure according to SEBI circular dated December 09, 2020.

**Login method for e-voting:**

As per the SEBI circular dated December 09, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email address in their demat accounts in order to access e-voting facility.

NSDL	CDSL
<p>1. User already registered for IDeAS facility: **</p> <p>i. URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>ii. Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</p> <p>iii. On the new page, enter existing User ID and Password. Post successful authentication, click on “Access to e-voting”.</p> <p>iv. Click on company name or e-voting service provider and you will be redirected to e-voting service provider website for casting the vote during the remote e-voting period.</p>	<p>1. Existing user who have opted for Easi / Easiest **</p> <p>i. URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>ii. Click on New System Myeasi.</p> <p>iii. Login with user ID and password.</p> <p>iv. Option will be made available to reach e-voting page without any further authentication.</p> <p>v. Click on e-voting service provider name to cast your vote.</p>
<p>2. User not registered for IDeAS e-Services</p> <p>i. To register click on link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> (Select “Register Online for IDeAS”). or <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>ii. Proceed with completing the required fields. **(Post registration completion, follow the process as stated in point no.1 above)</p>	<p>2. User not registered for Easi/Easiest</p> <p>i. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>ii. Proceed with completing the required fields. **(Post registration is completed , follow the process as stated in point no.1 above)</p>



NSDL	CDSL
<p>3. First time users can visit the e-voting website directly and follow the process below:</p> <ul style="list-style-type: none"><li>i. URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li><li>ii. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li><li>iii. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li><li>iv. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.</li><li>v. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</li></ul>	<p>3. First time users can visit the e-voting website directly and follow the process below:</p> <ul style="list-style-type: none"><li>i. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li><li>ii. Provide demat Account Number and PAN No.</li><li>iii. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li><li>iv. After successful authentication, user will be provided links for the respective Electronic Service Provider (ESP) where the e-voting is in progress.</li><li>v. Click on company name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</li></ul>

**Individual Shareholders (holding securities in demat mode) login through their depository participants**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Please click on e-voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

**Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode:**

Member will receive an e-mail from KFintech [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number (“EVEN”), User ID and Password:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>

- ii. Enter the login credentials (i.e., User ID and Password). Your DP ID-Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and Password for casting your vote.

- iii. After entering these details appropriately, click on ‘LOGIN’.

- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.



vi. On successful login, the system will prompt you to select the 'EVENT', i.e. **SHANKARA BUILDING PRODUCTS LTD.**

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-Off Date under 'FOR/AGAINST' or, alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option 'ABSTAIN'. If you do not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.

viii. Equity shareholders holding multiple demat accounts may choose the voting process separately for each demat accounts.

ix. You may then cast your vote by selecting an appropriate option and click on 'Submit'.

x. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your

vote. During the voting period, you can login any number of times till you have voted on the Resolution.

xi. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative (s) who are authorised to vote, to the Scrutinizer through e-mail ID [cs.skannan@gmail.com](mailto:cs.skannan@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and to the Company at [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com). The file scanned image of the Board Resolution should be in the naming format "Company Name, Event No."

xii. In case e-mail id of a Member is not registered with the Company/ Depository Participant(s), please follow the steps for registration as mentioned in note 23.

Upon registration, Member will receive an e-mail from Kfintech which includes details of E-Voting Event Number (EVEN), USER ID and password.

**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use 'Forget User ID' and 'Forget Password' option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no. : 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22- 23058542-43.

a. On successful login, the system will prompt the member to select the e-voting Event Number "EVENT" for "Shankara Building Products Limited".

b. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date, Wednesday, June 14, 2023 under "FOR / AGAINST" or alternatively, member may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed their total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

c. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

d. Voting must be done for each item of the Notice separately. In case members do not desire to cast their vote on any specific item, it will be treated as abstained.

e. Members may then cast their vote by selecting an appropriate option and click on "SUBMIT".

f. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a





member confirms, he/ she will not be allowed to modify. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

g. Upon confirmation, the message 'Vote cast successfully' will be displayed. Once you have confirmed your vote on the resolution, you cannot modify your vote.

h. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI. Etc.) are also required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at [cs.skannan@gmail.com](mailto:cs.skannan@gmail.com) with a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com). The scanned image of the above mentioned documents should be in the naming format "Shankara Building Products Limited\_ EVENT NO."

xiii. Shareholders will be provided with a facility to attend the Meeting through VC/OAVM provided by KFin. Shareholders may access the same by <https://emeetings.kfintech.com/> and clicking "Video Conference" and access the Shareholders/ Members login by using the remote e-voting credentials. The link for Meeting will be available in Shareholder/ Members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password

for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned in "Important Note"

xiv. The Members can join the 28th AGM Thirty minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

xv. Up to 1000 members will be able to join the 28th AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

xvi. Shareholders are encouraged to join the 28th AGM through Laptops with Google Chrome for better experience. Further shareholders will be required to switch on Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

xvii. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

xviii. System requirements for best VC/OAVM experience:

Instrument Description	Instrument Description
Cell phone	Android 6.0+ Google Chrome28+ Mozilla Firefox 24+ (Chrome doesn't bolster screen sharing on Android). iOS 12.2+ Mobile Safari/WebKit (iOS 11+) (Safari Mobile doesn't bolster screen sharing on iOS)
ioS PC/ Desktop	Google Chrome (Best suggested) Firefox, Safari, Internet Explorer, Edge Microsoft Edge 12+ Google Chrome 28+ Mozilla Firefox, 22+ Safari 11+. Desktop should have outside mic and webcam introduced



#### **xix. Voting at AGM held through VC/OAVM**

a. Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote earlier through remote e-voting are eligible to vote through e-voting during the AGM.

b. Members who have voted through remote e-voting will be eligible to attend the AGM.

c. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013.

d. Upon declaration by the Chairman about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.

e. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

f. The Company has opted to provide the same electronic voting system at the annual general meeting, as used during remote e-voting and the said facility shall be operational till all the resolutions proposed in the AGM notice are considered and voted upon at the meeting but not exceeding 30 minutes from the commencement of e-voting as declared by the Chairman at the AGM and can be used for voting only by those Members who hold shares as on the cut-off date viz. Wednesday, June 14, 2023 and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

#### **xx. Speaker Registration during Meeting session:**

a. Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered email id, mobile number and city, during the period starting from Monday, June 19, 2023 at 10:00 A.M (IST) and will close on Wednesday, June 21, 2023 at 10:00 A.M (IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM and the maximum time per speaker will be restricted to 3 minutes.

b. Members who want to get their pre-recorded video uploaded for display during the AGM of the Company, can also upload the same by visiting <https://emeetings.kfintech.com> and uploading their video in the 'Speaker Registration' tab, during Monday, June 19, 2023 at 10.00 A.M (IST) to Wednesday, June 21, 2023 at 10:00 A.M (IST) subject to the condition that size of such video should be less than 50 MB.

c. The Company reserves the right to restrict the number of speakers and display of videos uploaded by the Members depending on the availability of time for the AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date viz Wednesday, June 14, 2023.

d. A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/video/howitworks.aspx>

e. Members who need technical or other assistance before or during the AGM can contact KFin by sending email at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001 (toll free). For any other kind of support/assistance related to the AGM, members can also contact KFin Technologies Limited at 1800 309 4001.

#### **xxi. Post your Question:**

The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from KFin. On successful login, select 'Post Your Question' option which will be opened from Monday, June 19, 2023 at 10:00 A.M. (IST) to Wednesday, June 21, 2023 at 10:00 A.M (IST).

xxii. In case of any queries related to e-voting/ participation in the AGM, you may refer to the Frequently Asked Questions (FAQ's) and e-voting user manual available in the "Downloads" section of <https://evoting.kfintech.com/> or contact KFin Technologies Limited at 1800 309 4001 (Toll Free).





## Statement setting out Material Facts under Section 102 of the Companies Act, 2013

### Item No. 2

Mr. RSV. Siva Prasad (DIN: 01247339) is a Science Graduate from Andhra University and a Masters' Degree in science in Zoology from the Bhopal University. He also holds a Diploma in Business Management from the Rajendran Prasad Institute of Communication Studies, Bombay. He has been associated with the Company since 1995, having joined as a senior manager, and has total 40 years of experience in the field of sales. Prior to joining our Company, he was associated with Shivmoni Steel Tubes Limited.

**Committee Chairmanship & Membership:** Nil

### Shareholding in the Company:

As on the date of notice, Mr. RSV. Siva Prasad holds 35,773 equity shares in the Company.

He is not related to any Director or Key Managerial Personnel of the Company. None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. RSV. Siva Prasad is, directly or indirectly concerned or interested, financially or otherwise, to the extent of his shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set forth in the Item No. 2 of the Notice for approval of the members.

### Item No. 4

Mr. Sukumar Srinivas (DIN:01668064), was re-appointed as Managing Director of the Company by the Board at its Meeting held on 29th January, 2021 for a period of five years from April 1, 2021. The same was subsequently approved by the members at the Annual General Meeting on 29th July, 2021.

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors (hereinafter referred to as 'the Board') at its meeting held on April 25, 2023 considered and approved the remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof.

### a. Salary:

Salary of ₹1,38,54,456/- (Rupees One crore Thirty Eight Lakh Fifty Four Thousand Four Hundred and Fifty Six only) per annum.

### b. Perquisites and Allowances:

- i. Contribution to Provident Fund not exceeding 12% of the salary.
- ii. Gratuity as per the rules of the Company.
- iii. Any other terms and conditions as per the employment agreement between the Company and Mr. Sukumar Srinivas.

(The perquisites and allowances are included in the above mentioned salary).

### c. Minimum remuneration:

In the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned above shall be paid as minimum remuneration.

d. The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the company to pay overall managerial remuneration upto 10% of net profit to Managing director/ Whole Time Director/Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit and as may be acceptable to Mr. Sukumar Srinivas, subject to the same not exceeding the limits specified under Section 197, Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time or any statutory modification(s) or re-enactment thereof;

In view of the provisions of Section 196, 197 and Section 203 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends the Special Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

Except Mr. Sukumar Srinivas, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4



## Item No. 5

Mr. C. Ravikumar (DIN: 01247347), was re-appointed as Whole-time Director of the Company by the Board at its Meeting held on 29th January, 2021 for a period of five years from April 1, 2021. The same was subsequently approved by the members at the Annual General Meeting on 29th July, 2021.

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors (hereinafter referred to as 'the Board') at its meeting held on April 25, 2023 considered and approved the remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof.

### a. Fixed Salary:

Salary of ₹67,67,773/- (Rupees Sixty Seven Lakh Sixty Seven Thousand Seven Hundred and Seventy Three Only) per annum.

### b. Variable Salary:

If the Company achieve an EBITDA of 3.5% on Steel Products, Mr. C. Ravikumar, Whole-time Director will be eligible for an incentive of Rs. 10,00,000 (Rupees Ten Lakh Only) per annum. The eligibility for the variable salary will commence once the threshold of 3% EBITDA is crossed and will be paid proportionately depending on actual achievement.

### c. Perquisites and Allowances:

- i. Contribution to Provident Fund not exceeding 12% of the salary.
- ii. Gratuity as per the rules of the Company.
- iii. Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.
- iv. Any other terms and conditions as per the employment agreement between the Company and Mr. C. Ravikumar.

(The perquisites and allowances are included in the above mentioned salary).

### d. Minimum remuneration:

In the event of any loss or inadequacy of the profits during the financial year, the

remuneration mentioned above shall be paid as minimum remuneration.

e. The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the company to pay overall managerial remuneration upto 10% of net profit to Managing director/ Whole Time Director/Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit and as may be acceptable to Mr. C. Ravikumar, subject to the same not exceeding the limits specified under Section 197, Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time or any statutory modification(s) or re-enactment thereof;

In view of the provisions of Section 196, 197 and Section 203 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

Except Mr. C. Ravikumar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

## Item No. 6

Mr. B. Jayaraman (DIN: 00022567) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He holds office as an Independent Director of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149 (10) and 149 (11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors has recommended reappointment of Mr. B. Jayaraman as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company not liable to retire by rotation.



Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. B. Jayaraman is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Company has also received declarations from Mr. B. Jayaraman that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Except Mr. B. Jayaraman, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

**By Order of the Board  
For Shankara Building Products Limited**

**Ereena Vikram  
Company Secretary & Compliance Officer  
Membership No: A33459  
Place: Bengaluru  
Date: May 11, 2023**



## Annexure to the Notice

### DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT IN 28th ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India)

Name of Director	Mr. RSV. Siva Prasad
Date of Birth	01.10.1957
Date of first appointment on Board	01.10.2009
Brief Profile/Experience/ Expertise/Skills in specific functional area	<p>He has been associated with our Company since 1995, having joined as a Senior Manager. He was appointed as a director of our Company in 2001 and have experience in Product Planning, SKUs monitoring and Operations.</p> <p>Prior to joining our Company, he was associated with Shivmoni Steel Tubes Limited in 1982.</p>
Qualifications	<p>Mr. RSV. Siva Prasad is a Science Graduate from Andhra University and a Masters' Degree in science in Zoology from the Bhopal University. He also holds a Diploma in Business Management from the Rajendran Prasad Institute of Communication Studies, Bombay.</p>
Terms and conditions of appointment/ re-appointment	As per appointment letter.
Details of remuneration sought to be paid	Nil
Remuneration last drawn by such person, if applicable	Sitting Fee
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not inter se related to any other Director or Key Managerial Personnel.
Number of Meetings of the Board attended during the year	5
Directorship held in other companies	Taurus Value Steel & Pipes Private Limited, Telangana
Membership/ Chairmanship of committees of other companies*	Nil
Shareholding in the Company	35,773

Name of Director	Mr. B. Jayaraman
Date of Birth	11.06.1954
Date of first appointment on Board	14.08.2018
Brief Profile/Experience/ Expertise/Skills in specific functional area	<p>He is a Chartered Accountant, All India rank holder, with 40+ years of experience in various aspects of Finance and Business. He was a member of Karnataka State Council of CII for 7 years during which time headed the Tax and Economic Affairs panel and for last 2 years the Environment panel.</p> <p>Prior to joining our Company, he was a CFO in Ingersoll-Rand India Ltd, a public company listed on Bombay Stock Exchange.</p>
Qualifications	Chartered Accountant
Terms and conditions of appointment/ re-appointment	As per appointment letter.
Details of remuneration sought to be paid	Nil
Remuneration last drawn by such person, if applicable	Sitting Fee
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not inter se related to any other Director or Key Managerial Personnel.
Number of Meetings of the Board attended during the year	7
Directorship held in other companies	Chairmanship – 2
Membership/ Chairmanship of committees of other companies*	Membership - 3
Shareholding in the Company	Nil

*\* The Companies in which the Director holds position of Director as on the date of meeting and is a member of that Company's Audit Committee/Stakeholders committee and Other Committee is taken into consideration. Companies include listed as well as unlisted entities.*



**Statement containing additional information as required in Schedule V of the Companies Act, 2013:**

**Mr. Sukumar Srinivas, Promoter and Managing Director**

**a. General Information**

**1. Nature of industry:**

Shankara Building Products Limited is a leading organized retailer of home improvement and

**As per Audited Standalone Financial results:**

(₹ in crores)

Particulars	2022-23	2021-22
Total revenue	4,043.53	2,331.15
Total expenses	3,967.28	2,294.86
Profit before tax	76.25	36.29
Profit after tax	57.02	27.24

**4. Foreign investments or Collaborations:**

There are no foreign investments or collaborations in existence as on March 31, 2023.

**b. Information about the appointee:**

**1. Background details:**

Mr. Sukumar Srinivas is 62 years of age and is a Commerce Graduate University of Madras, and a Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad.

**2. Past remuneration:**

The remuneration of Mr. Sukumar Srinivas has been approved by the Members at the 27th Annual General Meeting of the Company approved a total remuneration of ₹1,31,94,720/- (Rupees One Crore Thirty One Lakh Ninety Four Thousand Seven Hundred and Twenty only).

**3. Recognition or awards:**

During his tenure as the Managing Director, the company had bagged many prestigious awards like:

a. Best Emerging Corporate- Trade instituted by CNBC, CRISIL and ICICI Bank Limited.

building products in India, Operating under the brand name '**Shankara Buildpro**'.

**2. Date or expected date or of commencement of Commercial production:**

The Company has commenced its commercial operations in the year 1995.

**3. Financial performance based on given indicators:**

b. Best Retailer of Building Products and Material in Times Business Award 2022.

**4. Job profile and his suitability:**

Mr. Sukumar Srinivas is a Promoter and Managing Director of our Company. He has been associated with our Company since incorporation and has 40+ years of experience in the building products industry. Under the leadership of Mr. Sukumar Srinivas, the Company has achieved various milestones and enhanced the stakeholder's value.

**5. Remuneration proposed:**

As stated in the Explanatory Statement at Item No. 4 of this Notice.

**6. Comparative remuneration:**

Mr. Sukumar Srinivas has as served on the Board of the Company since inception. He has streamlined the business process operations of the Company and has been the strategic management personnel. The proposed remuneration of Mr. Sukumar Srinivas is in line with the industry levels and is commensurate with the size of the Company and nature of its business.



#### **7. Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any:**

Apart from the remuneration paid to the Managing Director as stated above and their respective shareholding held directly or indirectly in the Company, Mr. Sukumar Srinivas do not have any pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel.

#### **8. Other Information:**

**Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

The Management through effective cost control has achieved good financial year ending March 31, 2023.

#### **Mr. C. Ravikumar, Whole-time Director**

##### **a. General Information**

##### **1. Nature of industry:**

Shankara Building Products Limited is a leading organized retailer of home improvement and building products in India, Operating under the brand name 'Shankara Buildpro'.

##### **2. Date or expected date or of commencement of Commercial production:**

The Company has commenced its commercial operations in the year 1995.

##### **3. Financial performance based on given indicators:**

#### **As per Audited Standalone Financial results:**

(₹ in crores)

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Total Income	4,043.53	2,331.15
Total expenses	3,967.28	2,294.86
Profit before tax	76.25	36.29
Profit after tax	57.02	27.24

#### **4. Foreign investments or Collaborations:**

There are no foreign investments or collaborations in existence as on March 31, 2023.

##### **b. Information about the appointee:**

##### **1. Background details:**

Mr. C. Ravikumar is 57 years of age and is a science graduate from Bangalore University.

##### **2. Past remuneration:**

The remuneration of Mr. C. Ravikumar has been approved by the Members at the 27th Annual General Meeting of the Company. He has been paid a remuneration of ₹61,72,803/- (Rupees Sixty One Lakh Seventy Two Thousand Eight Hundred and Three Only).

##### **3. Recognition or awards:**

Mr. C. Ravikumar played a vital role as the Whole-time Director. During his tenure the Company has bagged many prestigious awards like:-

Best Retailer for Building Products and Materials from Times Business Award 2022.

##### **4. Job profile and his suitability:**

Mr. C. Ravikumar is a Whole-time Director of our Company. He has been associated with our Company since 1995, having joined as a senior manager. He has 36+ years of experience in the steel pipes and building products industry. He is currently a member of the Karnataka Pipe Dealers Association.



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#### **5. Remuneration proposed:**

As stated in the Explanatory Statement at Item No. 5 of this Notice.

#### **6. Comparative remuneration:**

Mr. C. Ravikumar has as served on the Board of the Company since 2011. The proposed remuneration of Mr. C. Ravikumar is in line with the industry levels and is commensurate with the size of the Company and nature of its business.

#### **7. Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any:**

Apart from the remuneration paid to the Whole-time Director as stated above and their respective shareholding held directly or indirectly in the Company, Mr. C. Ravikumar do not have any pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel.

#### **8. Other Information:**

##### **Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

The Management is confident to achieve financial performance in the forthcoming years.

**By Order of the Board  
For Shankara Building Products Limited**

**Ereena Vikram  
Company Secretary & Compliance Officer  
Membership No: A33459**

**Place: Bengaluru  
Date: May 11, 2023**



**DIRECTORS' REPORT**  
2022 - 2023





**Dear Members,**

Your Directors take pleasure in presenting the 28th Annual Report of the Company on the business and operations together with the audited results for the year ended March 31, 2023.

**1. Financial Performance**

The Standalone and Consolidated Financial statements of the Company for the financial year ended March 31, 2023, have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs and as amended from time to time.

The Company recorded consolidated revenues of ₹4,029.72 crores for the year ended 31 March, 2023 representing a growth of (67%) over the previous year. The Company recorded a consolidated EBITDA of ₹124.96 crores and the EBITDA margins stood at 3.1%. The PAT is at ₹63.05 crores.

The Standalone revenues of the Company stood at ₹4,036.22 crores for the year ended 31 March, 2023. The standalone PAT stood at ₹57.02 crores.

Your Company has prepared the Financial Statements for the financial year ended March 31, 2023, in terms of section 133 and Schedule III to the Companies Act, 2013 (as amended) (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

**Key highlights of Financial performance of your Company for the financial year 2022-23 are provided below:**

(₹ in Crores)

Particulars	Consolidated		Standalone	
	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from Operations	4,029.72	2,418.40	4,036.22*	2,328.75
Other Income	7.70	3.10	7.31	2.40
<b>Total Income</b>	<b>4,037.42</b>	<b>2,421.50</b>	<b>4,043.53</b>	<b>2,331.15</b>
Other Expenditure	3,912.46	2,333.83	3,936.03	2,263.03
<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>124.96</b>	<b>87.67</b>	<b>107.50</b>	<b>68.12</b>
Depreciation and Amortization Expenses	16.34	17.24	9.71	10.72
Finance Cost	24.25	24.37	21.54	21.11
Profit Before exceptional items and tax	84.37	46.06	76.25	36.29
Exceptional Items	-	-	-	-
<b>Profit before Tax (PBT)</b>	<b>84.37</b>	<b>46.06</b>	<b>76.25</b>	<b>36.29</b>
Tax expense:				
Current Year	19.32	10.82	16.92	8.11
Earlier Year	0.11	(0.01)	0.11	-
Deferred Tax	1.89	0.93	2.20	0.94
<b>Profit after Tax (PAT)</b>	<b>63.05</b>	<b>34.32</b>	<b>57.02</b>	<b>27.24</b>
Profit from discontinued operation	-	-	-	-



(₹ in Crores)

Particulars	Consolidated		Standalone	
	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
Add: Other Comprehensive Income	0.12	(0.03)	0.10	0.06
<b>Total Comprehensive Income</b>	<b>63.17</b>	<b>34.29</b>	<b>57.12</b>	<b>27.30</b>
<b>EARNING PER EQUITY SHARE (Face Value of ₹10 each)</b>				
i) Basic	27.59	15.02	24.95	11.92
ii) Diluted	27.59	15.02	24.95	11.92

\*The Standalone revenue includes sales made to the subsidiaries which gets negated in the Consolidated revenue.

## 2. Share Capital

### (i) Increase in Authorised Capital

The authorised share capital of the Company as on March 31, 2023 is ₹30,00,00,000 comprising of 3,00,00,000 equity shares of ₹10 each.

During the year under review, the Company increased the authorised share capital from ₹25,00,00,000/- divided into 2,50,00,000 equity shares of ₹10 each to ₹30,00,00,000/- divided into 3,00,00,000 equity shares of ₹10. The necessary amendments were made to the capital clause in the Memorandum of Association of the Company, to enable the increase in Authorised Share Capital of the Company.

### (ii) Paid-Up Capital

The paid-up Equity Share Capital of the Company as on March 31, 2023 is ₹22,84,93,260 comprising of 2,28,49,326 equity shares of ₹10 each.

During the year under review, your Company allotted 14,00,000 (Fourteen Lakh) Warrants, each carrying a Right to subscribe to one Equity Share per Warrant, at a price of ₹750/- per Warrant ("Warrant Price"), aggregating to ₹105,00,00,000/- (Rupees One Hundred and Five crores) to APL Apollo Mart Limited ("Acquirer"), a wholly owned subsidiary of APL Apollo Tubes Limited.

## 3. Dividend

The Board of Directors subject to the approval of the Members of the Company at the ensuing Annual General Meeting, recommends a dividend of ₹2.50/- (Rupees Two and Fifty Paise Only) per

fully paid up equity share of ₹10 (Rupees Ten) each of the Company for the year ended March 31, 2023.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Board has approved and adopted a Dividend Distribution Policy. The policy details various considerations based on which the Board may recommend or declare Dividend. The Dividend Distribution policy is available on the Company's website at <https://www.shankarabuildpro.com/pdf/pdf-Dividend-Distribution-Policy.pdf>

Pursuant to the Finance Act, 2020 read with the Income-tax Act, 1961, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders w.e.f. April 1, 2020. Accordingly, in compliance with the said provisions, your Company shall make the payment of dividend after necessary deduction of tax at source at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

## 4. Reserves

The Company does not propose to transfer amounts to the general reserve out of the amount available. The total profit of ₹ 63.05 crores available with the Company on a consolidated basis is proposed to be retained in the profit and loss account.



## 5. Subsidiary Companies

Shankara Building Products Limited has the following wholly owned subsidiary companies:

(i) Vishal Precision Steel Tubes & Strips Private Limited – Has a tube & cold rolled strip processing facility at Bengaluru.

(ii) Centurywells Roofing India Private Limited – primarily engaged in providing color coated roofing products. It has processing facilities in Bengaluru, Chennai, Coimbatore, Davangere, Hubli, Mysore, Mangalore, Pune, Secunderabad and Vijayawada.

(iii) Taurus Value Steel & Pipes Private Limited - Has a tube processing facility at Hyderabad.

(iv) Steel Network (Holdings) Pte. Limited - Registered at Singapore with a stated purpose of engaging in the business of manufacture, distribution of roofing sheets, steel pipes and general hardware and general wholesale trade (including general importers & exporters).

No new subsidiary was added and no company has ceased to be a Shankara Building Products Limited subsidiary during FY 2022-23. The Annual Reports along with the Audited Financial Statements of each of the Subsidiaries of your Company are also available on the website of your Company at [www.shankarabuildpro.com](http://www.shankarabuildpro.com)

Pursuant to the provisions of section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is annexed as **Annexure- I** to this report.

In compliance with section 136 of the Companies Act, 2013, the Financial Statements of the Subsidiaries are available on the website of the Company and also will be made available upon the request by any member of the Company.

The Company has adopted a policy for determining "Material Subsidiary" in terms of Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which can be viewed on the Company's website at <https://www.shankarabuildpro.com/pdf/pdf-Material-Subsidiaries.pdf>

## 6. Preferential Warrants

Pursuant to the approval of the Board of Directors and approval of shareholders through special resolution dated 20th April, 2022 passed in Extra-Ordinary General Meeting, your company has on 7th May, 2022 allotted 14,00,000 (Fourteen Lakh) Warrants, each carrying a right to subscribe to one Equity Share per Warrant, at a price of ₹750/- (Rupees Seven Hundred and Fifty ) per Warrant ("Warrant Price"), aggregating to ₹105,00,00,000/-/(Rupees One Hundred and Five crores) to APL Apollo Mart Limited ("Acquirer"), wholly owned subsidiary of APL Apollo Tubes Limited, an entity which presently does not qualify as a promoter or member of the promoter group of the Company, by way of a preferential allotment on a preferential basis.

## 7. Particulars of Loans, Advances, Guarantees or Investments under Section 186

Details of Loans, Advances, Guarantees or Investments covered under Section 186 of the Companies Act 2013, are given in Note 12 to the Standalone Financial Statements.

## 8. Material changes and commitment, if any, affecting financial position of the Company from the end of the financial year till the date of this Report

Except those disclosed in this Annual Report, there are no material changes and commitments affecting the financial position of your Company between the end of the financial year i.e., March 31, 2023 and the date of this Report.

## 9. Unclaimed Dividend

Section 124 of the Companies Act 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') mandates the Companies to transfer dividend that has remained unpaid/unclaimed for a period of seven years in the unpaid dividend account to the Investor Education and Protection Fund (IEPF).

The details of the unpaid/unclaimed dividend lying with the Company are available on the website of the company i.e. <https://www.shankarabuildpro.com/pdf/Unclaimed-Dividend-2021-22.pdf>





Transfer of Unpaid and Unclaimed Amounts to Investor Education and Protection Fund (“IEPF”)

#### a) Transfer of Unclaimed Dividend to IEPF

Pursuant to the provisions of Section 124 of Companies Act, 2013 read with IEPF (Accounting, Audit, Transfer and Refund) Rules 2016, dividends which remain unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account are required to be transferred by the Company to Investor Education and Protection Fund (“IEPF”) established by the Government of India under the provisions of Section 125 of the Companies Act, 2013.

During the year under review, there is no unclaimed dividend required to be transferred to the Account of IEPF.

#### b) Transfer of Shares to IEPF

Section 124(6) of Companies Act, 2013, read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, mandates transfer of underlying shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of Investor Education and Protection Fund.

During the year under review, the Company is not required to transfer shares to the IEPF Authority pursuant to the aforesaid rule.

### 10. Key Consolidated Balance sheet information

The Consolidated Financial Statements of the Company and its Subsidiaries for the financial year ended March 31, 2023 prepared in compliance with the Indian Accounting Standards notified under Section 133 the Companies Act, 2013, Section 129(3) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with Auditors’ Report thereon form part of this Annual Report.

### 11. Capital Expenditure on tangible assets

This year, on a standalone basis, the Company incurred a capital expenditure of ₹37.07 crores (Gross) as against ₹17.56 crores (Gross) in the previous year.

On a consolidated basis, the capital expenditure stood at ₹41.39 crores (Gross) for FY 2023 as against ₹20.72 crores (Gross) for the previous year.

### 12. Auditors and Audit Reports

There are no instances of frauds reported by auditors pursuant to sub-section (12) of Section 143 which are reportable to the Central Government.

**(i) Statutory Auditor:** In terms of the provisions of section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.004207S), have been appointed as Statutory Auditors of the Company to hold office from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General Meeting to be held during calendar year 2024.

In accordance with the amendment to the provisions of Section 139 by the Companies Amendment Act 2017, notified on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified by the Members at every Annual General Meeting.

**(ii) Secretarial Auditor:** Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, the Company has appointed Mr. K. Jayachandran, Practicing Company Secretary (ACS No. 11309 and Certificate of Practice No. 4031) to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for FY 2022-23 of the Company is appended as **Annexure- II** to the Directors’ Report.

The Annual Secretarial Compliance Report of the Company for FY 2022-23 signed by Mr. K. Jayachandran, Practicing Company Secretary is appended as **Annexure- III** to the Directors’ Report.



### 13. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made –

#### (i) Statutory Auditor's report

The Auditors Report to the shareholders for the year under review does not contain any reservation, qualification, or adverse remark. The comments in the Auditors' Report to the shareholders for the year under review are self-explanatory and does not need further explanation.

#### (ii) Secretarial Auditor's Report

It has been observed in the secretarial audit that pursuant to Regulation 29(1) (e) and (2) of SEBI (LODR) Regulation, 2015, the listed entity shall give two days prior intimation to stock exchange about declaration/ recommendation of dividend. The Board of Directors wish to clarify that it was a one-time non-compliance and ₹10,000/- (Rupees Ten Thousand each) fine was imposed by BSE and NSE and the fine was duly paid by the Company.

### 14. Particulars of Remuneration to Directors and Key Managerial Personnel

The Nomination and Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company along with other related matters have been provided in Corporate Governance Report.

The Company has framed and adopted a policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees of the Company in line with the provisions of section 178 of the Companies Act, 2013 and Part D of Schedule II of SEBI (LODR) Regulations, 2015. The Policy is available on the website at [https://www.shankarabuildpro.com/pdf/pdf-No nomination-Remuneration-Policy.pdf](https://www.shankarabuildpro.com/pdf/pdf-No%20nomination-Remuneration-Policy.pdf)

It is affirmed that the appointment and remuneration of Directors, Key Managerial Personnel and all other employees during the year ended March 31, 2023 is in accordance with the Nomination and Remuneration Policy of the Company.

Your Company conducts a Board Evaluation process for the Board of Directors as a whole, Board Committees and also for the Directors

individually through self-assessment and peer assessment. The details of Board Evaluation process for the financial year 2022-23 have been provided in the Corporate Governance Report which forms part of this Annual Report.

A Statement of Disclosure of Remuneration pursuant to Section 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure- IV** forming part of this Directors' Report.

### 15. Particulars of Remuneration to Employees

In terms of the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) read with Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement comprising the names of top 10 (ten) employees in terms of remuneration drawn and every person employed throughout or part of the financial year, who were in receipt of remuneration as per the prescribed limit, forms part of this Directors' Report and are given in **Annexure- V**.

### 16. Corporate Social Responsibility

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee which monitors and oversees various CSR initiatives and activities of the Company. The Company's CSR Policy is available on the website at <https://www.shankarabuildpro.com/pdf/pdf-CSR-Policy.pdf>

During the year under review, the Company primarily extended its support to the projects in the areas of promoting education, healthcare and communities, supporting primary education and rehabilitating abandoned women and children. The Chief Financial Officer of the Company has furnished a "Certificate" to the Management that the funds disbursed has been utilized and in the manner approved by the Board of the Company.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy), Rules, 2014, (including amendments, if any) are set out in **Annexure- VI** of this Directors' Report.



The Company has spent ₹0.61 crores on standalone during the year under review.

The Company is continuously extending its effort for making contributions to various socially useful projects and is confident of meeting the statutory requirement in the coming financial year.

## 17. Management Discussion and Analysis Report

The Management Discussion and Analysis as stipulated under regulation 34 of the SEBI (LODR), Regulations, 2015 are forming part of this Directors' Report as **Annexure- VII**.

## 18. Business Responsibility and Sustainability Report

The Business Responsibility Report as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

## 19. Extract of Annual Return

A copy of the Annual Return of the Company for the Financial Year 2022-23, as required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Rule 12, 2014 shall be placed on the Company's website at <https://www.shankarabuildpro.com/financials.html#voting>

## 20. Change in the nature of Business

The Company continues to be in the business of organized retailers of home improvements and building products and there has been no change in the nature of business of the Company or any of its subsidiaries during the year under review.

## 21. Credit Ratings

CRISIL has assigned the Long Term Rating 'BBB+/Stable' and Short Term Rating 'CRISIL A2' on the bank loan facilities of the Company.

## 22. Directors & Key Managerial Personnel

### A. Composition and size of the Board

The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The total strength of the Board as on the date of reporting is seven Directors, of which four are Independent Directors and one is

Non-Executive and Non-Independent Director. The composition of the Board of Directors is in due compliance of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### B. Retirement by Rotation

As per Section 152 of the Companies Act, 2013, at least two third of the Directors shall be subject to retire by rotation. One-third of such Directors must retire from office at each Annual General Meeting "AGM" of the shareholders and a retiring Director is eligible for re-election.

Accordingly Mr. RSV. Siva Prasad (DIN : 01247339), is liable to retire by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of the Members.

As stipulated under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 brief resume of the director proposed to be re-appointed is given in the Notice of the Annual General Meeting.

### C. Appointments and Re-appointments

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on April 25, 2023 re-appointed Mr. B. Jayaraman as an Independent Director of the Company for a further period of 5 (five) years with effect from August 14, 2023. His appointment for a period of five years is being placed before the members for their approval at this 28th AGM.

As on the date of this Report, Mr. Sukumar Srinivas, Promoter and Managing Director, Mr. Alex Varghese, Chief Financial Officer and Ms. Ereena Vikram, Company Secretary and Compliance Officer are the Key Managerial Personnel (KMP) of your Company.

The details regarding the familiarization program for Independent Directors is available on the website of the Company under the link <https://www.shankarabuildpro.com/pdf/familiarization-programme-2022-23.pdf>



### 23. Declaration by Independent Directors

The Independent Directors of your Company have submitted requisite declarations that they continue to meet the criteria of Independence as laid down in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations and as amended by SEBI (Listing Regulations and Disclosure Requirements) (Third Amendment) Regulations, 2021 and there is no change in the status of their Independence and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In terms of Section 150 of the Act and rules framed thereunder, the above Directors have registered themselves with the Indian Institute of Corporate Affairs (IICA) and they are exempted from appearing for the online proficiency self-assessment test. Furthermore, they have also renewed their registration with IICA for applicable tenures.

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

### 24. Board and Committee Meetings

The Board met seven times viz. 7th May, 2022, 16th May, 2022, 22nd July, 2022, 4th August, 2022, 23rd September, 2022, 8th November, 2022 and 6th February, 2023 and also had one meeting of Independent Directors. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. The details of the composition of the Board and its Committees and the number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

### 25. Audit Committee

The Board of Directors of your Company has duly constituted an Audit Committee in compliance with the provisions of Section 177 of the Act, the Rules framed thereunder read with Regulation 18 of the Listing Regulations. The recommendations made by the Audit Committee are accepted by your Board.

As on March 31, 2023, the Audit Committee consisted of 5(five) Directors as its members. The Audit Committee of the Board, is currently headed by an Independent Director as Chairman. The Audit Committee meets at regular intervals to discharge its terms of reference effectively and efficiently.

During the year under review, there were no instances where the recommendations of the Audit Committee were not accepted by the Board. A detailed note on the composition, role and functions of the Audit Committee are disclosed in the Report on Corporate Governance, which forms part of this Report.

### 26. Directors Responsibility Statements under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the Annual Accounts of the Company, both Standalone and Consolidated, for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act 2013, have been followed and that there are no material departures from the same.
- ii. the Directors have selected such accounting policies and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Annual Accounts for the year ended March 31, 2023 have been prepared on a going concern basis;
- v. adequate internal financial controls have been laid down and such controls are operating effectively;
- vi. proper and adequate systems to ensure compliance with the provisions of all applicable



laws have been devised and such systems are operating efficiently; and

vii. there are no instances of frauds involving the officers or employees of the Company reported by the Auditor under section 143(12) of the Act during the year ended March 31, 2023.

## 27. Human Resource

As of March 31, 2023 we have 991 employees on the payroll of the Company and 116 employees on the payroll of Subsidiaries.

In addition to the employees listed above, we also engage contract labour to facilitate our processing operations. As of March 31, 2023, we engaged 61 contract workers in our Company and 85 contract workers in subsidiaries Company. Our Company is in compliance with the Contract Labour (Regulation and Abolition) Act, 1970, and the rules prescribed thereunder in this regard.

## 28. Information Technology

We have implemented a company-wide ERP system. This system is used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The ERP system helps in integration of different functional areas to ensure proper communication, productivity, quality and efficiency in decision making. It further helps in tracking customer demands and assisting in maintaining optimum inventory levels. We have a dedicated IT team which is involved in maintaining the ERP system.

## 29. Annual Evaluation of Board Performance and Performance of its Committee and of Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, annual evaluation of the performance of the Board, the Directors individually as well as the evaluation of the working of its various committees has been carried out through a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, Execution and Performance of specific duties, obligations, independence, governance, ethics and values, adherence to corporate governance norms, attendance and contribution at meetings etc. Performance Evaluation of Independent

Directors was done by the entire Board, excluding the Independent Director being evaluated.

The evaluation process has been explained in the Corporate Governance Report, which forms part of this Annual Report.

## 30. Particulars of contracts or arrangements made with related parties

During the financial year ended 31 March, 2023, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

The particulars of such transactions with related parties have been disclosed at note no. 47 in the Standalone and Consolidated Financial Statements as required under Ind AS 24- Related Party Disclosures and as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations or which may have a potential conflict with the interests of the Company during the financial year.

All related party transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature.

During the year, there were no contracts or arrangements or transactions entered into with the related parties other than at arm's length price. Accordingly, there were no transactions during the year ended March 31, 2023 required to be reported in Form AOC-2 of the Companies (Accounts) Rules, 2014.

The Company has adopted a Policy for dealing with the transactions with related parties in line with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, which is available on the Company's website at <https://www.shankarabuildpro.com/pdf/Shankara-Revised%20Policy%20on%20criteria%20for%20determining%20Related%20Party%20Transactions-V2.pdf>



### **31. Corporate Governance and Shareholders' Information**

Pursuant to Regulation 34 of the Listing Regulations, a report on Corporate Governance for the financial year 2022-23 forms an integral part of this report. The requisite certificate from a Practicing Company Secretary confirming compliance with the mandatory requirements relating to corporate governance as stipulated under the Listing Regulations is attached to the report on Corporate Governance.

### **32. Risk Management Policy and Implementation**

The Risk Management Committee as required under Regulation 21 of SEBI (LODR) Regulations, 2015 has been constituted by the Company. According to Regulation 21(5) of the said Regulations, the provisions of Risk Management Committee shall be applicable to top 1000 listed entities, determined based on market capitalization. The Company continuously identifies the risks that it faces such as strategic, financial, liquidity, legal, regulatory and other risks and assesses and evaluates the same in line with the overall business objectives, functioning and growth of the Company.

The Risk Management Policy can be accessed on the Company's website i.e.

<https://www.shankarabuildpro.com/pdf/Shankara-%20Risk%20Management%20Policy.pdf>

The details of risk management framework have been explained in the Management's Discussion and Analysis Report which is provided as an **Annexure- VII** to this report.

### **33. Internal Control Systems and their Adequacy**

In accordance with the provision of Section 134(5)(e) of the Companies Act, 2013 and as per the provisions of the SEBI (LODR) Regulations, 2015, the Company has an Internal Control System.

The Company's internal control systems are well established and commensurate with the nature of its business. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control system. Based on the framework of internal financial controls and compliance

systems established and maintained by the Company the board is of the opinion that the Company's internal financial controls were adequate and effective during FY.2022-23.

Pursuant to the provisions of the Section 134(5)(f) of the Act, the Company during the year devised proper systems to ensure compliance with the provisions of all applicable laws.

The Internal Auditors monitor and evaluate the effectiveness and adequacy of internal control system in the Company, its compliance with accounting procedures and policies at all locations of the Company.

### **34. Whistle Blower/Vigil Mechanism**

The Company has implemented a vigil mechanism policy to deal with instances of fraud, leakage of unpublished price sensitive information and mismanagement, if any. The Company has adopted a Whistle Blower Policy to provide formal mechanism to the directors and employees to deal with the instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

The whistle blower policy of the Company is disclosed on our website i.e., <https://www.shankarabuildpro.com/pdf/pdf-Whistleblower-Policy.pdf>

### **35. Code of Conduct**

A declaration regarding compliance with the code of conduct signed by the Company's Managing Director is published in the Corporate Governance Report which forms part of the Annual Report.

### **36. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace**

The Company has zero tolerance towards sexual harassment at the workplace. The Company has a Policy for "Prevention and Prohibition of Sexual Harassment of Women at Workplace" in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which aims to provide protection to employees at workplace with the objective of providing a safe working environment. The Company has constituted an



Internal Complaints Committee to redress complaints regarding sexual harassment.

During the year under review, no complaints have been received by the Company.

### 37. Deposits

Your Company has not accepted any deposits from the public during the year and there are no deposits which are remaining unclaimed or unpaid as at the end of the year and, as such, no amount of principal or interest was outstanding as on the date of the Balance sheet.

### 38. Compliance with Secretarial Standards

During the year under review, your Company has duly complied with the applicable provisions of the Revised Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

### 39. Disclosure requirements

As per SEBI Listing Regulations, Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis are attached, which form part of this report.

### 40. Conservation of energy, technology absorption, foreign exchange earnings and outgo Conservation of energy:

Your Company is committed to the continual development of its products in a sustained environment. The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 are enclosed in the **Annexure- VIII** to the Directors' report.

### Technology absorption, adaptation and innovation:

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's operations do not require significant import of technology.

### Foreign Exchange earnings and outgo

There was no Foreign Exchange inflow from our wholly owned subsidiary, Steel Network Holdings Pte Limited in Singapore to Shankara Building Products Limited to during the year.

### 41. Reporting of frauds

There were no instances of frauds during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143 (12) of the Act and the rules made thereunder.

### 42. Significant and Material Orders passed by the Courts/Regulators

There were no significant and material order passed by the Regulators or Courts during the financial year 2022-23.

However, the Company would like to inform that the exchanges have imposed a penalty of RS. 10,000 (Rupees ten Thousand Only) under violation of Regulation 29(1) (e) and (2) of SEBI (LODR) Regulations, 2015. This was the one time violation and the Company has paid the fine to The National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

### 43. Other disclosures

#### (i) Details of equity shares with differential rights

The Company has not issued any equity shares with differential rights during the year.

#### (ii) Details of sweat equity shares issued

The Company has not issued any sweat equity shares during the year.

#### (iii) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

#### (iv) Bonus Shares

No Bonus Shares were issued during the year under review.

**(v) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof :** Not applicable.



(vi) There are no applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

### 44. Listing with Stock Exchanges

The Company has paid the Annual Listing Fees for the year 2022-23 and 2023-24 to the Exchanges where the Company shares are listed i. e, the National Stock Exchange of India Ltd ('NSE') and BSE Ltd ('BSE').

### Acknowledgement

We express our sincere appreciation and thank our valued shareholders, employees, clients, vendors, investors, bankers and other business associates for their co-operation and continued support to the Company.

We appreciate the value and contributions made by every member of Shankara family.

### For and on behalf of the Board of Directors

Place: Bengaluru  
Date : May 11, 2023

Sukumar Srinivas  
Managing Director  
DIN: 01668064

C. Ravikumar  
Whole-time Director  
DIN: 01247347







**Annexure-I to the Directors' Report**

**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(₹ in Crores)

Sl. No	Name of the Subsidiary	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	% of Holding	Sales & Other Income	Profit before Taxation	Provision for taxation	Profit after Tax	Proposed Dividend
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Taurus Value Steel & Pipes Pvt. Ltd	Rupees	1.51	102.25	112.76	9.00	-	100%	60.54	0.75	0.17	0.58	Nil
2	Vishal Precision Steel Tubes & Strips Pvt. Ltd	Rupees	3.50	69.35	148.72	75.87	-	100%	413.01	2.27	0.57	1.70	Nil
3	Century Wells Roofing India Pvt. Ltd	Rupees	2.00	30.83	76.48	43.65	-	100%	299.39	5.10	1.36	3.74	Nil
4	Steel Network Holdings Pte Limited	USD*	0.48	(0.48)	0.08	0.08	-	100%	0.00	(0.08)	0.00	(0.08)	Nil

\* USD In lakhs

**For Shankara Building Products Limited**

**Sukumar Srinivas**  
**Managing Director**  
**DIN: 01668064**

**Place: Bengaluru**  
**Date: May 11, 2023**



## Annexure-II to the Directors' Report

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**SHANKARA BUILDING PRODUCTS LIMITED**  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore – 560001, Karnataka

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHANKARA BUILDING PRODUCTS LIMITED** having CIN: **L26922KA1995PLC018990** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the Financial Year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act,

1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and there were no External Commercial Borrowings during the period under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Listed Entity during the Review Period)

(d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Listed Entity during the Review Period)

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Listed Entity during the Review Period); and

(i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018; (Not applicable to the Listed Entity during the Review Period).



(vi) There were no specific Laws, Norms and Directions applicable to the Company except Labour Laws.

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);
- (ii) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

*1. Pursuant to Regulation 29(1)(e) and (2) of SEBI (LODR) Regulation, 2015, the listed entity shall give two days prior intimation to stock exchange about declaration/recommendation of dividend. However, the Company has not given two days prior Intimation about Meeting of board of directors held on May 16, 2022 in which dividend was recommended and NSE and BSE had imposed a fine of Rs. 10,000/- each which was duly paid by the Company.*

### **I further report that:**

Based on the information provided by the Based on the information provided by the Company, its Officers and Authorized Representatives, during the conduct of the Audit and also on the review of the Details, Records, Documents and Papers provided, in my opinion, adequate systems and processes and control mechanism exists in the Company to monitor and to ensure compliance with applicable General Laws like Labour Laws, Competition Law and Environmental Law.

The compliance of applicable Financial Laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least Seven Days in advance and Independent Director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried out with requisite majority and the dissenting members' views are captured and recorded as part of the minutes.

There were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### **I further report that during the audit period:**

1. The authorized capital of the Company was increased from the existing INR 25,00,00,000/- (Indian Rupees Twenty Five crores) divided into 2,50,00,000 (Two crores Fifty Lakhs) Equity Shares of INR 10/- (Indian Rupees Ten) each to INR 30,00,00,000/- (Indian Rupees Thirty crores) divided into 3,00,00,000 (Three crores) Equity Shares of INR 10/- (Indian Rupees Ten) each and the Company has obtained approval of the Shareholders for the same.

2. The Company has issued and allotted 14,00,000 (Fourteen Lakhs) share warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of ₹750/- (Indian Rupees Seven Hundred and Fifty) per equity share aggregating to ₹105,00,00,000/- (Indian Rupees One Hundred and Five crores) on preferential allotment basis to APL Apollo Mart Limited, wholly owned subsidiary of APL Apollo Tubes Limited and the Company has obtained approval of the Committee, Board of Directors and Shareholders.

3. The Company has obtained necessary approvals from the members by way of Special Resolution as per the provisions of Section 180 (1) (c) of Companies Act, 2013 to increase the borrowing limits from INR 350,00,00,000/- (Indian Rupees Three Hundred and Fifty crores) to INR 500,00,00,000/- (Indian Rupees Five Hundred crores) in the Extraordinary General Meeting held on April 20, 2022.



4. The Company has obtained necessary approvals from the members by way of Special Resolution as per the provisions of Section 180 (1) (a) of Companies Act, 2013 to create charge/mortgage/hypothecation on the Company's moveable and immovable properties upto INR 500,00,00,000/- (Indian Rupees Five Hundred crores) in the Extraordinary General Meeting held on April 20, 2022.

5. The Company has entered in to related party transactions during the Financial Year and has considered all the related party transactions are on arm's length basis in the ordinary course of business and the Company has obtained necessary approvals from the Audit Committee and Board of Directors which were not in the Ordinary Course of Business.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place: Bengaluru  
Date: May 11, 2023

**K. Jayachandran**  
**Company Secretary**  
**ACS No.: 11309/CP No.: 4031**  
**UDIN: A011309E000290335**  
**Peer Review No: 784/2020**



### Annexure - A

To,  
The Members,  
SHANKARA BUILDING PRODUCTS LIMITED  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore - 560001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

### Annexure-III to the Directors' Report

**Annual Secretarial Compliance Report of  
Shankara Building Products Limited  
For the year ended 31st March, 2023**

*(Pursuant Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Board of Directors,  
SHANKARA BUILDING PRODUCTS LIMITED  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore – 560001, Karnataka.

I, **K. Jayachandran**, Company Secretary in Practice have examined:

- (a) all the documents and records made available to me and explanation provided by SHANKARA BUILDING PRODUCTS LIMITED(CIN: L26922KA1995PLC018990) ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Bengaluru      K. Jayachandran**  
**Date: May 11, 2023      Company Secretary**  
**ACS No.: 11309/CP No.: 4031**  
**UDIN: A011309E000290335**  
**Peer Review No: 784/2020**

- (c) the website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **March 31, 2023** ("Review Period") in respect of compliance with the provisions of:

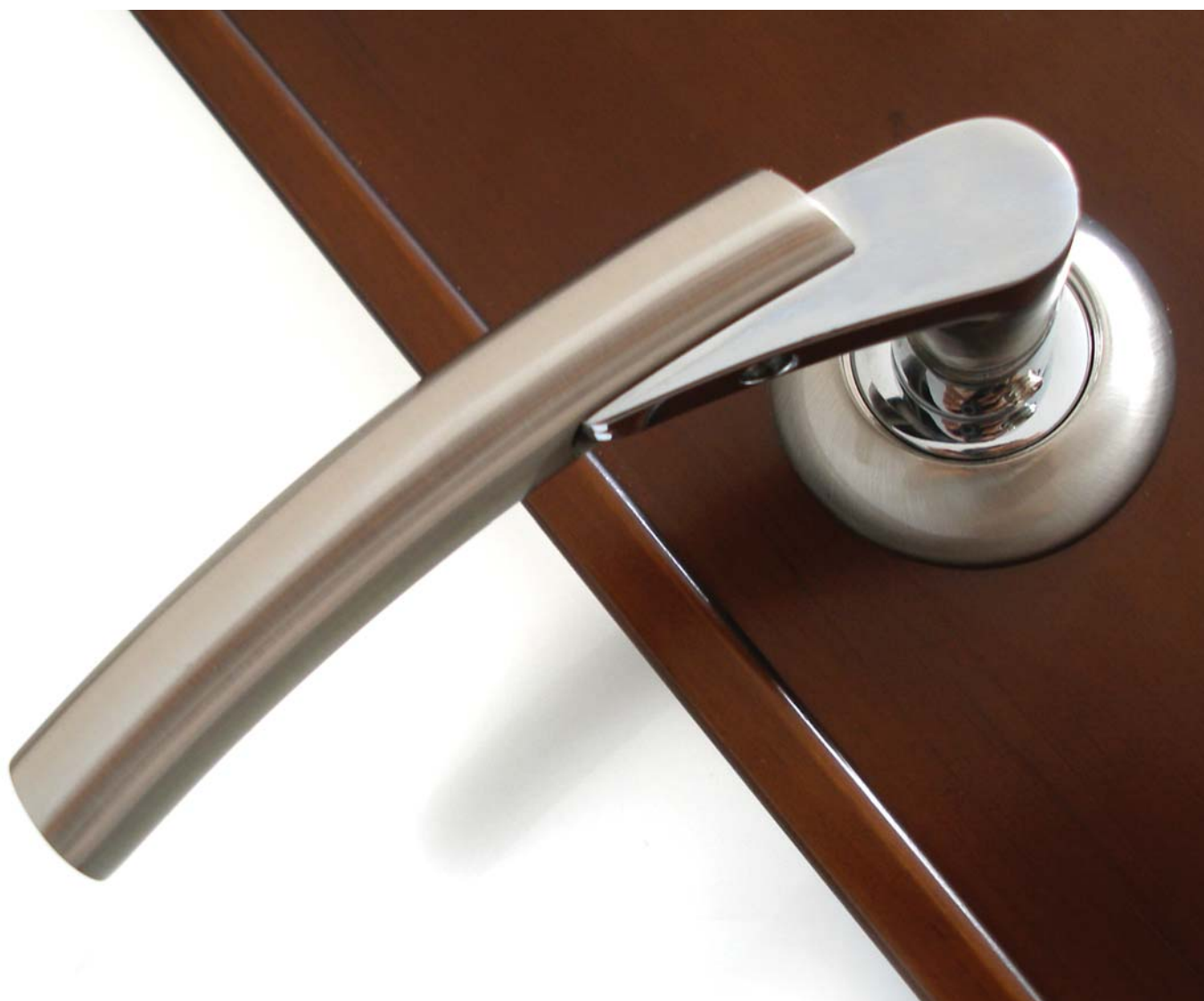
- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, Circulars, Guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), Rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period);
- (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period);
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period); and
- (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018 (Not applicable to the Listed Entity during the Review Period).





and circulars/guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars, guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	The listed entity shall give two days prior intimation to stock exchange about declaration / recommendation of dividend pursuant to Regulation 29 (1) (e) and (2) of SEBI (LODR) Regulation, 2015	Regulation 29 (1) (e) and (2) of SEBI (LODR) Regulation, 2015	Two days prior intimation about recommendation of dividend in the Board Meeting held on May 16, 2022 was not given by the Listed Entity to Stock Exchange as per the Regulation 29 (1) (e) and (2) of SEBI (LODR) Regulation, 2015.	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)	Fine	Not given two days prior Intimation as per Regulation 29 (1) (e) and (2) Of SEBI (LODR) Regulation, 2015 about the Meeting of board of directors in which dividend was recommended	INR 10,000/- each by NSE and BSE	The listed entity has not given two days prior Intimation about Meeting of board of directors held on May 16, 2022 in which dividend was recommended pursuant to Regulation 29(1)(e) and (2) Of SEBI (LODR) Regulation, 2015.	The fine of INR 10,000/- each was duly paid to NSE and BSE by the listed entity.	It was a onetime non-compliance and the fine was duly paid by the listed entity.

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA





(c) I hereby certify that the listed entity has complied with the requirements as mentioned in 6(A) and 6(B) of Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on “Resignation of Statutory Auditors from listed entities and their material subsidiaries”.

(d) Additional affirmations as per the Circulars issued by Bombay Stock Exchange Limited (‘BSE’), dated April 10, 2023 and National Stock Exchange of India Circular Ref No: NSE/CML/ 2023/21 dated March 16, 2023 are as follows:

Sr. No.	Particulars	Compliance Status Yes/No/NA	Observations/Remarks
1.	<b><u>Secretarial Standard:</u></b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	
2.	<b><u>Adoption and timely updation of the Policies:</u></b> <ul style="list-style-type: none"><li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity.</li><li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars /guidelines issued by SEBI.</li></ul>	Yes  Yes	
3.	<b><u>Maintenance and disclosures on Website:</u></b> <ul style="list-style-type: none"><li>• The Listed entity is maintaining a functional website.</li><li>• Timely dissemination of the documents/ information under a separate section on the website.</li><li>• Web-links provided in annual corporate governance reports under Regulation 27 (2) are accurate and specific which redirects to the relevant document (s)/ section of the website.</li></ul>	Yes  Yes  Yes	
4.	<b><u>Disqualification of Director:</u></b> None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013.	Yes	
5.	<b><u>To examine details related to Subsidiaries of listed entities:</u></b> (a) Identification of material subsidiary companies. (b) Requirements with respect to disclosure of material as well as other subsidiaries.	Yes  Yes	



Sr. No.	Particulars	Compliance Status Yes/No/NA	Observations/Remarks
6.	<p><b><u>Preservation of Documents:</u></b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	
7.	<p><b><u>Performance Evaluation:</u></b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p>	Yes	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees once in a year as per the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.
8.	<p><b><u>Related Party Transactions:</u></b> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.</p>	Yes  Yes	
9.	<p><b><u>Disclosure of events or information:</u></b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes	
10.	<p><b><u>Prohibition of Insider Trading:</u></b> The listed entity is in compliance with Regulation 3(5) &amp; 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	



Sr. No.	Particulars	Compliance Status Yes/No/NA	Observations/Remarks
11.	<p><b><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></b></p> <p>No Actions taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.</p>	No	The listed entity has not given two days prior Intimation to Stock Exchange pursuant to Regulation 29(1)(e) and (2) of SEBI (LODR) Regulation, 2015 about the Meeting of board of directors in which dividend was recommended. The fine of INR 10,000/- each was imposed by the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Listed Entity has duly paid the fine of INR 10,000/- each to NSE and BSE.
12.	<p><b><u>Additional Non-compliances, if any:</u></b></p> <p>No any additional non-compliance observed for all SEBI regulations/circulars/ guidance notes etc</p>	Yes	

Place : Bengaluru  
Date : May 11, 2023

**K. Jayachandran**  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309E000290379  
Peer Review No: 784/2020



## SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARIES COMPANY COMPANY NAME: TAURUS VALUE STEEL & PIPES PRIVATE LIMITED

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**For the Financial Year ended March 31, 2023**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**To,**

**The Members,**

**TAURUS VALUE STEEL & PIPES PRIVATE LIMITED**

**Sy. No. 487, Bachupally Village,**

**Kutbullapur Mandal, Telangana - 501401**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TAURUS VALUE STEEL & PIPES PRIVATE LIMITED** having **CIN: U28112TG2009PTC064592** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the Financial Year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under to the

extent applicable;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under - Not applicable to the Company during the Financial Year;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and there were no Overseas Direct Investment and External Commercial Borrowings during the period under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) Regulation 24 (Corporate governance requirements with respect to subsidiary of listed entity) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) There were no specific Laws, Norms and Directions applicable to the Company except Labour Laws.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India;

(ii) Listing Agreement - Not Applicable as the Company has not entered in to any Listing Agreement during the Financial Year.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

### **I further report that:**

Based on the information provided by the Company, its Officers and Authorized Representatives, during the conduct of the Audit and also on the review of the Details, Records, Documents and Papers provided, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and to ensure compliance with applicable general laws like Labour Laws, Competition Law and Environmental Law.



The compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial auditors and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and at least one Independent Director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried out with requisite majority and the dissenting members' views are captured and recorded as part of the minutes.

There were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that during the audit period:**

1. The Company has entered in to related party transactions during the Financial Year and the Board has considered all the Related Party Transactions are in the Ordinary course of Business at arm's length basis and the Company has obtained necessary approvals of the Audit Committee and Board of Directors for the Related Party Transactions which were not in the Ordinary Course of Business.
2. The Company has altered the Main Objects by amending the Memorandum of Association of the Company and has obtained necessary approvals from Shareholders by way of Special Resolution in the Extra-Ordinary General Meeting held on September 01, 2022.
3. This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Place: Bengaluru**  
**Date: May 6, 2023**

**K. Jayachandran**  
**Company Secretary**  
**ACS No.: 11309/CP No.: 4031**  
**UDIN: A011309E00026297**  
**Peer Review No: 784/2020**



### Annexure – A

To,  
The Members,  
TAURUS VALUE STEEL & PIPES PRIVATE LIMITED  
Sy. No. 487, Bachupally Village,  
Kutbullapur Mandal, Telangana - 501401

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru  
Date: May 6, 2023

K. Jayachandran  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309E00026297  
Peer Review No: 784/2020

### COMPANY NAME: VISHAL PRECISION STEEL TUBES & STRIPS PRIVATE LIMITED

#### Form No. MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
VISHAL PRECISION STEEL TUBES AND STRIPS  
PRIVATE LIMITED  
Plot No.47, Industrial Area,  
Hoskote - 562114, Karnataka

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VISHAL PRECISION STEEL TUBES AND STRIPS PRIVATE LIMITED having CIN: U00291KA1991PTC012581 (hereinafter called "the Company"). Secretarial Audit was conducted in a

manner that provided me a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the



Financial Year ended on **March 31, 2023** according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under to the extent applicable;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under - Not applicable during the Financial Year;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and there were no Overseas Direct Investment and External Commercial Borrowings during the period under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) Regulation 24 (Corporate governance requirements with respect to subsidiary of listed entity) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) There were no specific Laws, Norms and Directions applicable to the Company except Labour Laws.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India;

(ii) Listing Agreement – Not Applicable as the Company has not entered in to any Listing Agreement during the Financial Year.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

#### **I further report that:**

Based on the information provided by the Company, its Officers and Authorized Representatives, during the conduct of the Audit and also on the review of the Details, Records, Documents and Papers provided, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and

to ensure compliance with applicable general laws like Labour Laws, Competition Law and Environmental Law.

The compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial auditors and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and one Independent Director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried out with requisite majority and the dissenting members' views are captured and recorded as part of the minutes.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

#### **I further report that during the audit period:**

1. The Company has entered in to related party transactions during the Financial Year and the Board has considered all the Related Party Transactions are in the Ordinary course of Business at arm's length basis.

2. The Company has appointed M/s. Vasanth & Co., Chartered Accountants., having office at New No. 12, Old No. 37/E, First Floor, South End Road, Basavanagudi, Beside Surana College Bengaluru-560004 with ICAI Firm Registration No. 008204S as Statutory Auditors of the Company for the Financial Year 2022-23 to fill the Casual



Vacancy caused by the demise of Mr. T. R. Varadarajan, Proprietor of M/s Vijay & Raj, Chartered Accountants with Firm Registration No.004689S.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place : Bengaluru  
Date : May 6, 2023

**K. Jayachandran**  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309E000262923  
Peer Review No: 784/2020

### Annexure - A

To,  
The Members,  
VISHAL PRECISION STEEL TUBES AND STRIPS  
PRIVATE LIMITED  
Plot No.47, Industrial Area, Hoskote,  
KA - 562114

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Bengaluru  
Date : May 6, 2023

**K. Jayachandran**  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309E000262923  
Peer Review No: 784/2020





## Annexure-IV to the Directors' Report

### STATEMENT OF DISCLOSURE OF REMUNERATION

(Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

1. Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2023, the percentage increase in remuneration of Managing Director, Whole time Directors, Chief Financial Officer and Company Secretary during the Financial Year 2023.

Sl. No	Name of Executive Director/Key Managerial Personnel	Designation	Ratio of Median	Percentage (%) increase in Remuneration
1.	Mr. Sukumar Srinivas	Managing Director	48.48%	5%
2.	Mr. C. Ravikumar	Whole-time Director	22.66%	5%
3.	Mr. Alex Varghese	Chief Financial Officer	13.32%	10%
4.	Ms. Ereena Vikram	Company Secretary and Compliance Officer	4.89%	10%

2. Percentage increase in remuneration of Non-Executive Directors:

Sl. No	Non-Executive Directors	Ratio to Median	% of Increase
1.	Mr. V. Ravichandar	Non-executive Directors and Independent Directors were paid only Sitting Fees for attending meetings of the Board and Committees of the Board. Hence, Ratio to Median is not applicable.	Not Applicable
2.	Mr. B. Jayaraman		
3.	Mr. Chandu Nair		
4.	Ms. Jayashri Murali		
5.	Mr. RSV. Siva Prasad		

3. Percentage increase in the median remuneration of employees for the financial year 2022-23: -80.50%.

4. Number of permanent employees on rolls of the Company as on March 31, 2023: 991 (Standalone).

5. Average percentile increase already made in the Salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The managerial remuneration being paid to Managing Director and Whole-time Director is as per the provisions of Companies Act, 2013 and within overall limit prescribed in the Act.

6. Affirmation that the remuneration is as per remuneration policy of the Company:

It is hereby affirmed that the remuneration to Directors and Key Managerial Personnel for the year 2022-23 was as per the terms of the appointment and remuneration policy of the Company.

For Shankara Building Products Limited

Place: Bengaluru  
Date: May 11, 2023

Sukumar Srinivas  
Managing Director  
DIN: 01668064



**Annexure-V to the Directors' Report**  
**Information pursuant to Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**  
 (₹ in Lakhs)

Name	Qualification	Designation	Percentage of Equity Shares held by them (%)	Date of Commencement of Employment	Experience (Yrs.)	Gross Remuneration (₹)	Last Employment
Mr. Sukumar Srinivas	B.Com; PGD (Business Management)	Promoter and Managing Director	50.67	13.10.1995	40	131.95	Gemini Steel Tubes Limited
Mr. C. Ravikumar	B.Sc.	Whole-time Director	0.31	13.10.1995	36	61.53	Gemini Steel Tubes Limited
Mr. Alex Varghese	B.Com	Chief Financial Officer	0.09	13.10.1995	30	35.95	The Aluminium Industries Limited
Ms. Ereena Vikram	B.Com, LL.B, M.A (PMIR)	Company Secretary and Compliance Officer	Nil	08.09.2016	9	13.20	Corpus Software Private Limited
Mr. Dhananjay Mirlay Srinivas	Graduation- Legal Studies Major	Head-Buildpro	0.35	14.03.2020	3	9.99	--
Mr. M.P.Jayagopal	B.com	General Manager & Regional head	0.08	01.04.2001	36	22.73	Gemini Steel Tubes Limited
Mr. C. Jaiprakash	B.A	General Manager Logistics	0.08	13.10.1995	37	22.91	Dimensions Technology Furniture
Mr. Muralidhar Raichur	B.Com	General Manager Marketing	0.05	01.03.2006	38	21.63	Saregama India Limited
Mr. Narendra Thakur	Engineering (Industrial Production)	Deputy General Manager	0.05	01.11.1997	32	19.23	Gemini Steel Tubes Limited
Mr. Agfa CN	M.Com	General Manager Buildpro	Nil	01.12.2020	28	30.76	Fontana Impex Private Limited

**Notes:**

1. Gross Remuneration includes salary, allowances, company contribution to provident fund, commission and other benefits.
2. Except Mr. Dhananjay Mirlay Srinivas, no other employee mentioned above is related to any Director of the Company

**Place:** Bengaluru  
**Date:** May 11, 2023

**For Shankara Building Products Limited**

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064





## Annexure-VI to the Directors' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE YEAR 2022-23

#### 1. Brief outline on CSR Policy of the Company.

Shankara works towards improving healthcare infrastructure, education, environment sustainability, rehabilitating abandoned women and children. The Company's focus has always been to contribute to the sustainable development of the society and environment in compliance with section 134 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below:

#### CSR policy:

<https://www.shankarabuildpro.com/pdf/Revised%20Shankara-%20CSR%20Policy.pdf>

#### CSR projects:

<https://www.shankarabuildpro.com/csr.html>

The main focal areas of Shankara Corporate Social Responsibility activities are:

- Adoption of a school in Bengaluru with the entire team of Need Base India and setting up of new home for boys in Govt. primary school.
- Providing education, medical facilities and rehabilitation to the differently abled people.

Shankara Building Products Limited ("SBPL") on a standalone basis was expected to spend ₹0.61 crores towards CSR in the year 2022-23. It has identified and disbursed ₹0.61 crores.

#### 2. Composition of the CSR Committee:

Sl. No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Jayashri Murali	Chairman, Independent Director	1	1
2.	Mr. Chandu Nair	Member, Independent Director	1	1
3.	Mr. Sukumar Srinivas	Member, Managing Director	1	1

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of the CSR committee shared above and is available on the Company's website on <https://www.shankarabuildpro.com/pdf/Committee-Members-latest.pdf>

The Company's CSR Policy is available on the website at

<https://www.shankarabuildpro.com/pdf/Revised%20Shankara-%20CSR%20Policy.pdf>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable



5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the Company as per Section 135(5): ₹30.36 crores

7. (a) Two percent of average net profit of the company as per section 135(5): ₹0.61 crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹0.61 crores

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Nil				

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakh)	Amount spent in the current financial Year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ in Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District						
Not Applicable											



c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in Lakhs)

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	To provide care, protection, love and affection to children without proper parental care and empower them through education and give them all sources of exposure and opportunities to perform their best and lead a happy childhood.	i	Yes	Karnataka	Bengaluru	18.95	No Boys School	Need Base	CSR00003957
2.	A Program for Girls-mainly focused on the girl's education, health, hygiene, life skills, and Personality Development Class.	ii	Yes	Karnataka	Bengaluru	17.04	No Girls School	Need Base	CSR00003957
3.	Sponsorship for spinal cord & medical check-up	i	Yes	Tamil Nadu	Ayikudy	3.25	No Sangh	Amar Seva	CSR00000229
4.	Helping hand to poor people, especially children in need of medical aid.	i	Yes	Karnataka	Bengaluru	5.00	No Charitable Trust	Idhayangal	CSR00003135
5.	Mobile Medicare Van, Medical services for disadvantaged elderly and Cataract Operation for Elderly	i	Yes	Karnataka	Bengaluru	13.89	No India	Healp Age	CSR00000901
6.	Health, Nutrition, Child Protection and education	i	Yes	Karnataka	Bengaluru	2.66	No	Nadasurabhi Cultural Association and Smile India Trust	-
<b>Total</b>						<b>60.79</b>			



(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any: Nil

Sl. No	Particular	Amount (₹ in crores)
1.	Two percent of average net profit of the Company as per Section 135(5)	0.61
2.	Total amount spent for the Financial Year	0.61
3.	Excess amount spent for the financial year [(ii)-(i)]	Nil
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in Lakh)	Amount spent in the reporting Financial Year (₹ in Lakh)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Lakh)
				Name of the Fund	Amount (₹ in Lakh)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakh)	Amount spent on the project in the reporting Financial Year (₹ in Lakh)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakh)	Status of the project - Completed / Ongoing
Not Applicable								



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset (s): None.

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable.

**For Shankara Building Products Limited**

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Jayashri Murali**  
Chairman, Corporate Social Responsibility  
DIN: 00317201

Place: Bengaluru  
Date: May 11, 2023







## Annexure-VII to the Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### I. Overview

Shankara Building Products Limited (hereinafter referred as "Shankara" or "We") is a leading organized retailer of home improvement and building products in India operating under the brand name of Shankara Build Pro. We run 107 fulfillment centers out of which 91 are stores and 16 warehouses spread across Karnataka, Kerala, Andhra Pradesh, Telangana, Tamil Nadu, Maharashtra, Gujarat, Odisha, Madhya Pradesh, and Pondicherry. Our products are also available on our online website [www.buildpro.store](http://www.buildpro.store).

Our product portfolio is spread across categories of construction materials, plumbing, sanitary ware, flooring, electrical, and interior exterior finishing. We have tied up with leading brands across all product categories. Our customers include homeowners as well as professional customers like architect, contractors, interior designers, developers, plumbers, electricians, tile layers, masons, carpenters, painters etc., as well as small enterprises. In our steel business, we also cater to a large number of medium and small industries. Our customers are spread across tier 1, 2 and 3 locations.

In addition to the retail segment, we also have two legacy business segments of enterprise and channel. In the enterprise segment we cater to the requirements of large end users, contractors and original equipment manufacturer. In the channel segment, we cater to dealers and other retailers through our branch network. The common theme across all segments is a customer-centric approach to business. We have a large logistics and supply chain operation which support the front-end of the business. We have limited steel processing facilities in the space of roofing and steel tubes.

#### Key Announcements in FY23

##### Transforming ecosystem with technology and innovation

Shankara is also adding a marketplace model. We have an online platform [www.buildpro.store](http://www.buildpro.store) which catalogue a large range of our products and facilitates easy online transactions. As we have a large number of physical stores Shankara

is well poised to offer an Omni channel platform for all construction – related material.

##### Mobile app

The Company successfully launched a mobile app Shankara Buildpro on android and IOS. We are working to utilize tech to improve footfalls in our fulfillment centers working on a model of eyeballs to footfalls.

##### Addition of Luxury brands

The Company added new brands like Grohe, Hans Grohe, Duravit, Roca, Philips and Viega in the CP and Sanitary segment.

We have also launched our own tile brand "Fotia" which is gaining acceptance in parts of South India.

#### II. Industry Structure and Developments

The retail sector plays a vital role in the Indian economy and contributes about 10% of India's GDP.

The real estate industry is fast growing and expected to contribute about 13% of the Country GDP by 2025. Its contribution to the Indian Economy is second only to the agriculture sector. The Indian real estate sector is expected to be worth 1 trillion dollars by 2030.

It may be observed that both the retail sector and the construction/real estate sector are emerging as key contributors to India's fast growing economy. Despite head winds in the global economy India is expected to grow at 6% in 2023-24 and emerge as the fastest growing major economy in the world.

As of March 2023, India was the world's second-largest producer of crude steel. The Government has taken various steps to boost this sector. The National Steel Policy, 2017 was a right step in this direction. It allowed 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route

#### III. Building material industry structure

The year 2022-23 saw a recovery for the construction materials sector. Growth in the building materials industry is crucial for the economy as a whole because it employs more than 51 million people and account for roughly 10% of the nation's GDP. The Union Budget 2022-2023 will boost the prospects for steel



sector and building material product companies in India. The Central Government Budget provides INR 10 lakh crores allocation for development of the infrastructure sector.

One of the main factors influencing the sector growth is the government's goal of creating a \$5 trillion economy, and the resulting investment in infrastructure. The Union Budget 2022-23 makes a strong push for infrastructure-led growth in the country, with capital outlay for infrastructure projects raised by 35% in FY2023 emphasizing on R&D, technology, and digitalization, SEZ legislation, funding schemes for new metro rail systems, urban planning for sustainable living. The cumulative allocation to flagship schemes like Pradhan Mantri Awas Yojana and Jal Jeevan Mission has been increased by 39.3% year-on-year, which is a positive for long steel and pipe manufacturers. On the raw material side, the extension of customs duty waiver on ferrous scrap in FY2023 is a welcome development for secondary steel manufacturers.

#### **IV. Opportunities and Threats**

As elaborated above, the building material and steel industry in India is very large and runs into thousands of crores. As your Company is in this sector, we see good opportunities for growth. Shankara is located largely in Southern and Western India. This is the faster growing region of the Country. The India growth story has moved beyond the metros and larger cities to the smaller towns and rural areas. Shankara has a substantial presence beyond the metros.

The building material industry is seeing constant changes over the last few years. Customer preferences are continuously changing with the introduction of new materials, larger design offerings, and enhanced competition, both domestic and international.

There have been disruptions in the way business is being done. Many new start-ups have entered this space and are trying to convert the business into a tech driven market place.

Uncertainties always exist in any economy. Our financial performance depends significantly on the stability of the housing, residential construction and home improvements market. Uncertainty about these markets, or the economy could adversely impact our customers' confidence or financial condition, causing them not to purchase home improvement products and services.

Every business environment has significant competition inbuilt in it. We believe that this industry is a very operations intensive business with low margins. The ability of a large player to operate at fine cost structures may be a challenge.

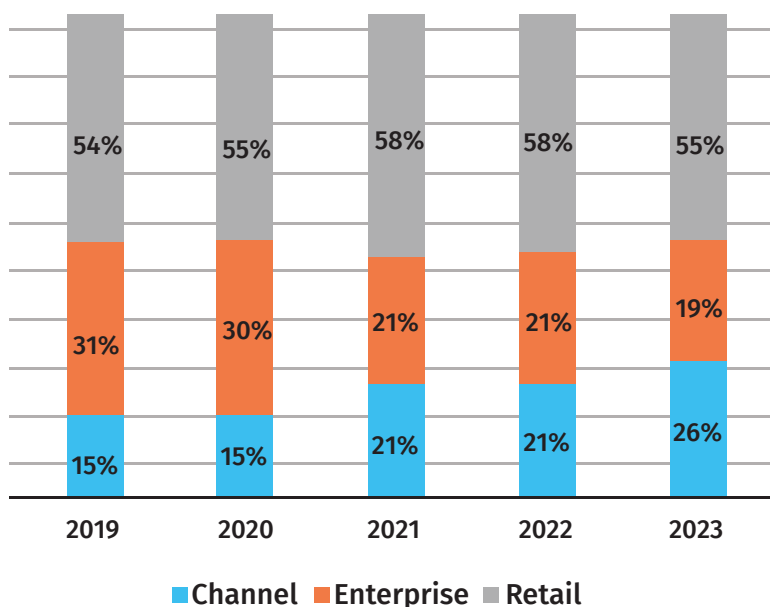
However, Shankara is a well-poised to withstand competition. The Company has built a lot of insight in this industry in its 50 years journey which will stand us in good stead. Shankara's approach is now more marketplace oriented. We have over a 100 fulfillment centers with about 90 offline stores, a robust e-commerce platform which combine to give us an excellent Omni channel. This places us ahead of the current competition.

#### **V. Segment wise or Product wise performance**

Our business is structured across three key revenue streams – retail, enterprise and channel. The retail segment is the largest and the fastest growing segment of the Company. Retail contributes ~55.5% of the total revenues of the Company and grew at 58.78% in FY 23. The enterprise business contributes ~18.8% of the total revenues. In the enterprise segment we are looking to focus on margin accretive opportunities. The emphasis is more on bottom line growth rather than topline growth for this segment. The channel business contributes to ~25.7% of the total revenues. The following chart captures the revenue share of the key business segments and how their share has changed over the last few years.



### Revenue mix



#### I. Retail segment

We are a leading organized retailer of home improvement and building products in India with 107 fulfillment centers out of which 91 are stores and 16 warehouses (as on 31st March, 2023). Our retail operations are spread across South, West and East India. We carry 1,00,000+ SKUs across the entire home construction and renovation lifecycle through our fulfillment center.

Our retail revenue was ₹2,235.71 crores in FY23 which was 55.5 % of our total sales. Our comparable sales growth gained momentum with each passing quarter of the year. Our segment EBITDA margins stood at 5.56% in FY 23.

Our retail footprint spans ~4,58,412 lakh sq.ft. Our average store size is ~5,037 sq.ft. As of now we continue to focus on South India.

#### II. Enterprise segment

In this segment, we cater to the requirements of large end users, contractors and OEMs. We generated revenues of ₹757.22 crores in FY 2023, a growth of 49.95% over the previous year. Enterprise customers are more demanding in terms of quality parameters and specifications. This can be partly catered to with our integrated processing facilities. Our sales in this segment for Q1 was ₹163.48 crores, Q2 was ₹198.32 crores, Q3 was ₹215.32 crores & Q4 was ₹180.10 crores.

#### III. Channel segment

In this segment we cater to dealers and other retailers through our branch network. The Channel segment continues to be a strategic business for us. It builds understanding of the markets and the emerging trends. The channel business recorded revenues of ₹1036.79 crores for FY 23 as compared to ₹505.34 crores for FY22 recording a growth of 105.16%. The Channel business also helps us in our other business segments. It helps optimize costs and helps us in securing scale benefits.

##### Processing

We have reduced production and turnovers in these processing units which are housed in our subsidiaries. Our processing units complement the three business verticals of retail, channel & enterprise. We make certain roofing products in our own brand which have a good market in our retail segment. We focus on customizing some of our products which cater to needs of certain enterprise customers.

We now have 13 functional processing units. These units are not very capital intensive.

##### Supply chain management

Supply chain is an integral part of our business. We have a warehousing network spread over ~ 5,33,073 sq.ft. This helps us deliver our cluster



based retail stores in an efficient manner. It is very critical in ensuring storage of material and timely delivery to our retail units. The Company owns most of our warehousing space. We also own a fleet of trucks. Additionally, we do utilize the services of outside agencies for transporting our materials.

## VI. Outlook

The Indian economy is poised to grow at 6% for the year 2023-24. The Annual Budget presented by the Union Government emphasized considerably on infrastructure and the housing sector. The Budget has allotted considerable resources for the same.

	(₹ in crores)
Ministry of Defense	: 5.94
Ministry of Road Transport and Highways	: 2.70
Ministry of Railways	: 2.41
Ministry of Rural Development	: 1.60

Considering the above Shankara hopes to see a favorable environment. The real estate and building industry is also witnessing substantial demand in residential and in the commercial sector. This augurs well for the Company.

## VII. Risks and Concerns

As our investor, you already understand that risks are part of any business. It is not possible to detail every risk to the business. For our business, we have identified key risks:

- **Business Risks:** A significant portion of our business is generated from a large number of customers. Our business operations may fluctuate due to a variety of factors such as loss of key customers, fluctuation in demand and sales volume, timing and size of customer capital spends, inventory management practices.
- **Market Risks:** The fragmented unorganized market and owner driven competition at a fairly large scale affects the environment. The intensity of competition has moved beyond metros.
- **Financial Risks:** We have a very diversified customer base. A lot of our sales is credit based. Therefore, in case the customer reneges on payments, this could lead to bad-debts and affect profitability.

Interest rates have been increasing in the recent past. Further increase of interest rates could affect the profit margins accruing to the Company.

## VIII. Internal control systems and their adequacy

In accordance with the provision of Section 134(5) (e) of the Companies Act, 2013, and as per the provisions of the SEBI (LODR), Regulations, 2015, the Company has an Internal Control System,

The internal control forms an integral part of the Company's corporate governance and plays a critical role in managing operational risks. The Company has a robust Risk Management Policy, which provides an overall framework for Risk Management in the Company. The key elements of the company's risk management framework have been captured in the risk management policy, which details the process for identifying, escalating, prioritizing, mitigating, and monitoring key risk events and action plans. The Company's existing framework provides for risk reviews at various levels based on company's organizational structure matrix. Periodic assessment of risks, potential impact relating to business growth, profitability, talent engagement, and market position are conducted.

The Company has adopted accounting policies which are in line with Indian Accounting Standards ("Ind AS"). Pursuant to the provisions of the Section 134(5) (f) of the Act, the Company during the year devised proper systems and continued to ensure compliance with the provisions of all applicable laws. Any matter that required attention was immediately dealt with. The compliance system was largely found to be adequate and operating effectively. The Directors have in the Directors Responsibility Statement under paragraph (f) confirmed the same to this effect. The Internal Auditors monitor and evaluate the effectiveness and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries.



IX. Discussion on financial performance with respect to operational performance.

(₹ in Crores)

Financial Highlights/ Year Ending 31st March	2022-23		2021-22	
	Consolidated	Standalone	Consolidated	Standalone
Revenue from operations	4,029.72	4,036.22	2,418.40	2,328.75
Total Income	4,037.42	4,043.53	2,421.50	2,331.15
Earnings Before Interest, Exceptional Items & Taxes (EBIT)	108.62	97.79	70.43	57.40
Profit/(Loss) before Exceptional items & tax	84.37	76.25	46.06	36.29
Exceptional Items	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>84.37</b>	<b>76.25</b>	<b>46.06</b>	<b>36.29</b>
Tax expenses	21.32	19.23	11.74	9.05
<b>Profit/ (Loss) after tax</b>	<b>63.05</b>	<b>57.02</b>	<b>34.32</b>	<b>27.24</b>
Other comprehensive income	0.12	0.10	(0.03)	0.06
Equity dividend %	-	-	-	1%
Share Capital	22.85	22.85	22.85	22.85
Other Equity	620.24	435.19	533.11	354.11
Net worth	643.09	458.04	555.96	376.96

**Share Capital**

During 2022-23, the Company allotted 14,00,000 (Fourteen Lakh) Warrants, each carrying a Right to subscribe to one Equity Share per Warrant, at a price of ₹750/- per Warrant ("Warrant Price"), aggregating to ₹105,00,00,000/- (Rupees One Hundred and Five crores) to APL Apollo Mart Limited ("Acquirer"), a wholly owned subsidiary of APL Apollo Tubes Limited.

**Reserve & Surplus**

On standalone and consolidated basis, the balance of security premium as at March 31, 2023 amounted to ₹111.28 crores.

**Goodwill**

On a consolidated basis, carrying value of goodwill as at March 31, 2023 stood at ₹14.04 crores.

**Trade Receivables**

On a consolidated basis trade receivable amounted to ₹511.06 crores (previous year ₹354.00 crores) net of provision for doubtful debts of ₹3.82 crores (previous year ₹ 8.18 crores).

**Loans and Advances**

It represents employee advances. On a consolidated basis loans and advances amounting to ₹1.28 crores.

**Borrowings**

On a consolidated basis, borrowing current as at March 31, 2023 is ₹55.75 crores and non-current borrowing ₹26.85

**Other Income**

Please refer note no. 32 in consolidated financials.

**Expenditure**

The employee benefits expenses increased to ₹48.24 crores compared to previous year at ₹41.34 crores on consolidated basis.

**Profit before Tax**

Our Profit before tax stood at ₹84.37 crores in FY23 with a growth of 83.17% compared to previous year FY22.



## Tax Expense

For the year ended March 31, 2023, there was a tax expense of ₹19.23 crores (Previous year: tax expense of ₹9.05 crores) on a standalone basis. On a consolidated basis, tax expense was ₹21.32 crores (previous year ₹11.74 crores).

## Net Profit

On consolidated basis, the net profit of the Company amounted to ₹63.05 crores as against a ₹34.32 crores during the previous year. Total Comprehensive profit for the year is ₹0.12 crores as compared to ₹ (0.03) crores during previous year.

On standalone basis, the net profit of the Company amounted to ₹57.02 crores as against a ₹27.24 crores during the previous year. Total Comprehensive profit for the year is ₹0.10 crores as compared to ₹ 0.06 crores during previous year.

## Earnings per Share

Basic Earnings per share computed based on number of common stock outstanding, as on the Balance Sheet date is ₹27.59 per share (Previous year: ₹15.02 per share) on a consolidated basis and ₹24.95 per share (Previous year: ₹11.92 per share) on a standalone basis

## X. Material developments in Human Resources/Industrial Relations front, including number of people employed

Shankara considers its employees as an integral part of their family. The goal of the HR Team is to ensure that all the employees are engaged, motivated and working towards achieving the Company's strategic objectives. Necessary training is conducted on an ongoing basis during the year. The Company had to take utmost care in maintaining the safety and welfare of all employees and their families.

## XI. Key financial ratios:

The comparison of key financial ratios for FY 23 and FY 22 is detailed below:

Particulars	2022-23	2021- 22
	<b>Consolidated</b>	
Debtor Turnover in Days (on gross sales)	39	56
Inventory Turnover in Days	39	45
Interest Coverage Ratio	4.48	2.89
Current Ratio	1.63	1.77
Debt Equity Ratio	0.11	0.21
Operating Profit Margin (%)	3.1	3.63
Net Profit Margin (%)	1.56	1.42
Return on Net Worth	9.81	6.17



**Annexure-VIII to the Directors' Report**

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, R&D CELL AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

*(Pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014)*

**Subsidiary Companies:**

<b>Taurus Value Steel &amp; Pipes Pvt. Ltd</b>	<b>Units</b>	<b>Amount in ₹</b>	<b>Rate/Unit</b>
Total Energy purchased	3,82,726	60,61,253	15.84

<b>Vishal Precision Steel Tubes &amp; Strips Pvt. Ltd</b>	<b>Units</b>	<b>Amount in ₹</b>	<b>Rate/Unit</b>
Total Energy purchased	26,64,345	2,77,58,599	10.42

<b>Centurywells Roofing India Pvt. Ltd</b>	<b>Units</b>	<b>Amount in ₹</b>	<b>Rate/Unit</b>
Total Energy purchased	1,79,886	20,99,306	11.67

**For Shankara Building Products Limited**

Place: Bengaluru  
Date: May 11, 2023

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064







### Report on Corporate Governance

*[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]*

#### Shankara Philosophy on Corporate Governance

The Company's principles of corporate governance are based on ethical conduct of business and accountability. The transparency in the form of disclosures and a commitment for building long term sustainable relationships with relevant stakeholders.

The Company ensures transparency in all dealings and in the functioning of the Management and the Board. The Company believes that the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness.

In line with the Company's commitment to good corporate governance practices and compliance with the provisions of Companies Act, 2013 and Listing regulations, our Company has constituted Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Company complies with the requirements stipulated under Regulation 17 to 27 and 46 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations" or SEBI LODR").

The operations of the Company are conducted under the supervision and directions of the Board within the framework set by the Companies Act, 2013 and the Rules made there under (the "Act"), its Articles of Association, SEBI Guidelines, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

A report on compliance with corporate governance principles as prescribed under SEBI LODR is given below.

#### Date of Report

The information provided in this Report on Corporate Governance is as on March 31, 2023.

### Board of Directors

The Board of Directors of the Company ("the Board") has an optimum combination of Executive and Non-Executive Directors and duly constituted under the Chairmanship of an Independent Director. The Board of Directors has an appropriate mix of experience and knowledge in diverse areas which enable them to contribute effectively and provide effective leadership to the business of the Company. The Board of Directors has ultimate responsibility for the management of general affairs, performance, direction and seeks accountability of the management in creating long term sustainable growth.

As on March 31, 2023, the Board of Directors comprised Seven (7) Directors out of which Two (2) are Executive Directors, One (1) Non-Executive and Non-Independent Director and Four (4) are Non-Executive Independent Directors out of which one is a Woman Director. The Chairman of the Board is a Non-Executive and Independent Director.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which they are a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by the Directors. None of the Directors are related to each other.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. The maximum tenure of independent directors is in compliance with the Act. All the independent directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013.

None of the Directors of the Company is restrained/debarred from holding the office of director pursuant to any of order of the SEBI.



## Composition of the Board

The Board of Directors of the Company is well comprised of Executive and Non-Executive Directors with more than half of the Board of the Company comprising Independent Directors. During the year 2022-2023, the Board consisted of seven directors comprising two Executive

Directors, four Independent Directors and one Non-Executive Non Independent Director.

The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013.

## Category of Directors and Directorships and Committee Memberships

The details of Directorships and Committee Memberships of the Directors as on March 31, 2023 are given below:

Name of the Directors and DIN	Designation and Category of the Directors	No. of Directorships*	No. of membership on Board committees**	No. of chairpersonship on Board committees**	No. of shares held
Mr. V. Ravichandar (DIN:00634180)	Chairman & Independent Director	3	2	-	-
Mr. Sukumar Srinivas (DIN: 01668064)	Promoter & Managing Director	5	1	-	1,15,78,787
Mr. B. Jayaraman (DIN: 00022567)	Non-Executive and Independent	1	1	1	-
Mr. Chandu Nair (DIN: 00259276)	Non-Executive and Independent	4	2	-	-
Ms. Jayashri Murali (DIN: 00317201)	Non-Executive and Independent	5	2	1	-
Mr. RSV. Siva Prasad (DIN: 01247339)	Non-Executive and Non-Independent	2	-	-	35,773
Mr. C. Ravikumar (DIN: 01247347)	Executive Director	4	1	-	72,400

\* Including Shankara Building Products Limited, Private and Public Limited Companies. Excludes foreign companies, high value debt listed entities and Section 8 Companies.

\*\* Only membership/chairpersonship of the Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies have been considered.

Every Director intimates the Company of his shareholding in the Company as well as directorships in other Companies in the prescribed forms on an annual basis and also the subsequent changes, if any.

None of the Directors is a Member of committee of more than ten committees or acting as a Chairperson of more than five committees across all listed companies in which they are directors, including this Company as prescribed under Regulation 26 of SEBI (LODR) Regulations, 2015. The Directors of the Company are in compliance with the requirements of the Listing regulations and the Companies Act, 2013 (as amended) (the "Act") with regard to the maximum number of directorships.



The Independent Directors of the Company have declared that they meet the criteria for “independence” and / or “eligibility” as prescribed under amended Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Act and have given necessary confirmations in terms of Regulation 25(8) of the Listing Regulations. Based on the said declarations and confirmations received from the Independent Directors, the Board confirms the same.

None of the Directors of the Company are related to each other. The Company is in compliance with the provisions regarding Board, its composition and committees under the Act and the Listing Regulations including Regulation 17 (1) thereof.

In pursuance of Para C (2), Schedule V to the Listing regulations the core skills/expertise/competencies of the Board of Directors

S. No	Name of Director(s)	Existing Skills/expertise/competence
1.	Mr. V. Ravichandar	Strategy and Marketing.
2.	Mr. Sukumar Srinivas	Strategy, Finance, General Management.
3.	Mr. B. Jayaraman	Finance, Business Strategy, Corporate Law, Taxation, Mergers & Acquisitions, Internal Control, ERP system implementation.
4.	Mr. Chandu Nair	Corporate Development, Marketing, Business Strategy, Risk Management, Entrepreneurship, Mentoring and Written and Verbal Communication skills.
5.	Ms. Jayashri Murali	Legal, Regulatory Framework, Corporate Governance.
6.	Mr. C. Ravikumar	Business and Marketing Strategy, Risk Management, Production Planning and Execution, Retail Management.
7.	Mr. RSV. Siva Prasad	Product Planning, SKUs monitoring, Operations.

## Board Meetings and Attendance of Directors

During the financial year 2022-23, Seven (7) meetings of the Board were held with the presence of necessary quorum in all the meetings. The detail of Board Meetings held are given below:

Date of Meeting	Board Strength	No. of directors present
May 7, 2022	7	5
May 16, 2022	7	6
July 22, 2022	7	7
August 4, 2022	7	6
September 23, 2022	7	6
November 8, 2022	7	6
February 6, 2023	7	6

The Board met at least once in every calendar quarter and the gap between two meetings did not exceed one hundred and twenty days. The information as required under Part A of Schedule II of Regulation 17(7) of the Listing Regulations has been made available to the Board.

Board meetings are convened by giving appropriate notice to the Directors and the detailed agenda along with the supporting documents are circulated to the Directors well in advance to facilitate meaningful and focused discussion at the meeting. The Board periodically reviews the quarterly compliance reports filed with Stock Exchanges.



The intimation and outcome of every Board Meeting of the Company are given to the Stock Exchanges (BSE and NSE).

The details of attendance of the Directors at the Board Meetings held during the year under review and at the 27th Annual General Meeting held on 22nd July, 2022 is as given here under:

Name of Director(s)	No. of Board Meetings		Whether attended last AGM
	Held	Attended	
Mr. V. Ravichandar	7	7	Yes
Mr. Sukumar Srinivas	7	7	Yes
Mr. B. Jayaraman	7	7	Yes
Mr. Chandu Nair	7	6	Yes
Ms. Jayashri Murali	7	4	Yes
Mr. C. Ravikumar	7	6	Yes
Mr. RSV. Siva Prasad	7	5	Yes

### 3. Independent Directors

The Company believes that the presence of Independent Directors on the Board ensures that the process of decision making of the Board is unbiased and the interests of the stakeholders are safeguarded.

The Independent Directors of the Company have been appointed in terms of the requirements of the Companies Act, 2013 (“Act”) and Listing Regulations. The maximum tenure of independent directors is in compliance with the Companies Act, 2013. No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the financial year ended March 31, 2023.

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence laid down in section 149(6) of the Act read with Schedule IV and Rules made thereunder and under Regulation 16(1) (b) of the Listing Regulations.

#### Meeting of Independent Directors

In terms of the provision of Schedule IV of the Companies Act, 2013 read with Regulation 25 of

SEBI (LODR), Regulations, 2015, mandate the Independent Directors to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management. During the financial year ended March 31, 2023, all the Independent Directors met on February 6, 2023, inter alia to review performance of Non-Independent Directors & the Board as a whole, to review performance of the Chairman of the Company and to see the quality, quantity and timeline of flow of information between the management of the Company and the Board.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

#### Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business operations, etc. Further, the Independent Directors were also regularly apprised of all regulatory and policy changes. The details of the familiarization programme for Independent Directors is



disclosed on the Company's website at <https://www.shankarabuildpro.com/pdf/familiarization-programme-2022-23.pdf>

### Committees of the Board of Directors

The Board has delegated specific responsibilities to various Committees. The terms of reference of the Committees are in compliance with the Act and the Listing Regulations. The Committees are provided, on a timely basis, with requisite information and detailed agenda papers, together with necessary supporting papers, as required. All the recommendations and decisions of the Committees were placed before the Board for approval. During the year under review, there were no instances where recommendations of the Committees were not accepted by the Board. The Committee can request special invitees to join the meeting as appropriate. The minutes of the meetings of the Committees were placed before the Board for review.

#### The details of statutory and non-statutory Committees are given below:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholder's Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee
- (f) Finance Committee; and
- (g) Whistle Blower Committee

The brief description of terms of reference, composition, meetings and attendance of the Committees during the financial year 2022-23 are provided below.

### Audit Committee

The Audit Committee has been constituted under the provisions of the Companies Act, 2013 and Listing Regulations to discharge such duties and functions generally indicated under Regulation 18 of the Listing Regulations read with Section 177 of the Act and such other functions as may be specifically assigned to it by the Board from time to time.

### Terms and Reference of the Audit Committee

The terms of reference of the Audit Committee

covers all the areas mentioned under Section 177(4) of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee is as follows:

- a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3) (c) of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications and modified opinions in the draft audit report.
- f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- g) Scrutiny of inter-corporate loans and investments;



- 
- h) Valuation of undertakings or assets of our Company, wherever it is necessary;
  - i) Evaluation of internal financial controls and risk management systems;
  - j) Approval or any subsequent modification of transactions of our Company with related parties;
  - k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - l) Approving or subsequently modifying transactions of our Company with related parties;
  - m) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
  - n) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
  - o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - p) Discussion with internal auditors on any significant findings and follow up thereon;
  - q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

u) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

v) Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and

w) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

The powers of the Audit Committee include the following:

a) To investigate activity within its terms of reference;

b) To seek information from any employees;

c) To obtain outside legal or other professional advice; and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

**The Audit Committee shall mandatorily review the following information:**

a) Management discussion and analysis of financial condition and result of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor; and

**f) Statement of deviations:**

(i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and

(ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.



## Composition, Meetings and Attendance

The Audit Committee of the Company is constituted in accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. As on March 31, 2023, the Audit Committee comprised of 4 (four) Independent Directors and 1 (one) Executive Director.

All the members of the Committee are financially literate and possess sound knowledge of accounts, audit, governance and legal matters. The Chairman of the Committee is an Independent (Non-Executive) Director. The Statutory Auditors and Internal Auditor are amongst the permanent invitees to the Audit Committee meetings. The Company Secretary of the Company acts as Secretary to the Audit Committee. The minutes of the Audit Committee meetings were circulated by the Board, discussed and taken note of. All the recommendations made by the Audit Committee during the year were accepted by the Board.

The composition of the Audit Committee and particulars of meeting attended by the members of the Audit Committee during the financial year ended March 31, 2023 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. B. Jayaraman	Independent Director	Chairman	5	5
Mr. V. Ravichandar	Independent Director	Member	5	5
Mr. Sukumar Srinivas	Executive Director	Member	5	5
Mr. Chandu Nair	Independent Director	Member	5	5
Ms. Jayashri Murali	Independent Director	Member	5	3

As on March 31, 2023, the composition of the Audit Committee is in conformity with Section 177 of the Act and Regulation 18 of Listing Regulations.

During the year, the Committee met five (5) times on May 16, 2022; August 4, 2022; September 23, 2022; November 8, 2022 and February 6, 2023. The necessary quorum was present for all the meetings. The Audit Committee meetings were also attended by the partners/representatives of Statutory Auditors and Internal Auditors. Mr. B. Jayaraman, Chairman of the Audit Committee was present at the 27th Annual General Meeting of the Company held on July 22, 2022.

### Nomination & Remuneration Committee

The Board constituted a Nomination and Remuneration Committee in terms of the requirements of Section 178 of the Act and Rules framed thereunder read with Regulation 19 of the Listing Regulations.

The Nomination and Remuneration Committee has been vested with the authority to recommend nominations of Directors on the Board and decides on remuneration packages to the Executive Directors, and recommends the appointment/ reappointment and remuneration

of the Key Managerial Personnel. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

### Terms and Reference of the Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 of the Act and Part D of Schedule II of the Listing Regulations, as enumerated below:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identify persons who are qualified to become directors or who may be appointed in senior





management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analyzing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

l) If a Director slot/Senior Management position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described herein.

m) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

### Composition, meetings and attendance

The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the members of the Committee during the financial year ended March 31, 2023 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Chandu Nair	Independent Director	Chairman	1	1
Mr. V. Ravichandar	Independent Director	Member	1	1
Mr. B. Jayaraman	Independent Director	Member	1	1
Ms. Jayashri Murali	Independent Director	Member	1	1

As on March 31, 2023, the composition of the Nomination and Remuneration Committee is in conformity with Section 178 of the Act and Regulation 19 of Listing Regulations.

During the year, the Committee met once on May 16, 2022. The necessary quorum was present for the meeting. Mr. Chandu Nair, Chairman of the Committee was present at the 27th Annual General Meeting of the Company held on July 22, 2022.



## Performance Evaluation

In compliance with the requirements of the provisions of section 178 of the Act, the Listing regulations and the Guidance Note on Board Evaluation issued by SEBI in January, 2017, a Performance Evaluation was carried out internally for the Board, Committees of the Board, Individual Directors including the Chairman of the Board.

The evaluation criteria included aspects related to competency of directors, strategy and performance evaluation, governance, independence, effectiveness, structure of the board/committee, level of engagement and contribution, independence of judgment etc.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member was also provided to them in a confidential manner. The feedback obtained from the interventions was discussed in detail and, where required, independent and collective action points for improvement were put in place. The directors expressed their satisfaction with the evaluation process.

## Remuneration Policy

In compliance with the requirements of Section 178 of the Act including Rules framed thereunder and pursuant to the provisions of Regulation 19(4) of the Listing Regulations, the Board has adopted a Nomination and Remuneration Policy for the Directors and Key Managerial Personnel (KMPs). The policy is disclosed on the website of the Company at <https://www.shankarabuildpro.com/pdf/Shankara%20-%20Nomination%20and%20Remuneration%20Policy.pdf>

## Remuneration to Non-Executive Directors

Independent Directors and Non-Independent Non-Executive Directors are paid sitting fees for attending the meetings of the Board within regulatory limits, as approved by the Board.

The details of sitting fees paid to the Non-Executive Independent Directors are within the limits prescribed by the Act. The details of sitting fees paid to the Independent Directors along with their shareholding during the financial year ended March 31, 2023 are as follows

## Independent and Non-Independent Director (s):

Name	Sitting Fees (₹)	No. of Shares held as on 31.03.2023
Mr. V. Ravichandar	5,25,000	Nil
Mr. Chandu Nair	4,50,000	Nil
Mr. B. Jayaraman	9,00,000	Nil
Ms. Jayashri Murali	3,00,000	Nil
Mr. RSV. Siva Prasad	1,25,000	35,773

## Remuneration to Executive Directors

The Executive directors/ Whole-time directors of the Company are paid the remuneration as recommended by the Nomination and Remuneration Committee, and further approved by the Board of Directors and Shareholders.

## Executive Directors

(Amount in ₹)

Name	Salary	Contribution to P.F.	Bonus	Others	Total
Mr. Sukumar Srinivas	1,17,81,000	14,13,720	-	-	1,31,94,720
Mr. C. Ravikumar	55,06,830	3,63,258	3,02,715	-	61,72,803



### Stakeholders' Relationship Committee

The Stakeholders Relationship Committee of the Board, is headed by Ms. Jayashri Murali (Non-Executive Independent Director). The composition and terms of reference of Stakeholders' Relationship Committee is in line with the requirements of section 178 of the Act and Regulation 20 of the Listing Regulations. The Stakeholders' Relationship Committee has been constituted to specifically look into the matters of investors' grievances such as transfer and transmission of securities, dematerialization/re-materialization of securities, issued of duplicate share certificates, non-receipt of dividends and such other grievances as may be raised by the investors from time to time.

Terms and Reference of the Stakeholders' Relationship Committee

a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;

b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;

d) Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and

e) Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

### Composition, meetings and attendance

The Stakeholders' Relationship Committee comprises of one (1) Executive and three (3) Independent Directors. The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

During the financial year 2022-23, the Committee met once on May 16, 2022. The composition of the Stakeholders' Relationship Committee and the details of meeting attended by its members during the financial year ended March 31, 2023 are as under:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Ms. Jayashri Murali	Independent Director	Chairman	1	1
Mr. V. Ravichandar	Independent Director	Member	1	-
Mr. Chandu Nair	Independent Director	Member	1	1
Mr. C. Ravikumar	Executive Director	Member	1	1

As on March 31, 2023, the composition of the Committee is in conformity with section 178 of the Act and Regulation 20 of the Listing Regulations.

### Compliance Officer

#### Ms. Ereena Vikram

Company Secretary & Compliance Officer  
Corporate Office: Shankara Building Products Limited  
21/1 & 35-A-1, Hosur Main Road  
Electronic City Post, Veerasandra  
Bengaluru-560100.

[Email-cs@shankarabuildpro.com](mailto:Email-cs@shankarabuildpro.com)



## Investors Grievance Redressal

In compliance with the requirements of SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained exclusive User Id and password for processing the investor complaints in a centralized web based SEBI Complaints Redress System- 'SCORES'. This enables the investors to view online the actions taken by the Company to their complaints and current status thereof, by logging on to the SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in). No shareholder complaints were lying unresolved as on March 31, 2023.

The quarterly statement on investors' complaints received and disposed of is submitted with stock exchanges within 21 days from the end of each quarter and the statement filed is also placed before the subsequent meeting of Board of Directors.

## Investors' grievance/complaints received during the financial year 2022-23

No of Complaints unresolved at the beginning of the year	Nil
No. of complaints received	14
No. of complaints resolved to the satisfaction of shareholder	14
No. of complaints not resolved to the satisfaction of shareholder	Nil
No. of pending complaints as on March 31, 2023	Nil

## Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted in compliance with the requirements of Section 135 of the act with the responsibility to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementing the framework in line with the Corporate Social Responsibility Policy of the Company.

The Company's Policy on Corporate Social Responsibility is available on the Company's website at

<https://www.shankarabuildpro.com/pdf/Revised%20Shankara-%20CSR%20Policy.pdf>

Terms and Reference of the Corporate Social Responsibility Committee

- Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;
- Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate

social responsibility programmes undertaken by the Company;

d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

The Annual Report on CSR activities undertaken during the year under review forms part of the Directors' Report.

## Composition, meeting and attendance

The Committee comprises of two Independent Directors and one Executive Director. The Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.



During the financial year 2022-23, the meetings of Corporate Social Responsibility Committee was held on May 16, 2022. The composition of the committee and the details of the meetings attended by its members during the financial year ended March 31, 2023 are as under:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Ms. Jayashri Murali	Independent Director	Chairman	1	1
Mr. Chandu Nair	Independent Director	Member	1	1
Mr. Sukumar Srinivas	Executive Director	Member	1	1

As on March 31, 2023, the composition and terms of reference of the Committee are in line with the provisions of Section 135 of the Act.

### **Risk Management Committee**

Pursuant to the provisions of Regulation 21 of the SEBI (Listing obligations and Disclosure Requirements) (Amendment) Regulations, 2018, your Company was required to constitute Risk Management Committee. The Chairman of Audit Committee is also the Chairman of Risk Management Committee.

### **Terms and Reference of the Risk Management Committee**

- To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- To establish a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, cyber security risks or any other risk

as may be determined by the Risk Management Committee (“the Committee”) for the company’s risk management process and to ensure its implementation.

- To measure risk mitigation including systems and processes for Internal Control of identified risks.
- Business Continuity Plan.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

### **Composition, meeting and attendance**

The Committee comprises of four Independent Directors and two Executive Director. The Company Secretary acts as the Secretary of the Risk Management Committee.



During the financial year 2022-23, the meeting of Risk Management Committee were held on July 22, 2022, November 8, 2022 and February 6, 2023. The composition of the committee and the details of the meetings attended by its members during the financial year ended March 31, 2023 are as under:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. B. Jayaraman	Independent Director	Chairman	3	3
Mr. V. Ravichandar	Independent Director	Member	3	3
Mr. Chandu Nair	Independent Director	Member	3	3
Ms. Jayashri Murali	Independent Director	Member	3	2
Mr. Sukumar Srinivas	Executive Director	Member	3	3
Mr. C. Ravikumar	Executive Director	Member	3	3

As on March 31, 2023, the composition and terms of reference of the Committee are in line with the provisions of Listing Regulations and Companies Act, 2013.

## Other Committee

### Finance Committee

The Finance Committee has been constituted with the primary objective for execution of transactions related to banks/financial institutions and other activities related thereto.

The main terms of reference of the Committee include the following:-

- Review banking arrangements and cash management;
- Approval for new banking limits and renewal and enhancement of existing limits upto cumulative maximum of Rs. 100 crores and to be ratified in the subsequent board meeting.
- Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board, and take necessary actions connected therewith, including

refinancing for optimization of borrowing costs;  
d. Give guarantees / issue letters of comfort / providing securities within the limits approved by the Board;

e. Provide corporate guarantee by the Company within the limits approved by the Board;

f. Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;

g. Delegate authorities from time to time to the executives / authorised persons to implement the Committee's decisions;

### Composition, meetings and attendance

The Finance Committee comprises of two Executive Directors and one Chief Financial Officer. The Company Secretary of the Company acts as Secretary of the Committee.

During the year, the committee met five (5) times on June 24, 2022; August 10, 2022; September 28, 2022; November 14, 2022 and December 12, 2022

The composition of the Finance Committee as on March 31, 2023 is as under:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Sukumar Srinivas	Executive Director	Chairman	5	5
Mr. C. Ravikumar	Executive Director	Member	5	5
Mr. Alex Varghese	Chief Financial Officer	Member	5	5



## Whistle Blower Committee

1.1 The Whistle Blower Committee was constituted by our Board of Directors on August 9, 2017 and the policy was revised to adhere to the current provisions of the Companies Act, 2013. Shankara Building Products Limited (“Company”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company has formulated Shankara Code of Conduct for Board of Directors and Senior Management (“Code”) which is attached to the policy as Annexure A, for the Company to keep a check on malpractices and any unethical behavior by all such persons related with the management, administration and any operations of the Company with the Company (“Senior Personnel”). The role of the employees/stakeholders in pointing out violations by the Company and to keep check on the unethical practices are in place be undermined. The Company is committed to developing a culture where it is safe for all employees without fear to raise concerns about any poor or unacceptable practice and any event of misconduct impacting the Company and any of its stakeholders.

1.2 Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with revised Clause 49 of the Listing Agreement between the Company and Stock Exchanges, inter alia, requires all listed companies to establish a mechanism called “Vigil Mechanism/Whistleblower Policy” for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation by the Company of any statutory, legal, mandatory and other compliances of whatever nature and also to ensure that no fraudulent act is committed by the Company whether it impacts the stakeholders or not.

1.3 Accordingly, this Whistleblower Policy (“the Policy”) has been formulated to provide a mechanism for directors, employees and other stakeholders of the Company to approach the Whistleblower Committee/Audit Committee of the Company for the purpose of raising genuine

concerns relating to any kind of malpractice indulged by the Company and address the same effectively as required. This Policy will come into effect from the date of its adoption by the Board of Directors of the Company.

## 2. Objective of the Policy

2.1 The Company is committed to adhere to the highest standards of ethical, moral and legal parameters in the conduct of its business operations. To maintain these standards, the Company encourages its employees and others (“Stakeholders”) who have concerns about suspected misconduct by any of the Senior Personnel to come forward and express these concerns without fear of punishment or unfair treatment. This Policy aims to provide an avenue for all the Stakeholders to raise concerns on and bring to the notice of the Whistleblower Committee/Audit Committee about any violations of legal or regulatory or legal requirements, incorrect or misrepresentation of any financial statements and reports, etc. generated by the Company.

2.2 The purpose of this Policy is to provide a framework to promote responsible and secure whistleblowing system. It protects all Stakeholders who bring to the notice of the Whistleblower Committee/Audit Committee raise any concern about serious irregularities within the Company and any of its Senior Personnel.

2.3 The Policy neither releases the Stakeholders from their duty of confidentiality in the course of their work/association with the Company nor is it a route for taking up any kind of grievance about a personal situation.

The details of the Whistle Blower Policy is available on the website of the Company i.e., <https://www.shankarabuildpro.com/pdf/pdf-Whistleblower-Policy.pdf>



The Committee consists of following members:

Name	Designation in relation to membership of the Committee	Category
Mr. Chandu Nair	Chairman	Independent, Non-Executive
Mr. V. Ravichandar	Member	Independent, Non-Executive
Mr. B. Jayaraman	Member	Independent, Non-Executive
Ms. Jayashri Murali	Member	Independent, Non-Executive

## General Body Meetings

### a. Annual General Meeting (“AGM”)

AGM	Financial year	Date	Time	Venue
25th AGM	2019-20	July 30,2020	11.30 A.M	Video Conference (“VC”) / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001
26th AGM	2020-21	July 29, 2021	11.00 A.M	Video Conference (“VC”) / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001
27th AGM	2021-22	July 22, 2022	10.15 A.M	Video Conference (“VC”) / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001





#### **b. Extraordinary General Meeting (“EGM”)**

An Extra-Ordinary General Meeting of members of the Company was held on 20th April, 2022.

#### **c. Special Resolution passed in the previous three Annual General Meeting**

The following Special Resolutions were passed at the 25th Annual General Meeting held on July 30, 2020:

- i. Re-appointment of Ms. Jayashri Murali (DIN: 00317201) as an Independent Director of the Company.
- ii. Re-appointment of Mr. Chandu Nair (DIN: 00259276) as an Independent Director of the Company.

#### **The following Special Resolutions were passed at the 26th Annual General Meeting held on July 29, 2021:**

- i. Re-appointment of Mr. Sukumar Srinivas (DIN: 01668064) as Managing Director of the Company.
- ii. Re-appointment of Mr. C. Ravikumar (DIN: 01247347) as Whole-time Director of the Company.

#### **The following Special Resolutions were passed at the 27th Annual General Meeting held on July 22, 2022:**

- i. Increase in remuneration of Mr. Sukumar Srinivas (DIN: 0166804), Managing Director of the Company.
- ii. Increase in remuneration of Mr. C. Ravikumar (DIN: 01247347), Whole-time Director of the Company.

#### **The following Special Resolution was passed at the Extra-Ordinary General Meeting held on April 20, 2022:**

- i. Issuance of warrants convertible into equity shares to an entity not related to the promoters of the Company.

#### **d. Special Resolutions passed through Postal Ballot**

There were no resolutions passed by way of postal ballot during the year under review. Further, no special resolution is proposed to be conducted through postal ballot as on date.

e. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, and in compliance with the provisions of the Companies Act 2013, and the Companies (Management and Administration) Rules, 2014, Members were provided with the facility to cast their vote electronically through the e-voting services provided by KFin Technologies Limited (“KFin”) on all resolutions set forth in the Notice.

f. The Company has appointed Mr. S. Kannan, proprietor of S Kannan and Associates, Practicing

Company Secretary as scrutinizer to conduct the e-voting process in fair and transparent manner.

#### **Means of Communication**

The Company emphasizes on continuous, efficient and relevant communication to public at large and regularly interacts with its members through multiple channels of communication viz. through annual report, general meeting, newspapers and disclosure through website.

**Website:** The website of the Company ([www.shankarabuildpro.com](http://www.shankarabuildpro.com)) contains a separate section 'Investor Relations' where the information related to meetings of Board and shareholders, periodic financial results, annual reports, presentation made to institutional investors or to the analysts and other shareholders information are regularly updated.

**Newspaper Publications:** The information related to periodic financial results, notice to shareholders and other information as required to be published under the Act and Listing Regulations are published in widely circulated daily newspapers namely Business Standard (English daily) and Kannada Prabha (Kannada daily).

**Annual Report:** The Annual Report containing, Audited Financial Statements, Director’s Report, Auditor’s report, Corporate Governance Report and other important information is circulated to the members of the Company.

**Disclosure to Stock Exchanges:** The Company informs BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) all information as required under the Listing Regulations through their web – based applications i. e BSE Listing Centre and NSE’s Electronic Application Processing System (NEAPS) respectively. All periodical reports such as shareholding pattern, corporate governance report, financial results, etc., price sensitive information and such other matters which in the opinion of the Board are material and of relevance to the shareholders are filed electronically with the stock exchanges.

The Members/Investors can view the details of electronic filings done by the Company on the websites of BSE and NSE i.e., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

**Press/News Release:** Official Press Releases including Press Release on Financial Results of the Company are sent to the Stock Exchanges and the same are subsequently hosted on the website of the Company.



## Other Disclosures

### (a) Related Party Transactions

During the year ended March 31, 2023, all transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations were in ordinary course of business and on arm's length pricing basis. The statement of transactions with related parties is placed before the Audit Committee and the Board of Directors for review. During the financial year ended March 31, 2023, the Company did not have any material related party transactions that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy on dealing with related party transactions and for determining the materiality of such transactions and the same is disclosed on the website of the Company at <https://www.shankarabuildpro.com/pdf/Shankara-Revised%20Policy%20on%20criteria%20for%20determining%20Related%20Party%20Transaction-s-V2.pdf>

### (b) Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 is presented in the separate section forming part of the Directors' Report.

### (c) Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is presented in a separate section forming part of the Directors' Report.

### (d) Compliance with the requirements of SEBI/Stock Exchanges and Statutory Authorities

The Company have paid penalty to Stock Exchanges i. e BSE Limited and NSE Limited for non-compliance under Regulation 29 of SEBI (Listing Obligations and Disclosure requirements), Regulations, 2015. The report on the legal compliance is periodically reviewed by the Board.

### (e) Subsidiary Companies

The Company has four wholly owned subsidiaries viz., Vishal Precision Steel Tubes & Strips Private limited, Taurus Value Steel & Pipes Private Limited, Centurywells Roofing India Private Limited and Steel Network Holdings Pte Limited. During the period under review. The Company has adopted a policy for determining 'Material Subsidiary' in terms of

Regulation 16(c) of SEBI (LODR) Regulations, 2015, which can be viewed on the Company's website at <https://www.shankarabuildpro.com/pdf/pdf-Material-Subsidiaries.pdf>

The Audit Committee periodically reviews the financial statements of the subsidiary companies, including the investments made by the subsidiaries and the statement containing all significant transactions entered into by them. Minutes of the Board meetings of the subsidiary companies are also reviewed periodically by the Company's Board.

### (f) Whistle Blower Policy and Vigil Mechanism

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. The said policy has been also put up on the website of the Company i.e., <https://www.shankarabuildpro.com/pdf/pdf-Whistleblower-Policy.pdf>

No person has been denied access to the Audit Committee.

### (g) Details of Compliance with Mandatory and Discretionary requirements

#### Mandatory Requirements

As on March 31, 2023, the Company is in compliance with all mandatory requirements of corporate governance as prescribed in the Listing Regulations. The Board of Directors periodically reviews the compliance of all applicable laws.

#### Discretionary Requirements

##### i. Certificate of Non-disqualification of Directors

A Certificate from Mr. K. Jayachandran, Company Secretary in Practice has been obtained certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2023. The Certificate is annexed to this Report.

##### ii. Certificate by Managing Director and Chief Financial Officer

The Managing Director and Chief Financial Officer of the Company have certified to the Board regarding compliance of matters specified in Regulation 17(8) read with Part B of Schedule II of the Listing Regulations. The said Certificate is annexed to this Report.



### iii. Certificate on Corporate Governance

The Certificate on Corporate Governance as stipulated under Para E of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by Mr. K. Jayachandran, Company Secretary in Practice confirming compliance with the conditions of corporate governance is attached to this Report.

### iv. Shareholders rights

Quarterly and half yearly results are being displayed on the Company's website [www.shankarabuildpro.com](http://www.shankarabuildpro.com). The same are also being submitted to the Stock Exchanges and published in widely circulated newspapers.

The Company has also adopted Policy on Determination of Materiality of Events Information, Policy on Archival of Documents and Policy for Preservation of Documents.

### v. Reporting of Internal Auditor

M/s GRSM & Associates, Chartered Accountants, the Internal Auditors of the Company, make presentations to the Audit Committee of the Board every quarter.

### vi. Recommendation of the Committees of the Company

The Board has accepted all recommendations made by the Committees of the Board during the relevant financial year.

### vii. Director seeking reappointment

Particulars of directors seeking appointment/re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.

Mr. B. Jayaraman, Independent Director of the Company is seeking re-appointment in the ensuing Annual General Meeting. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.

The Chairman does not maintain any office at the expense of the Company.

### viii. Commodity Price Risk or Foreign Risk and Hedging Activities

The of the Company do not envisage any Commodity Price Risk or material Foreign Exchange Risk.

### ix. Proceeds from Public/Right/Preferential Issue

The Board of Directors on 24th March, 2022 and approval of shareholders through special resolution dated 20th April, 2022 passed in Extra-Ordinary General Meeting, your Company issued 14,00,000 (Fourteen Lakh) Warrants, each carrying a right to subscribe to one Equity Share per Warrant, at a price of ₹750/- (Rupees Seven Hundred and Fifty) per Warrant ("Warrant Price"), aggregating to ₹105,00,00,000/- (One Hundred and Five Crores) to APL Apollo Mart Limited ("Acquirer"), wholly owned subsidiary of APL Apollo Tubes Limited, an entity which presently does not qualify as a promoter or member of the promoter group of the Company, by way of a preferential allotment on a preferential basis.

### x. Disclosure on Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under Section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

### xi. Details of fees paid to the Statutory Auditors

A sum of ₹0.45 crores being the total fees (excluding taxes) was paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditors for all services paid rendered by them.

### xii. Disclosure in Demat suspense/ unclaimed suspense accounts

There are no shares lying in the demat suspense account or unclaimed suspense account.

### xiii. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In terms of the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended) and Rules framed thereunder, the number of complaints received during the financial year 2022-23 are as under:

a.	Number of complaints filed during the financial year	Nil
b.	Number of complaints disposed of during the financial year	Nil
c.	Number of complaints pending as at end of the financial year	Nil



#### xiv. Unclaimed Dividend of the previous years

Section 124 of the Companies Act 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') mandates the Companies to transfer dividend that has remained unpaid/unclaimed for a

period of seven years in the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, the dividend for the years mentioned below will be transferred to IEPF on the respective dates, if the dividend remains unclaimed for seven years.

Financial Year	Date of Declaration of Dividend	Last date of Claiming the Dividend	Unclaimed amount as on 31.03.2023 (₹)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2016-17	July 21, 2017	July 22, 2024	1,08,669.00	July 23, 2024
2017-18	June 12, 2018	July 12, 2025	1,31,498.25	July 13, 2025
2018-19	June 25, 2019	July 25, 2026	67,693.50	July 26, 2026
2019-20	March 13, 2020	April 13, 2027	72,854.00	April 14, 2027
2021-22	July 22, 2022	June 22, 2028	28,757.70	June 23, 2028

The details of the unpaid/ unclaimed dividend lying with the Company are available on the website of the Company at the web link <https://www.shankarabuildpro.com/pdf/Unclaimed-Dividend-2021-22.pdf>

#### xv. Insider Trading Regulations

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted a comprehensive Code of Conduct for Prevention of Insider Trading in the Company's Shares by its directors, officers, designated employees and other connected persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary of the Company is designated as the Compliance Officer for the purpose of this regulation. The Company's Code of Conduct is available on the website of the Company at the web link <https://www.shankarabuildpro.com/pdf/Code%20for%20Prohibition%20of%20Insider%20Trading%20-%2020201902.pdf>

#### xvi. Risk Management

The Company ensures that sound risk management practices which covers identification of various risks impacting the Company, assessment and evaluation of the same in line with overall business objectives and mitigating actions to systematically address the identified risk on continuing basis.

#### xvii. Reconciliation of share capital audit:

An audit is conducted on a quarterly basis by Mr. K. Jayachandran, Company Secretary in Practice,

in terms of Regulation 76 of SEBI (Depositories and Participants), Regulations, 2018 to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### xviii. Code of Conduct

The Company has in place a "Code of Conduct" for the Directors, Key Managerial Personnel and the Senior Management Personnel. The Company's Code of Conduct is a comprehensive code that lays down in detail, the ethics and strict governance norms for the Board and Senior Management Personnel. In compliance of Regulation 23(3) of Listing Regulations, all Directors and Senior Managerial Personnel of the Company have affirmed compliance of code of conduct as on March 31, 2023. The Company has obtained declaration from the Managing Director of the Company confirming compliance of the Code of Conduct. The Code is available on the website of the Company at <https://www.shankarabuildpro.com/pdf/df-SeniorManagement.pdf>



### **xix. Credit Rating**

CRISIL has assigned the Long Term Rating BBB+/Stable' and Short Term Rating 'CRISIL A2' on the bank loan facilities of the Company.

### **xx. Members' / Investors' Complaints**

The Company and the RTA attend to the Members'/ Investors' Complaints within the minimum possible time and steps have been taken to resolve the same within the statutory time limit.

**xxi.** Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': NIL (Not including Loans and Advances in the nature of Loans, if any, given by the Company to its wholly owned subsidiaries).

**xxii.** All mandatory requirements relating to corporate governance under the Listing Regulations have been appropriately complied with and the status of non-mandatory (discretionary) requirements are given below:

**a.** The Chairman does not maintain any office at the expense of the Company;

**b.** In view of publication of the Financial Results of the Company in newspapers having wide circulation and dissemination of the same on the website of the Company as well as on the website of the Stock Exchanges, the Company does not consider it prudent to circulate the half-yearly results separately to the Shareholders;

**c.** The Company's Financial Statements have been accompanied with unmodified audit opinion - both on quarterly and yearly basis and also both on standalone and consolidated basis;

**d.** Mr. V. Ravichandar, Non-Executive Independent Director, holds the position of the Chairman of the Board and is not related to Mr. Sukumar Srinivas, who holds the position of Managing Director of the Company; and

**e.** The Internal Auditor of the Company reports directly to the Audit Committee.

### **General shareholder information**

#### **I. Annual General Meeting for FY 2022-23**

Date	:	Thursday, June 22, 2023
Time	:	10.30 A.M (IST)
Venue	:	The Company is conducting AGM through VC/OAVM pursuant to the MCA Circulars and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM
Financial Year	:	April 1, 2022 to March 31, 2023
Book closure dates	:	Thursday, June 15, 2023 to Thursday June 22, 2023
Dividend Payment	:	The final dividend, if declared, shall be paid within thirty days to those members whose name stand registered on the Company's Registers of Members



## II. Financial Year

The Financial Year of the Company is from 1st April to 31st March

Financial Calendar (Current Financial Year 2023-24)	Tentative Dates
Results for the Quarter ending June 30, 2023	Within 45 days from the end of quarter
Results for the Quarter ending September 30, 2023	Within 45 days from the end of quarter
Results for Quarter ending December 31, 2023	Within 45 days from the end of quarter
Results for Quarter ending March, 2024	Within 60 days from March 31, 2023
Annual General Meeting	On or before September 30, 2024

## III Listing Details

The Equity Shares of the Company are listed on the following Stock Exchanges:

### **BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai – 400 001  
Stock Code/Symbol – 540425

### **The National Stock Exchange of India Limited (NSE)**

Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Stock Codes/Symbol- SHANKARA

## IV. Listing Fees and Custody Fees

The Company has paid Annual Listing Fees for the financial year 2022-23 and 2023-24 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE); and Annual Custody Fees for the financial year 2022-23 and 2023-24 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).



## V. Market Price Data

Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2022-23 at BSE and NSE are as given below:

	BSE			NSE			Volume
	High(₹)	Low(₹)	Volume A (Nos.)	High(₹)	Low(₹)	Volume B (Nos.)	(A+B) Nos
April, 2022	829.95	740.25	2,33,965	830.00	740.95	2,71,316	5,05,281
May, 2022	774.85	650.45	1,15,000	774.60	650.00	1,09,438	2,24,438
June, 2022	816.75	638.20	1,09,250	816.90	638.00	5,12,104	6,21,354
July, 2022	742.50	649.80	79,933	742.00	648.50	41,790	1,21,723
August, 2022	777.90	678.80	2,30,563	777.80	680.50	3,94,684	6,25,247
September, 2022	809.20	672.10	2,77,472	810.00	670.50	85,448	3,62,920
October, 2022	765.05	691.20	82,387	758.90	690.30	80,240	1,62,627
November, 2022	744.25	685.05	1,49,004	744.95	685.00	56,745	2,05,749
December, 2022	764.35	582.80	1,85,302	764.00	582.95	1,47,506	3,32,808
January, 2023	688.00	593.20	60,036	688.95	594.15	51,101	1,11,137
February, 2023	730.75	623.05	42,464	730.80	623.15	39,112	81,576
March, 2023	713.30	574.00	1,67,134	715.00	603.05	22,342	1,89,476

## VI. Performance of the Company's Equity shares (closing share price) in comparison to BSE SENSEX and NSE Nifty during the financial year 2022-23

Month	Share Price	BSE Sensex	Month	Share Price	Nifty 50
April, 2022	758.95	57,060.87	April, 2022	757.30	17,102.55
May, 2022	702.95	55,566.41	May, 2022	701.30	16,584.55
June, 2022	669.00	53,018.94	June, 2022	668.80	15,780.25
July, 2022	706.85	57,570.25	July, 2022	707.25	17,158.25
August, 2022	762.30	59,537.07	August, 2022	763.30	17,759.30
September, 2022	695.30	57,426.92	September, 2022	696.55	17,094.35
October, 2022	709.35	60,746.59	October, 2022	709.90	18,012.20
November, 2022	716.35	63,099.65	November, 2022	717.85	18,758.35
December, 2022	668.00	60,840.74	December, 2022	669.95	18,105.30
January, 2023	627.35	59,549.90	January, 2023	627.20	17,662.15
February, 2023	691.85	58,962.12	February, 2023	691.95	17,303.95
March, 2023	612.95	58,991.12	March, 2023	612.60	17,359.75

(Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com))



### VII. Share Transfer System

Share transfer and related operations for Shankara Building Products Limited are conducted by M/s KFin Technologies limited.

In compliance with the provisions of Regulation 40(9) of the Listing Regulations, a Practicing Company Secretary conducts Audit of the Share Operations System of the Company maintained at the office of the RTA.

### VIII. Distribution of equity shareholding as on March 31, 2023

S. No	Category (Shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1	1-5000	19,595	99.13	23,97,671	10.49
2	5001-10000	90	0.46	6,41,696	2.81
3	10001-20000	35	0.18	5,14,610	2.25
4	20001 - 30000	8	0.04	1,87,946	0.82
5	30001 - 40000	5	0.03	1,93,996	0.85
6	40001 - 50000	4	0.02	1,88,019	0.82
7	50001 - 100000	11	0.06	8,86,121	3.88
8	100001 and above	18	0.09	1,78,39,267	78.07
	<b>Total</b>	<b>19,766</b>	<b>100.00</b>	<b>2,28,49,326</b>	<b>100.00</b>





## IX. Shareholding Pattern as on March 31, 2023

Category	No of Holders	Number of equity shares held	Percentage of holding
Promoters	1	1,15,78,787	50.68
Promoters Individuals	2	1,81,050	0.79
Promoters Companies	1	1,66,200	0.73
Resident Individuals	18,596	52,27,877	22.88
Bodies Corporate	223	22,75,303	9.96
Mutual Funds	1	10,71,467	4.69
Foreign Portfolio-Corp	37	18,64,254	8.16
Clearing Members	19	1,816	0.01
Trusts	7	18,346	0.08
HUF	561	1,65,622	0.72
Non Resident Indian Non Repatriable	120	35,121	0.15
Non Resident Indians	196	34,019	0.15
Alternative Investment Fund	2	2,29,464	1.00
<b>Total</b>	<b>19,766</b>	<b>2,28,49,326</b>	<b>100</b>

## X. Dematerialization of shares and liquidity:

As on March 31, 2023, 2,24,06,201 equity shares representing 98.06 % of the total equity share capital of the Company were held in dematerialized form with National Securities Depository Limited (89.58%) and Central Depository Services (India) Limited (8.48%). The break-up of equity shares held in Physical and Dematerialized form as on March 31, 2023 is given below:

Mode of Holding	Shares	% of Equity
Demat		
NSDL	2,04,68,275	89.58
CDSL	19,37,926	8.48
<b>Total</b>	<b>2,24,06,201</b>	<b>98.06</b>
Physical	4,43,125	1.94
<b>Total</b>	<b>2,28,49,326</b>	<b>100</b>

Your Company confirms that the promoters' holdings were converted into electronic form and the same is in line with the circulars issued by SEBI. Shareholders who are still holding shares in physical form are requested to dematerialize their shares at the earliest, this will be more advantageous to deal in securities. For queries / clarification/ assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.



## **XI. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity.**

The Company has not issued any Global Depository Receipts or American Depository Receipts. There are no warrants or any convertible instruments outstanding as on March 31, 2023.

## **XII. Commodity Price Risk or Foreign Risk and Hedging Activities**

The operations of the Company do not envisage any Commodity Price Risk or material Foreign Exchange Risk.

## **XIII. Plant Locations:** Not Applicable

## **XIV. Address for Correspondence**

### **i. Shankara Building Products Limited**

#### **Registered Office**

G2, Farah Winsford, 133 Infantry Road, Bengaluru-560001  
Telephone No : +91 080 40117777  
Fax No. : +91 080 41119317  
Email : [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com)

#### **Corporate Office**

No. 21/1 & 35-A-1, Hosur Main Road, Electronic City Post, Veerasandra, Bengaluru-560100  
Telephone No : +91 080 27836955/ 080 27836244  
Email : [cs@shankarabuildpro.com](mailto:cs@shankarabuildpro.com)

#### **Contact Person**

Ms. Ereena Vikram : Company Secretary & Compliance Officer  
E-mail : [cs@shankarabuildpro.com](mailto:cs@shankarabuildpro.com)

### **ii. Registrar and Share Transfer Agent**

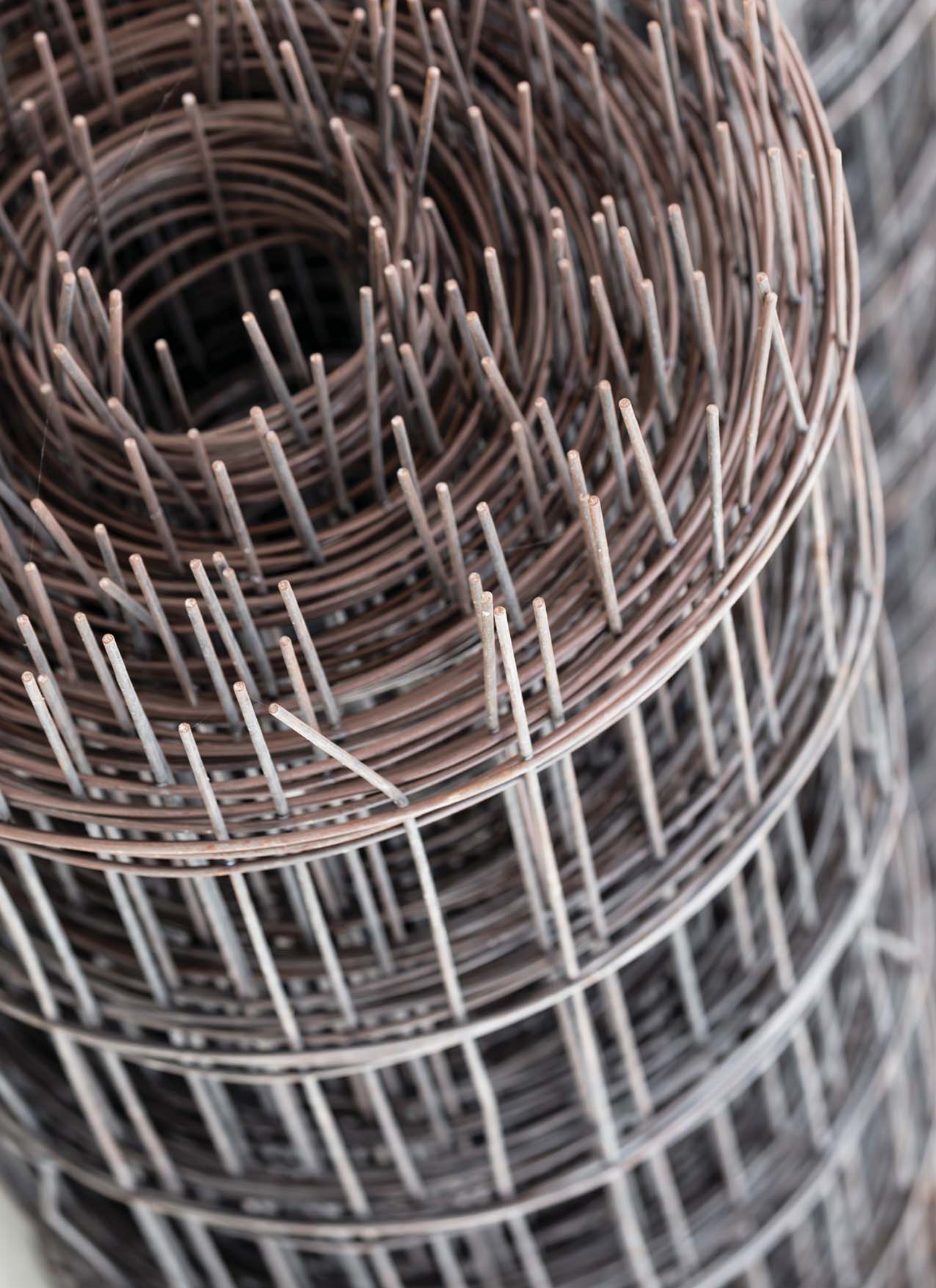
M/s KFin Technologies Limited is the Registrar and Share Transfer Agent of the Company. Any request pertaining to investor relations may be addressed to the following address:

M/s KFin Technologies Limited  
(Formerly known as KFin Technologies Private Limited)  
Selenium Building, Tower B, Plot Nos. 31 & 32,  
Financial District, Nanakramguda, Serilingampally, Hyderabad-500032  
Toll Free No. 1800-309-4001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

**For Shankara Building Products Limited**

**Place: Bengaluru**  
**Date: May 11, 2023**

**Sukumar Srinivas**  
**Managing Director**  
**DIN: 01668064**



**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

*[Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

Corporate Identity No. : L26922KA1995PLC018990

Nominal Capital: INR 30,00,00,000/-

To,  
The Members,  
**SHANKARA BUILDING PRODUCTS LIMITED**  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore -560 001, Karnataka

I have examined all the relevant records of “**SHANKARA BUILDING PRODUCTS LIMITED**” (“the Company”) for the purpose of certifying compliance of the conditions of the Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and other applicable regulations of Chapter IV pertaining to Corporate Governance and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) for the Financial Year ended **31st March, 2023**. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the aforesaid Listing Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C and E.

Place: Bengaluru  
Date: May 11, 2023

**K. Jayachandran**  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309E000290390  
Peer Review No: 784/2020



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## **Certification by Managing Director (“MD”) and Chief Financial Officer (“CFO”) in terms of Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Shankara Building Products Limited (“the Company”) to the best of our knowledge and belief, hereby certify that:

A. We have reviewed the financial statements for the year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, no transactions were entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee.

1. there has been no significant change in internal control over financial reporting during the year;
2. there has been no significant change in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. there has been no instance of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company’s internal control systems over financial reporting

**For Shankara Building Products Limited**

**Place: Bengaluru**  
**Date: May 11, 2023**

**Sukumar Srinivas**  
**Managing Director**  
**DIN: 01668064**

**Alex Varghese**  
**Chief Financial Officer**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members,  
**SHANKARA BUILDING PRODUCTS LIMITED**  
G-2, Farah Winsford, No.133, Infantry Road,  
Bangalore, KA 560 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHANKARA BUILDING PRODUCTS LIMITED** having **CIN L26922KA1995PLC018990** and having Registered Office at **G-2, Farah Winsford, No.133, Infantry Road, Bangalore – 560 001, Karnataka** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01.	Mr. Sukumar Srinivas	01668064	01/04/2013
02.	Mr. Ravichandar Venkataraman	00634180	29/09/2007
03.	Mr. Chandu Nair	00259276	29/07/2015
04.	Ms. Jayashri Murali	00317201	19/03/2015
05.	Mr. Subramanya Venkata Sivaprasad Ramenani	01247339	01/10/2009
06.	Mr. Bhadrannarasimham Jayaraman	00022567	14/08/2018
07.	Mr. Chowdappa Ravikumar	01247347	01/04/2011

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru  
Dated: May 11, 2023

**K. JAYACHANDRAN**  
Company Secretary  
ACS No. 11309/CP No. 4031  
UDIN: A011309E000290412  
Peer Review No: 784/2020



## **DECLARATION OF COMPLIANCE OF THE CODE OF CONDUCT IN TERMS OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015**

In terms of Schedule V of SEBI (LODR) Regulation, 2015, I, Sukumar Srinivas, Managing Director of the Company hereby confirm that:

- The Board of Directors of Shankara Building Products Limited has laid down a Code of Conduct for all the Board members and senior managerial personnel of the Company. The said Code of Conduct has also been posted on the Investors page of the Company's website <https://www.shankarabuildpro.com/pdf/pdf-SeniorManagement.pdf>
- All the Board members and senior managerial personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2023.

**Place: Bengaluru**  
**Date: May 11, 2023**

**Sukumar Srinivas**  
**Managing Director**  
**DIN: 01668064**



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING 2023**

**SECTION A: GENERAL DISCLOSURES**

**I. Details of the listed entity**

1. Corporate Identity Number (CIN) of the Listed Entity: L26922KA1995PLC018990
2. Name of the Listed Entity: Shankara Building Products Limited
3. Year of incorporation: 1995
4. Registered office address: G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001
5. Corporate address: 21/1 & 35-A-1, Hosur Main Road, Electronic City Post, Veerasandra, Bengaluru- 560 100
6. E-mail: [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com)
7. Telephone: 080-27836955
8. Website: [www.shankarabuildpro.com](http://www.shankarabuildpro.com)
9. Financial year for which reporting is being done: 2023

10. Name of the Stock Exchange(s) where shares are listed: BSE Limited and National Stock Exchange of India Limited
11. Paid-up Capital ₹22,84,93,260
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report : Ereena Vikram  
Email: [cs@shankarabuildpro.com](mailto:cs@shankarabuildpro.com)
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):  
Disclosures under this report are made on standalone basis and financials on consolidated basis for Shankara Building Products Limited.

**II Product Services**

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Retail Sales	Retailer of construction materials, plumbing and sanitary ware, flooring, electrical items and interior-exterior finishing.	55.5%
2.	Enterprise Sale	This category caters to large end users, contractors and OEMs.	18.8%
3.	Channel Sales	This category caters to dealers and other retailers.	25.7%





## II Product Services

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Steel, Pipes and Tubes	477,466	62.4%
2.	HR, CR, GP, GC, Flat Steel Products	477,466	10.2%
3.	TMT Rebars	477,466	6.2%
4.	Colour Coated Profiles	477,466	7.1%
5.	Angle, Channel, Rerolled long products	477,466	5.2%
6.	PVC Pipes & Fittings, Other Accessories	477,466	2.3%
7.	CP Fittings, Sanitary ware and tiles	477,466	6.7%

## III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	-	8	8
International	-	-	-

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	10 States 1 Union Territory
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity? NIL

c. A brief on types of customers: Our business is broadly divided into three verticals; Retail, Channel & Enterprise. The types of customers are as follows:-

- i. Retail : Individual home owners, Influencers like Contractors, Plumbers, Architects etc.,
- ii. Channel: Dealers and Retailers
- iii. Enterprise: Automobile ancillaries, PEB Fabrication units, Developers, Engineering Industry.



**IV. Employees**

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	664	578	87.05	86	12.95
2.	Other than Permanent (E)	327	270	82.57	57	17.43
3.	<b>Total Employees (D + E)</b>	<b>991</b>	<b>848</b>	<b>85.57</b>	<b>143</b>	<b>14.43</b>
<b>WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total workers (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	2	2	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled Employees (D + E)</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total differently abled (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of	
		No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel	2	1	50%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022 (Turnover rate in current FY)			FY 2021 (Turnover rate in previous FY)			FY 2020 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	87.04%	12.96%	100%	88%	12%	100%	87%	13%	100%
<b>Permanent Workers</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

V. Holding Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding /subsidiary/associate companies /joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiative of the listed entity? (Yes/No)
1.	Taurus Value Steel & Pipes Private Limited	Wholly-Owned Subsidiary	100%	No
2.	Vishal Precision Steel Tubes & Strips Private Limited	Wholly-Owned Subsidiary	100%	No
3.	Century wells Roofing India Private Limited	Wholly-Owned Subsidiary	100%	No
4.	Steel Network Holdings Pte Limited	Wholly-Owned Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act 2013: (Yes/No): - Yes.  
(ii) Turnover (in Crore): ₹4,036.22  
(iii) Net Worth (in Crore): ₹458.04



**VII. Transparency and Disclosures Compliances**

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (if yes, then provide web-link for grievance redress policy)	FY 2022 - 23 Current Financial year		Remarks	FY 2021 - 22 previous Financial year		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	No	-	-	-	-	-	-
Investors (other than shareholders)	No	-	-	-	-	-	-
Shareholders	Yes	14	-	-	16	-	-
Employees and Workers (includes former employees)	Yes	-	-	-	-	-	-
Customers	Yes	-	-	-	-	-	-
Value Chain Partners	-	-	-	-	-	-	-
Others (Anonymous reporters or others who do not fall under above categories)	-	-	-	-	-	-	-

**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Stakeholder engagement	Opportunity	Opportunity to engage and seek stakeholder inputs to integrate business practices as	The company has a continual stakeholder engagement process.	Positive
2.	Operations environment	Opportunity	Opportunity to bring in resource conservation and reduced costs along with mitigating negative impacts of	All environmental compliances are met. The Company has taken initiative to reduce the Electricity cost.	Positive
3.	Human Rights & labour	Risk	Responsibility to identify and manage Human Rights risks in its operation and supply chain and mitigate from adverse risks and consequential damages.	Have Code of Conduct in place along with process to evaluate risks at all levels of operations.	Negative
4.	Ethics	Risk	Ethical behavior is acting in ways that are consistent with how the company views moral principles and values. Lack of adherence can have reputational risks arising out of lack of integrity, organizational relationship problems, and conflicts of interest.	Shankara has a very stringent Code of Conduct which provides a framework for employees and stakeholders to put business principles into practice with utmost integrity. Compliance is monitored and non-compliance is strictly taken action upon.	Negative
5.	Employee well-being	Opportunity	Employee well-being is critical to the Business operations and overall responsibility of the Company to manage well-being aspects of its critical	Well-being initiatives have been undertaken for employees and workers like health awareness session	Positive



**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
2.	Has the policy been approved by the board?	Yes*	Yes***	Yes**	Yes**	Yes*	Yes**	No	Yes***	Yes****
3.	Web Link of the Policies, if available	<a href="https://www.shankarabuildpro.com/financials.html#">https://www.shankarabuildpro.com/financials.html#</a>								
4.	Whether the entity has translated the policy into procedures (Yes/No)	No	No	No	No	No	No	No	No	No
5.	Do the enlisted policies extend to your value chain partner (Yes/No)	No	No	No	No	No	No	No	No	No
6.	Name of the National and international codes/certifications/labels/ standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015								
7.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	-								
8.	Performance of the entity against the specific commitments' goals and targets along with reasons in case the same are not met.	-								
Governance, leadership and oversight										
9.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): Please refer Management Discussion and Analysis Report.									
10.	<p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). At the highest level, the Board of Directors of your is responsible for implementation and oversight of the Business Responsibility policy.</p> <p>The Corporate Social Responsibility (CSR) Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors. The CSR Committee formulates an Annual Action Plan pursuant to the CSR Rules and the CSR Policy of the Company, as amended from time to time. All the CSR projects and programmes are undertaken, monitored, assessed and reported as per the CSR Rules.</p> <p>The Risk Management Committee (RMC) reviews the Company Environment and Sustainability plan with regard to electricity and water management. The Risk Management Committee also oversees the regulatory reporting requirements under the Listing Regulations.</p>									
11.	<p>Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details :-</p> <p>Yes, the Board of Directors has entrusted Risk Management Committee to oversee the sustainability initiatives of your Company. The Committee comprises of four Non-Executive Independent Directors and Two Executive Directors of your Company.</p>									

\* Shankara Code of Conduct  
 \*\* Corporate Social Responsibility Policy  
 \*\*\*Shankara Vision & Mission  
 \*\*\*\*Shankara Quality Policy



## 10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board/Any Other Committee									Frequency (Annually/ Half yearly/quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes									On a need basis								
Compliance with Statutory requirements of relevance to the principles and rectification of any non-compliances	Yes									On a need basis								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/ no). If yes, provide name of the agency.

No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:			
Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of the persons in the respective category covered by the awareness programmes
Board of Directors	Familiarization Programme at regular intervals, in each Board Meeting	At each meeting of the Board/ Audit Committee, members also deliberate on key integrity matters that helps to reflect and focus on key strategies and financials. As a part CSR agenda, members also discuss various sustainable initiatives of the Company.	100%
Key Managerial Personnel	-	Topics pertaining to Code of Conduct are familiarized.	100%
Employees other than Board of Directors and KMPs	-	Code of Conduct at workplace	100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions in the financial year:

The Company shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.

For details related to fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, refer Directors' Report.

3. Of the instancing disclosed in question 2 above, details of Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed: No





4. Does the entity have an anti-corruption or anti-bribery policy if yes, provide details in brief and if available please provide a web link to the policy.

The Company has Code of Conduct where anti-corruption or anti-bribery is covered.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2022-23 (Current Financial year)	FY 2021-22(Previous Financial Year)
Directors	None	None
KMPs		
Employees		
Workers		

6. Details of complains about conflict of interest-

	FY 2022 - 23 (Current Financial year)	FY 2021 - 22 (Previous Financial Year)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL
Number of complaints received in relation to issues of conflict NIL of Interest of the KMPs		

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest:

Not Applicable

#### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any principles during the financial year:

In the Company's Code of Conduct and general terms and conditions, the Company has emphasized on all integrity aspects which are applicable to all suppliers.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes.



**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively :

Not Applicable.

2. Does the Company have procedures in place for sustainable sourcing?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

Not Applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the format:

Not Applicable.

2. If there are any significant social or environmental concerns and /or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same:

Not Applicable.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):

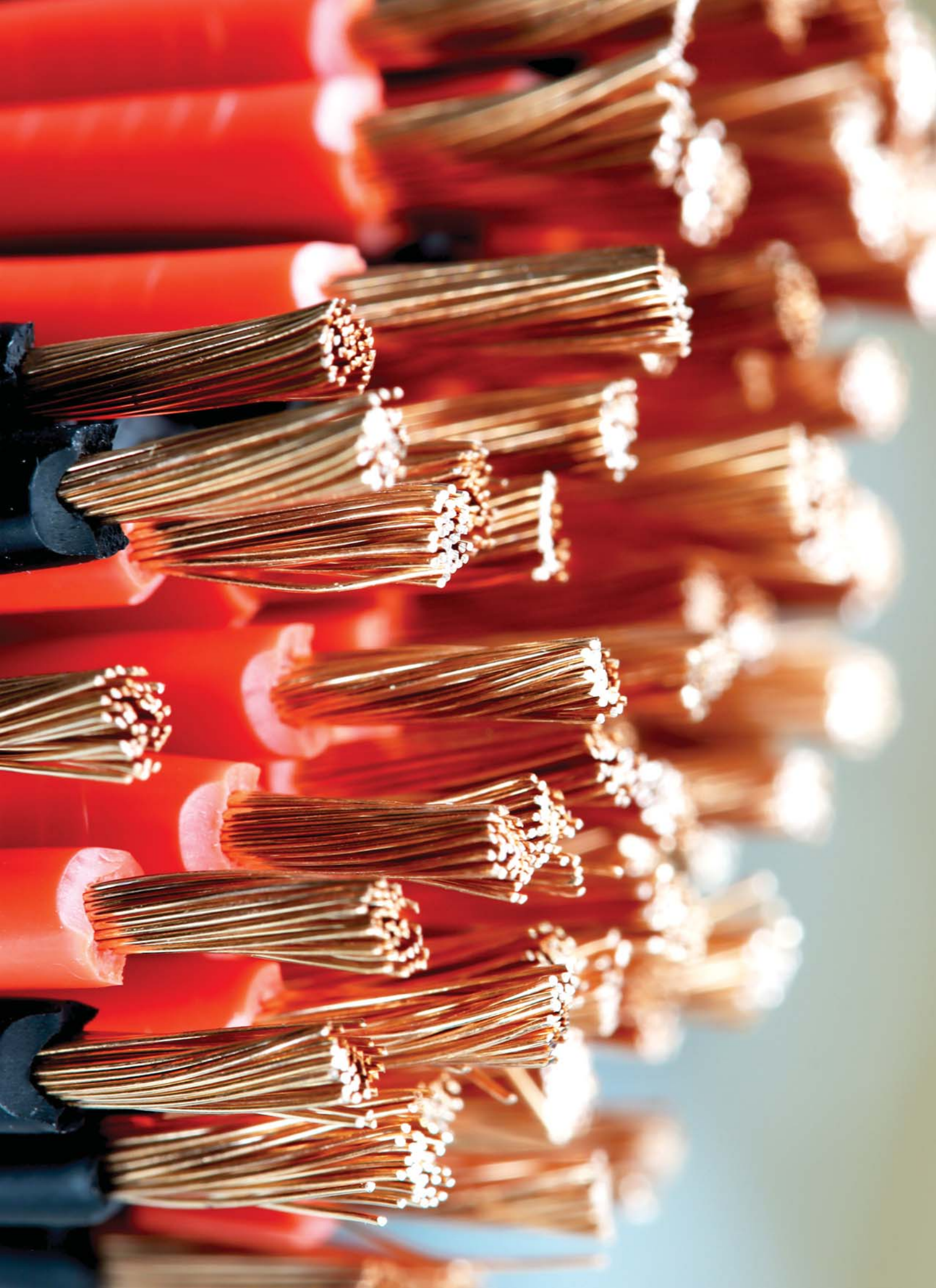
Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Not Applicable





**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees including those in their value chains.**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

All contractual workers engaged by your Company are provided all the social security benefits as per the prescribed laws applicable.

Category	% of employees covered by:									
	Total (A)	Health Insurance		Health Insurance		Accident insurance	Maternity benefits	Paternity benefits availed		Day Care facilities
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	(D) % (D/A)	Number (E)	% (E/A)	
Permanent employees										
Male	578	578	100%	-	-	-	-	-	-	-
Female	86	86	100%	-	-	-	-	-	-	-
<b>Total</b>	<b>664</b>		<b>100%</b>	-	-	-	-	-	-	-
Other than Permanent employee (workers)										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-

Note: Include employees other than ESI coverage

2. Details of retirement benefits for Current FY and Previous financial year

Your Company makes contributions to Provident Fund (PF), Employee State Insurance (ESI), National Pension System (NPS) etc. for eligible employees.

Benefits	FY 2023 Current financial year			FY 2022 Previous financial year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
Gratuity	68%	Nil	Yes	65%	Nil	Yes

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently-abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company's existing and new infrastructure has a comprehensive plan to address accessibility of workplaces.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes, your Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The Company encourage diversity in the workplace. All applicants will receive consideration for employment without regard to their sex, gender identity race, color, religious creed, national origin, physical disability.



5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Non-Permanent workers	
	Return to work rate	Retention Rate	Return to work rate	Retention rate
Male	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker (Permanent Workers/Employees)? If yes, give details of the mechanism in brief.

Employees can report their concerns initially to their Direct Management, Human Resource Head.

7. Membership of employees and worker in association(s) or unions recognized by the listed entity:

Not Applicable

8. Details of performance and career development reviews of employees and worker.

Throughout the year, line managers and employees regularly review and discuss performance, development for all employees. For your Company, skill up gradation of employees remains one of the key focus areas.

9. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system:

Yes. The Company provide safe and healthy working conditions for the prevention of incidents and work-related illness. Your Company devotes adequate energy and attention to protect employees, contractors and any other people involved with the company along the value chain, including suppliers and customers.

b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the Company?

Not Applicable

c. Do the employees/worker of the Company have access to non-occupational medical and healthcare services?

Yes, the employees/workers of your Company have access to non-occupational medical and healthcare services. They are insured under the Group Health Insurance Policy.

10. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023 Current financial year	FY 2022 Previous financial year
Lost Time Injury Frequency Rate (LTIFR) (per one million- person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil



11. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Planning & risk analysis identifies opportunities to eliminate hazards, and to reduce risks and adverse impacts.

### Competence, communication & support

12. Number of Complaints on the following made by employees and workers:

NIL

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

A) Yes

B) No

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company is compliant to statutory dues of employees towards income tax, provident fund, professional tax, ESIC etc. as applicable from time to time.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Nil

4. Does the Company provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

NIL

5. Details on assessment of value chain partners on health and safety practices and working conditions:

Your Company is committed to continuously raise awareness to comply with applicable laws and regulations related to labour and employment,

including gender diversity, human rights, child labour, wages, working hours, bribery & corruption,

### PRINCIPLE 4: Businesses should respect the interests of and be responsive of all its stakeholders

#### Essential Indicators

1. Describe the process for identifying key stakeholder groups:

The stakeholders that could be identified can be employees, shareholders and investors, customers, key partners, regulators, lenders, vendors. Key stakeholders are identified in consultation with the Company's management. The key stakeholder groups that will be the recipient of the Company's CSR contribution are decided by the Board of Directors' CSR Committee.

#### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated how is feedback from such consultations provided to the Board.

The Board of Directors, through the Corporate Social Responsibility and Risk Management Committee, reviews, monitors and provides strategic direction to the Company's social responsibility obligations and other societal and sustainability practices.

Key stakeholders are identified through an exercise undertaken in consultation with the Company's management. The prioritized list includes everyone from customers, employees, shareholders, investors, vendors, government and regulatory bodies, communities and NGOs etc. The Consultation medium between stakeholders, Company Management, and Board takes place through various channels.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No) If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:

No



3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.

Several programs under the Company's CSR have been implemented to address the above vulnerable groups.

### **PRINCIPLE 5: Businesses should respect and promote Human Rights**

#### **Essential Indicators**

1. Employees and workers who have been provide training on human rights issues and policy (ies) of the entity.

All employees are provided with Human Rights training. For all new employees who are on boarded, Human Rights awareness is part of the induction session.

2. Details of minimum wages paid to employees and workers

As both Central and State Government have authorization over fixing the wages, the State Governments fix their own scheduled employments and further release the rates of Minimum Wage along with the VDA (Variable Dearness Allowance). The wage rates in scheduled employments differ across states, sectors, skills, regions and occupations owing to a lot of differentiating factors. Hence, there is no single uniform minimum wage rate across the country and the revision cycle differs for each state. However Minimum wages are paid and adhered to by the Company as per the Minimum Wages Act, 1948.

3. Details of remuneration /salary/wages in the following format:

	Male		Female	
Board of Directors (BoD)	Number	Median remuneration salary/wages of respective category	Number	Median remuneration/ /salary/wages of respective category
	2	71.14%	-	-

4. Do you have a focal point (Individual/Committee) responsible for addressing Human Rights impacts issues caused or contributed to by the business? (Yes/No):

No

5. Describe the internal mechanism in place to redress grievances related to Human Rights issues.

The Company resolved through formal grievance mechanism.



6. Number of complaints on the following made by employees and workers:

	FY 2023 Current Financial year			FY 2022 Current Financial year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL			NIL		
Discrimination at workplace (discriminations based on caste, age, gender, ethnic backgrounds, or other factors etc.)						
Child labour						
Forced labour/In-voluntary Labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complaints in discrimination and harassment cases.

Your Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. Your Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Internal Committee has been constituted to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

8. Do Human Rights requirements form a part of your business agreements and contracts? (Yes/No):

No.





## 9. Assessments for the year:

	% of your Plants and Offices that were Assessed (by Entity or Statutory Authorities or Third Parties)
Child Labour	100%
Child Labour 100% Forced/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at Workplace	100%
Wages	100%
Others- please specify	-

### Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing Human Rights grievances/ complaints: Nil
2. Details of the scope and coverage of human rights due diligence conducted: Nil
3. Is the premise/office of the entity accessible to differently-abled visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016: Yes
4. Details on assessment of value chain partners: Nil
5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessment at Question 4 above: Not Applicable.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in MWh) and energy intensity, in the following format:

Parameter	FY 2023 Current Financial year	FY 2022 Previous Financial Year
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C)	NA	NA
Energy intensity per Rupee of turnover (Total energy consumption turnover in Rupees) (MWh/INR Crores)	NA	NA
Energy intensity (optional)- the relevant metric may be selected by the entity	NA	NA



2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

No. The PAT scheme is not applicable

3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 2023 Current Financial year	FY 2022 Previous financial year
Water withdrawal by source (in KL)	NA	NA
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
Seawater/desalinated water	NA	NA
(iv) Others (Rainwater use)	NA	NA
Total volume of water withdrawal (in KL) (I + ii + iii+ iv + v)	NA	NA
Water intensity per rupee of turnover (Water consumed/turnover) (KL/₹ - Crores)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Not Applicable.

5. Please provide details of air emissions (other than GHG emission) by the entity, in the following format:

Parameter	Please specify unit	FY 2023 Current Financial year	FY 2022 Previous financial year
NOx	-	-	-
Sox	-	-	-
Particulate Matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)			
Others-please specify	-	-	-



6. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, the provide details:

Nil

7. Provide details related to waste management by the entity:

Nil

8. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxics chemicals in your products and processes and the practices adopted to manage such wastes:

Nil

9. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspot, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, specify details in the following format.

S. No	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken if any
Not Applicable			

10. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:

Name and brief details of projects	EIA Notifications No	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Weblink
Not Applicable					

11. Is the entity compliant with the applicable environmental law/regulations/ guidelines in India; Such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection at and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes



**Leadership Indicators**

1. Provide break-up of the total energy consumed (in Mwh) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023 Current financial year	FY22 Previous financial year
From renewable sources	NA	NA
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)+	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed form renewable sources (A+B+C)	NA	NA
From non-renewable sources	NA	NA
Total electricity consumption (D)	NA	NA
Total fuel consumption (E)+	NA	NA
Energy consumption through other sources (F)	NA	NA
Total energy consumed form renewable sources (D+E+F)	NA	NA



2. Provide the following details related to water discharged:

Parameter	FY 2023 Current financial year	FY22 Previous financial year
Water discharge by destination and level of treatment (in kilolitres)	NA	NA
(i) To Surface water	NA	NA
No treatment	NA	NA
With treatment-please specify level of treatment	NA	NA
(ii) To Groundwater	NA	NA
No treatment	NA	NA
With treatment-please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
No treatment	NA	NA
With treatment-please specify level of treatment	NA	NA
(iv) Sent to third –parties	NA	NA
No treatment	NA	NA
With treatment-please specify level of treatment	NA	NA
(v) Others (municipal sewerage system after State pollution control board permission)	NA	NA
No treatment	NA	NA
With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate	NA	NA
Total water discharged (in KL)	NA	NA

3. Water withdrawal consumption and discharge in the areas of water stress (in KL):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations



Water withdrawal consumption and discharge in the following format:

Parameter	FY 2023 Current financial year	FY22 Previous financial year
Water withdrawal by source (in KL)	NA	NA
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater /desalinated water	NA	NA
(v) Others (rain water)	NA	NA
Total volume of water withdrawal (in KL)	NA	NA
Total volume of water consumption (in KL)	NA	NA
Water intensity (optional)-the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in KL)	NA	NA
(i) Into Surface water	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others (To municipal sewerage)	NA	NA
No treatment	NA	NA
With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate	NA	NA
Total water discharged ( in KL)	NA	NA



4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023 Current financial year	FY22 Previous financial year
Total Scope 3 emissions (Break-up of the GHG into CO2 , CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per Rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

5. With respect to the ecologically sensitive areas reported at Question 10 of essential Indicators above, provide details of significant direct and indirect impact of the entity on bio-diversity in such areas along with prevention and remediation activities:

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emission/ effluent discharge/ waste generated please provide details of the same as well as outcome of such initiatives as per the following format:

S. No	Initiative undertaken	Details of the initiatives (Web-link, if any, may be provided along with summary)	Outcome of the initiative
Not Applicable			

7. Does the entity have a business continuity and disaster management plan?

No

8. Disclosure any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not available

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Not available

## **PRINCIPLE 7: Businesses, when engaging in influencing public a regulatory policy, should do so in a manner that is responsible and transparent**

### **Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations: Ten

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of /affiliated to as provide below:



S. No	Name of the trade and Industry chambers/ associations	Reach of trade and industry chambers / associations (State/ National)
1.	Peenya Industries Association	State
2.	FKCCI, Karnataka Chambers of Commerce & Industry	State
3.	FEI (Federation of Engineering Industry)	State
4.	Karnataka Pipes Dealer Association	State
5.	Bangalore Iron & Steel Merchant Association	State
6.	Bangalore Builders Association	State
7.	Telangana State Tube Manufacturers Association	State
8.	Salem Pipe Dealers Association	State
9.	Canara Chambers Association	State
10.	Steel Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable since the Company has not received any issues related to anti-competitive conduct.

### Leadership Indicators

1. Details of public policy positions advocated by the entity

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually Half yearly/ Quarterly/Others please specify)	Web Link, if available
Nil					

### PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable. As there were no projects that required SIA as per law in the current year.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Nil

3. Describe the mechanisms to receive and redress grievances of the community.





The Company has in place Stakeholder's Relationship and Sexual Harassment Committee for grievances. However, the employees and workers can approach to the Human Resource Department for any grievances. The Company has contact details and email on its website for enquiry related to Company's service and sales query.

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by Government bodies:

The Company is committed towards the development of society and extended its support to the projects in the areas of promoting education, healthcare infrastructure, supporting primary education, environment sustainability, rehabilitating abandoned women and children.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from supplies comprising marginalized / vulnerable groups? (Yes/No):

No

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Not Applicable

6. Details of beneficiaries of key CSR Projects: Please refer Corporate Social Responsibility Annual Report.

### PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

#### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

In order to address any customer query, issues and complaints, the Company has separate email id and contact number.

2. Number of consumer complaints in respect of the following

Sl. no	FY 2023 (Previous financial year)		Remarks	FY 2022 (Previous financial year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
1.	Nil			Nil		



3. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls		

4. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services cyber security and data privacy of customers re-occurrence of instances of product recalls penalty action taken by regulatory authorities on safety of products/services :-

Nil.

5. Does the entity have a framework /policy on cyber security and risks related to data privacy? (Yes/No) If available provide a web-link of the policy:

No

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services cyber security and data privacy of customers re-occurrence of instances of product recalls penalty action taken by regulatory authorities on safety of products/services:

Nil.

**Leadership Indicators**

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available): <https://buildpro.store/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

Not Applicable

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

Not Applicable

4. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Nil



**CONSOLIDATED AUDIT REPORT  
AND FINANCIALS 2022 - 2023**





To the Members of  
Shankara Building Products Limited  
Bengaluru - 560001.

## Report on the Audit of Consolidated Indian Accounting Standards (‘Ind AS’) financial statements

### Opinion

We have audited the accompanying consolidated financial statements of Shankara Building Products Limited (hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss, (including other comprehensive income), consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting

principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of its consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p><b><u>Inventory existence and valuation</u></b> Inventory is held in various locations by the Holding Company. There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse &amp; numerous inventory products, multiple storage locations and price fluctuations of products. Hence, inventory quantities and valuation thereof is identified as a key audit Matter.</p>	<p><b><u>We have performed the following procedures:</u></b></p> <ul style="list-style-type: none"> <li>• We have attended inventory counts at certain locations, which we selected based on financial significance and risk, observed management’s inventory count procedures to assess the effectiveness, selected a sample of inventory products and compared the quantities counted to the quantities recorded and ensured inventory adjustments, if any, are recorded in the books of accounts.</li> <li>• Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.</li> </ul>



Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>we assessed whether the management's controls relating to inventory's valuation are appropriately designed and implemented.</li> <li>Verification of the correctness of valuation made by the management on a sample basis, with regard to the cost and net realizable value of inventory.</li> </ul>
<p><b>Carrying value of Goodwill</b></p> <p>The group has recognised goodwill on consolidation involving three subsidiaries amounting to ₹14.04 crore. The goodwill has to be tested for impairment annually, which requires significant judgement on the part of the management in identifying and valuing the relevant Cash Generating Unit that contains goodwill.</p>	<p>The Board of Directors of the holding company has tested whether there is any impairment of goodwill recognised in the financials viz. ₹14.04 crore. The projected discounted cash flow of the respective cash generating unit was considered in detail and on such due consideration, the Board has come to the conclusion that goodwill has not suffered any impairment and can be carried at ₹14.04 crore.</p> <p>We have considered the basis on which the Board has arrived at this consideration and we agree with their assessment.</p>

As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the Financial Statements.

### Key Audit Matter relating to a subsidiary viz. Vishal Precision Steel Tubes and Strips Private Limited (extract from the report of the Statutory Auditors)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p><b><u>ASSESSMENT OF THE APPROPRIATENESS OF THE ALLOWANCE FOR DOUBTFUL DEBTS.</u></b></p> <ul style="list-style-type: none"> <li>Trade Receivable comprises 23.67% (2021-22 25.02%) of the total assets in the Statement of Financial Position (the Balance sheet)</li> <li>The appropriateness of the allowance for doubtful debts is subjective due to high degree of judgement applied by the management in determining the impairment provision..</li> <li>Due to the significance of trade receivables and the related estimation uncertainty, this is considered as key audit risk.</li> <li>This disclosure is set out in the Note under Schedule 10</li> </ul>	<p><b><u>Our procedure included among others:</u></b></p> <ul style="list-style-type: none"> <li>Evaluated the debtor impairment methodology applied in the current year against the requirements of Ind AS 113 in respect of fair valuation.</li> <li>Analysed the methodology by comparing the prior year provision to the actual current year write offs. Assessed key ratios which include cash collections, days outstanding and delinquencies.</li> <li>We considered the changes in credit strategy and assessed the impact on the allowances for doubtful debts.</li> </ul>



**Key Audit Matter relating to a subsidiary viz. Vishal Precision Steel Tubes and Strips Private Limited (extract from the report of the Statutory Auditors)**

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
	<ul style="list-style-type: none"> <li>Assessed the changes in the economy with particular reference to the sector where the company predominantly operates and the impact on the collectively of the trade receivables. Based on the above, we satisfied ourselves that the management had taken reasonable judgements that were materially supported by the available evidence in respect of the receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.</li> </ul>
<p><b><u>INVENTORY PROVISION</u></b></p> <ul style="list-style-type: none"> <li>Inventory comprises of 32.49% (2021-22 32.73%) of the total assets in the statement of financial position (Balance sheet).</li> <li>As discussed in the Notes on Accounts, the management has made provision for markdowns against inventory in respect of damaged, unmarketable, unserviceable and have become obsolete.</li> <li>The allowance for markdown of inventory takes into account the historic information related to sales trends and estimated net realisable value has been applied in respect of the class of inventory stated above. This requires significant management judgement based on past experience, inventory ageing profile as well as different market factors impacting sale of these products. As these factors change each year, this required specific focus on the current year assumptions. Further due to the significance of the inventories and related estimation uncertainty, this is considered as key audit risk. Accordingly the markdown against inventory is considered to be a key audit matter and disclosure is included in the Notes on accounts.</li> </ul>	<p><b><u>Our procedure included, among others:</u></b></p> <ul style="list-style-type: none"> <li>Compared the provision/valuation methodology applied by the management by comparing to previous year methodology.</li> <li>Evaluated the assumptions and judgements applied by the management in determining such markdown provision/valuation.</li> <li>Tested and evaluated historical information, data trends and ageing profiles and shelf lives.</li> <li>Analysed the provisions by performing analytical procedures on provisioning/valuation levels including against historical experience.</li> </ul>

**Key Audit Matter relating to a subsidiary viz. Centurywells Roofing India Private Limited (extract from the report of the Statutory Auditors )**



KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p><b><u>ASSESSMENT OF THE APPROPRIATENESS OF THE ALLOWANCE FOR DOUBTFUL DEBTS.</u></b></p> <ul style="list-style-type: none"><li>• Trade Receivable comprises 47.49% (2021-22 46.25%) of the total assets in the Statement of Financial Position (the Balance sheet)</li><li>• The appropriateness of the allowance for doubtful debts is subjective due to high degree of judgement applied by the management in determining the impairment provision. Although there is quantum jump in the overall debtors' values, the increase in terms of percentage of assets has not marked a significant growth.</li><li>• The recoverability of trade receivables and the level of provisions for bad and doubtful debts are considered to be key risk due to the significance of these balances to the financial statements and the judgement required in making appropriate provisions.</li><li>• The disclosure is set out in the Note under Schedule 10.</li></ul>	<p><b><u>Our procedure included, among others:</u></b></p> <ul style="list-style-type: none"><li>• Evaluated the debtor impairment methodology applied in the current year against the requirements of Ind AS 113 in respect of fair valuation.</li><li>• Analysed the methodology by comparing the prior year provision to the actual current year write offs. Assessed key ratios which include cash collections, days outstanding and delinquencies.</li><li>• We considered the changes in credit strategy and assessed the impact on the allowances for doubtful debts.</li><li>• Assessed the changes in the economy with particular reference to the sector where the company predominantly operates and the impact on the collectively of the trade receivables. Based on the above, we satisfied ourselves that the management had taken reasonable judgements that were materially supported by the available evidence in respect of the receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.</li></ul>
<p><b><u>INVENTORY PROVISION</u></b></p> <ul style="list-style-type: none"><li>• Inventory comprises of 32.11% (2021-22 32.42%) of the total assets in the statement of financial position (Balance sheet).</li><li>• As discussed in the Notes on Accounts, the management has made provision for markdowns against inventory in respect of damaged, unmarketable, unserviceable and have become obsolete.</li><li>• The allowance for markdown of inventory takes into account the historic information related to sales trends and estimated net realisable value has been applied in respect of the class of inventory stated above. This requires significant management judgement based on past experience, inventory ageing profile as well as different market factors impacting sale of these products. As these factors change each year, this required specific focus on the current year assumptions.</li></ul>	<p><b><u>Our procedure include, among others:</u></b></p> <ul style="list-style-type: none"><li>• Compared the provision/valuation methodology applied by the management by comparing to previous year methodology.</li><li>• Evaluated the assumptions and judgements applied by the management in determining such markdown provision/valuation.</li><li>• Tested and evaluated historical information, data trends and ageing profiles and shelf lives.</li><li>• Analysed the provisions by performing analytical procedures on provisioning/valuation levels including against historical experience.</li></ul>





KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p>Further due to the significance of the inventories and related estimation uncertainty, this is considered as key audit risk. Accordingly the markdown against inventory is considered to be a key audit matter and disclosure is included in the Notes on accounts.</p>	

**Information Other than the Consolidated Ind AS financial statements and Auditors' Report Thereon**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the consolidated financial statements**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial

position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the each company in the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the



companies included in the Group are responsible for overseeing the financial reporting process of the each company in the Group.

### **Auditor's Responsibilities for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may



reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other matters

(a) We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹338.02 crore as at March 31, 2023, total revenues of ₹772.94 crore and net cash outflows amounting to ₹1.08 crore for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3), we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best

of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and on the basis of the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the remuneration paid / provided during the year to directors is in accordance with the provisions of section 197 of the Act, in respect of the Holding Company. Remuneration was not paid to the director(s) of the subsidiaries.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the



best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group - Refer note no. 39 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2023.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Indian subsidiary companies.

iv. a) The Management of the Holding Company and the subsidiaries (incorporated in India) have represented that, to the best of its knowledge and belief, other than as disclosed in notes to account (refer note no. 53), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management of the Holding Company and the subsidiaries (incorporated in India) have represented that, to the best of its knowledge and belief, other than as disclosed in the note no. 54 to consolidated financial statements, no funds have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the

circumstances, nothing has come to our notice that has caused us to believe that the representations provided under sub-clause (a) and (b) above, contain any material misstatement.

(v) The final dividend paid by the Holding company during the year in respect of the same declared for the previous year is in accordance with the Section 123 of the Companies Act, 2013 to the extent it applies to payment of Dividend. The Board of the Holding Company has not declared interim dividend during the year. However, the Board of the Holding Company at its meeting held today ie 11th May 2023 has recommended a final dividend of ₹2.5 /- per equity share (face value of ₹10/- each) which is subject to the approval of the shareholders in the ensuing Annual General Meeting. The dividend declared is in accordance with the provisions of the section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company and by other auditors in respect of subsidiaries included in the consolidated financial statements, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No. 004207S

**Srinivasan K**  
Partner  
Membership No. : 209120  
ICAI UDIN : 23209120BGSINA6891

Place : Bengaluru  
Date : May 11, 2023



**Annexure A – referred to in our report under “Report on Other Legal and Regulatory requirements Para 1 (f)” of even date on the accounts for the year ended March 31, 2023**

**Report on the Internal Financial Controls with reference to financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Shankara Building Products Limited (hereinafter referred to as “the Holding Company”), and its Indian subsidiary companies (the Holding Company and its Indian subsidiaries together referred to as “the Group”), as of that date.

**Management’s Responsibility for Internal Financial Controls with reference to Financial Statements**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements of the group, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the group, which are companies incorporated in India.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control with reference to financial statements is a process



designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls,

Place : Bengaluru  
Date : May 11, 2023

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its Indian subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to three Indian subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No. 004207S

**Srinivasan K**  
Partner  
Membership No. : 209120  
ICAI UDIN: 23209120BGSINA6891

CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2023

(Rupees in Crores)

Particulars	Note No	As at 31-3-2023	As at 31-03-2022
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	253.36	225.77
(b) Capital work-in-progress	4(a)	2.34	1.56
(c) Investment Property	5	9.53	9.56
(d) Right-of-use Asset	6, 41(b)	3.79	8.60
(e) Goodwill on Consolidation	7(a)	14.04	14.04
(f) Other Intangible assets	7(b)	-	-
(g) Intangible assets under development	7(c)	1.33	-
(h) Financial Assets			
i) Trade receivables	8	2.90	3.17
ii) Loans	9	0.06	0.06
iii) Other financial assets	10	10.43	9.56
(i) Other non-current assets	11	3.31	2.14
<b>Total Non-current assets</b>		<b>301.09</b>	<b>274.46</b>
<b>(2) Current Assets</b>			
(a) Inventories	12	425.35	372.33
(b) Financial Assets			
i) Trade receivables	13	511.06	354.00
ii) Cash and cash equivalents	14	5.87	2.48
iii) Bank balances other than (ii) above	15	6.04	4.37
iv) Other financial assets	16	1.38	0.79
(c) Current Tax Asset (Net)	24(c)	0.77	0.19
(d) Other current assets	17	40.19	32.16
<b>Total current assets</b>		<b>990.66</b>	<b>766.32</b>
<b>Total Assets</b>		<b>1,291.75</b>	<b>1,040.78</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	18	22.85	22.85
(b) Other Equity	19	620.24	533.11
<b>Total Equity</b>		<b>643.09</b>	<b>555.96</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	20	26.85	35.55
(i) Lease Liabilities	21	4.59	10.00
ii) Other financial liabilities	22	0.12	0.11
(b) Provisions	23	-	-
(c) Deferred tax liabilities (Net)	24(d)	8.79	6.84
<b>Total Non-current liabilities</b>		<b>40.35</b>	<b>52.50</b>

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023 Contd.**

(Rupees in Crores)

Particulars	Note No	As at 31-3-2023	As at 31-03-2022
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	25	55.75	86.04
(ii) Lease Liabilities	26	0.65	1.32
ii) Trade payables	27		
A) Total outstanding dues of Micro Enterprises and Small Enterprises		105.66	67.14
B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		414.63	251.55
iii) Other financial liabilities	28	11.36	9.48
(b) Other current liabilities	29	13.55	12.80
(c) Provisions	30	0.74	0.78
(d) Current Tax Liabilities (Net)	24(b)	5.97	3.21
<b>Total current liabilities</b>		<b>608.31</b>	<b>432.32</b>
<b>Total Equity and Liabilities</b>		<b>1,291.75</b>	<b>1,040.78</b>
Significant accounting policies	1 to 3		

**See accompanying notes to the consolidated financial statements**

As per our report attached of even date

**For SUNDARAM & SRINIVASAN**Chartered Accountants  
ICAI Firm Reg.No: 004207S**Srinivasan K**

Partner

Membership No: 209120

Place : Bengaluru

Date : May 11<sup>th</sup> 2023**For and on behalf of the Board of Directors****Sukumar Srinivas**  
Managing Director  
DIN: 01668064**C.Ravikumar**  
Whole-time Director  
DIN: 01247347**Alex Varghese**  
Chief Financial Officer**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru

Date : May 11<sup>th</sup> 2023



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2023	For the year ended 31-03-2022
<b>I Revenue From Operations</b>	31	4,029.72	2,418.40
<b>II Other Income</b>	32	7.70	3.10
<b>III Total Income (I+II)</b>		<b>4,037.42</b>	<b>2,421.50</b>
<b>IV Expenses</b>			
Cost of materials consumed	33	603.66	568.43
Purchases of Stock-in-Trade		3,254.90	1,719.68
Changes in inventories of Finished Goods & Stock-in-Trade	34	(52.86)	(43.71)
Employee benefits expense	35	48.24	41.34
Finance costs	36	24.25	24.37
Depreciation and amortization expense	36(a)	16.34	17.24
Other expenses	37	58.52	48.09
<b>Total expenses (IV)</b>		<b>3,953.05</b>	<b>2,375.44</b>
<b>V Profit before tax (III-IV)</b>		<b>84.37</b>	<b>46.06</b>
<b>VI Tax expense:</b>	24(a)		
Current tax		19.32	10.82
Tax - earlier years		0.11	(0.01)
Deferred tax		1.89	0.93
<b>Total Tax Expenses</b>		<b>21.32</b>	<b>11.74</b>
<b>VII Profit for the year (V-VI)</b>		<b>63.05</b>	<b>34.32</b>
<b>VIII Other Comprehensive Income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
(i) Re-measurements of defined benefit plans		0.20	0.04
(ii) Income tax relating to items that will not be reclassified to Profit or loss		(0.06)	(0.01)
<b>Total A</b>		<b>0.14</b>	<b>0.03</b>
<b>B Items that will be reclassified to profit or loss</b>			
(i) Exchange differences in translating the financial statements of a foreign operation		(0.02)	(0.06)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total B</b>		<b>(0.02)</b>	<b>(0.06)</b>
<b>Total Other Comprehensive Income/(loss) (A+B)</b>		<b>0.12</b>	<b>(0.03)</b>
<b>IX Total Comprehensive Income for the year (VII +VIII)</b>		<b>63.17</b>	<b>34.29</b>
<b>Total Profit for the year attributable to:</b>			
- Owners of the parent		63.05	34.32
- Non-controlling interest		-	-
		<b>63.05</b>	<b>34.32</b>

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023 Contd.**

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2023	For the year ended 31-03-2022
<b>Other comprehensive income/(loss) for the year attributable to:</b>			
- Owners of the parent		0.12	(0.03)
- Non-controlling interest		-	-
		<b>0.12</b>	<b>(0.03)</b>
<b>Total comprehensive income for the year attributable to:</b>			
- Owners of the parent		63.17	34.29
- Non-controlling interest		-	-
		<b>63.17</b>	<b>34.29</b>
<b>X Earning per equity share [Face value ₹10 per share]</b>	38		
Basic (in ₹.)		27.59	15.02
Diluted (in ₹)		27.59	15.02
Significant accounting policies	1 to 3		

**See accompanying notes to the consolidated financial statements**

As per our report attached of even date

**For SUNDARAM & SRINIVASAN**Chartered Accountants  
ICAI Firm Reg.No: 004207S**Srinivasan K**

Partner

Membership No: 209120

Place: Bengaluru

Date : May 11<sup>th</sup> 2023**For and on behalf of the Board of Directors****Sukumar Srinivas**  
Managing Director  
DIN: 01668064**C.Ravikumar**  
Whole-time Director  
DIN: 01247347**Alex Varghese**  
Chief Financial Officer**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru

Date : May 11<sup>th</sup> 2023



(Rupees in Crores)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**A. Equity Share Capital**

**(1) Year ended 31st March 2023 (refer note no 18)**

Balance at the beginning i.e. 01st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end i.e. 31st March 2023
22.85	-	22.85	-	22.85

**(2) Year ended 31st March 2022 (refer note no 18)**

Balance at the beginning i.e. 01st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end i.e. 31st March 2022
22.85	-	22.85	-	22.85

**B. Other Equity (refer note no 19)**

**(1) Year ended 31st March 2023**

Particulars	Note No	Reserve and Surplus				Items of other comprehensive income			Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Items that will not be reclassified to profit and loss	Items that will be reclassified to Profit or loss	Money received against Share warrants*	
<b>Balance at the beginning i.e. 01st April 2022</b>		0.19	111.28	1.24	420.32	(0.16)	0.24	533.11	
Profit for the year		-	-	-	63.05	-	(0.02)	63.05	
Other comprehensive income for the year, net of income tax		-	-	-	(2.29)	0.14	(0.14)	0.12	
Dividend		-	-	-	-	-	-	(2.29)	
Transfer to retained earnings		-	-	-	-	-	-	-	
Money received against Share warrants		-	-	-	-	-	-	26.25	
<b>Balance at the end i.e. 31st March 2023</b>		<b>0.19</b>	<b>111.28</b>	<b>1.24</b>	<b>481.08</b>	<b>(0.02)</b>	<b>0.22</b>	<b>620.24</b>	

\*Refer note no 19

(Rupees in Crores)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2023 Contd.**  
**(2) Year ended 31st March 2022**

Particulars	Note No	Reserve and Surplus				Items of other comprehensive income			Total	
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Items that will not be reclassified to profit and loss	Remeasurements of the net defined benefit plans	Items that will be reclassified to Profit or Loss		Money received against Share warrants
<b>Balance at the beginning i.e. 01st April 2021</b>		0.19	111.28	1.24	386.00	(0.19)	-	0.30	-	498.82
Profit for the year		-	-	-	34.32	-	-	-	-	34.32
Other comprehensive income for the year, net of income tax		-	-	-	-	-	0.03	(0.06)	-	(0.03)
Transfer to retained earnings		-	-	-	-	0.03	(0.03)	-	-	-
<b>Balance at the end i.e. 31st March 2022</b>		0.19	111.28	1.24	420.32	(0.16)	-	0.24	-	533.11
Significant accounting policies	1 to 3									

**See accompanying notes to the consolidated financial statements**

As per our report attached of even date  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
ICAI Firm Reg.No. 0042075

**Srinivasan K**  
Partner  
Membership No: 209120

Place : Bengaluru  
Date : May 11<sup>th</sup>, 2023

**For and on behalf of the Board of Directors**

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Alex Varghese**  
Chief Financial Officer

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru  
Date : May 11<sup>th</sup>, 2023




**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2023	For the year ended 31-03-2022
<b>Cash flow from operating activities</b>			
Profit before tax for the year		84.37	46.06
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization expense	36(a)	16.34	17.24
Depreciation withdrawn on reclassification	36(a)	-	0.17
Loss on sale of property, plant and equipment	37	0.06	0.35
Profit on sale of property, plant and equipment	32	(0.07)	(0.85)
Unwinding of interest income on rental deposits	32	(0.47)	(0.40)
Interest income	32	(0.41)	(0.33)
Provision for doubtful debts written back	32	(5.00)	(0.59)
Interest expense on borrowings	36	23.67	23.25
Interest on Lease liability	36	0.58	1.12
Payables written back	32	(0.04)	(0.07)
Bad Debts written off (CY ₹23,709)	37	0.00	4.69
Loss Allowance for doubtful trade receivables	37	0.35	-
Provision for expenses no longer required written back	32	-	(0.14)
Gain on termination of lease	32	(0.74)	(0.10)
Foreign currency translation reserve		(0.02)	(0.06)
<b>Operating profit before working capital changes</b>		<b>118.62</b>	<b>90.34</b>
Adjustments for :			
Decrease/ (Increase) in inventories		(53.02)	(56.25)
Decrease/ (Increase) in trade receivables		(152.14)	(62.37)
Decrease/ (Increase) in loans and other financial assets		(0.97)	0.19
Decrease/ (Increase) in other current assets		(8.03)	(7.58)
Decrease/ (Increase) in other non-current assets		0.13	-
(Decrease)/ Increase in trade payables		201.60	113.14
(Decrease)/ Increase in other financial liabilities		2.11	1.76
(Decrease)/ Increase in other current liabilities		0.75	1.48
(Decrease)/Increase in provisions		(1.77)	(0.77)
<b>Cash flow from/(used in) operations</b>		<b>107.28</b>	<b>79.94</b>
Income taxes paid		(15.32)	(10.30)
<b>Net cash flows from/(used in) operating activities (A)</b>		<b>91.96</b>	<b>69.64</b>
<b>Cash flow from investing activities</b>			
Consideration paid for purchase of property, plant and equipment (including capital work-in-progress)		(43.47)	(19.69)
Proceeds from sale of property, plant and equipment	4, 32, 37	0.83	1.26
Purchase of software (Including intangible assets under development)	7(b)	(1.28)	(0.24)
(Purchase)/proceeds from maturity of bank deposits		(1.67)	(0.10)
Interest receipt		0.39	0.39
<b>Net cash flows from/(used in) investing activities (B)</b>		<b>(45.20)</b>	<b>(18.38)</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2023 Contd.**

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2023	For the year ended 31-03-2022
<b>Cash flow from financing activities</b>			
Proceeds from Issue of Share warrants		26.25	-
Principial element of lease payments		(3.81)	(5.06)
Interest on lease liability	36	(0.58)	(1.12)
Proceeds from non current borrowings		0.95	6.95
Repayment of term loans		(10.13)	(0.84)
Current Borrowings availed/ (repaid)		(29.81)	(36.19)
Interest paid		(23.95)	(23.42)
Unclaimed dividend - Transfer in/(out) (CY ₹28,757)		0.00	-
Dividends paid	49(A)(2)	(2.29)	-
<b>Net cash from/(used in) financing activities (C)</b>		<b>(43.37)</b>	<b>(59.68)</b>
<b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b>		<b>3.39</b>	<b>(8.42)</b>
<b>Cash and cash equivalents - at the beginning of the year</b>		<b>2.48</b>	<b>10.90</b>
<b>Cash and cash equivalents - at the end of the year</b>		<b>5.87</b>	<b>2.48</b>
<b>Non cash financing and investing activities</b>			
- Acquisition of Right-of-use assets	6	<b>0.66</b>	<b>0.50</b>
Note: Cash and Cash equivalents in the Statement of Cash flow comprise of the following :			
<b>i) Cash on Hand</b>		0.55	1.16
<b>ii) Balance with Banks :</b>	14		
- In Current Account		5.32	1.32
		<b>5.87</b>	<b>2.48</b>
Significant accounting policies	1 to 3		

See accompanying notes

The above Statement of Cash Flow has been prepared under the Indirect method as set out in Ind AS 7.

As per our report attached of even date  
**For SUNDARAM & SRINIVASAN**  
Chartered Accountants  
ICAI Firm Reg.No: 004207S

**Srinivasan K**  
Partner  
Membership No: 209120

Place: Bengaluru  
Date : May 11<sup>th</sup>, 2023

For and on behalf of the Board of Directors

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Alex Varghese**  
Chief Financial Officer

Place : Bengaluru  
Date : May 11<sup>th</sup>, 2023

**C.Ravikumar**  
Whole-time Director  
DIN: 01247347

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459





## CONSOLIDATED ACCOUNTING POLICIES

### 1. GENERAL INFORMATION

Shankara Building Products Limited ("SBPL" or "the company") is a public listed company incorporated and domiciled in India. The registered office is situated at G2, Farah Winsford, 133, Infantry Road, Bengaluru – 560001.

Shankara Building Products Limited ("the Company" or "the Parent") is one of the India's leading organized retailer of home improvement and building products in India. The Parent and its subsidiaries (together referred to as "the Group") caters to a large customer base spread across various end-user segments in urban and semi-urban markets through a retail led, multi-channel sales approach complemented by processing facilities, supply chain and logistics facilities. It deals with a number of product categories including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. The Company has operations spread across ten states and one union territory in India.

The company's shares are listed on the Bombay Stock Exchange 'BSE' and National Stock Exchange 'NSE'.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement Of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The aforesaid financial statements are duly adopted by the Board of Directors in the meeting held on May 11, 2023 for consideration of approval by the shareholders.

#### 2.2 Functional and Presentation Currency

The consolidated financial statements are prepared and presented in Indian Rupees and all amounts have been presented in crore with two decimals, unless otherwise indicated.

#### 2.3 Basis Of Preparation and Presentation

These consolidated financial statements have been prepared and presented under accrual basis of accounting and as a going concern on historical cost convention or fair values, wherever applicable, as per the requirements of Ind AS prescribed under section 133 of the Act and relevant provisions thereon.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

#### Current and Non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle or 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the group has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

### BASIS OF CONSOLIDATION

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns"

The Company reassess whether or not it controls





an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than majority of the voting rights of an investee, it has power over the investee when such voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2.4 REVENUE RECOGNITION

### 2.4.1 Sale of products

Revenue is recognized on fulfilment of performance obligation. In other words, revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The Group recognizes transaction price of goods sold net of variable consideration, on account of discounts, rebates, returns, taxes and duties on sales when the products are delivered to a carrier for sale / or direct delivery to the customer, as the case may be, which is when significant risks and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

### 2.4.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is recognised on time proportion basis.

### 2.4.3. Rental income

Rental income from operating leases (of the Group's investment properties) is recognised on straight-line basis over the term of the relevant lease, except where rentals are structured to increase in line with expected general inflation. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset out and recognised on straight-line basis over the lease term.



#### 2.4.4 Other income

Other income is recognised on accrual basis provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

### 2.5 PROPERTY, PLANT AND EQUIPMENT

#### 2.5.1 Recognition and measurement

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates.

#### 2.5.2 Subsequent expenditure

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

#### 2.5.3 Disposal of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or on retirement, when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

#### 2.5.4 Depreciation

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of Property, Plant & Equipment (other than capital work-in-progress) less their residual values over their useful lives,

using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives assessed by management, as above, are indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than ₹0.0005 crore (₹5,000/-) are depreciated fully during the year of purchase.

The Group reviews the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis

#### 2.5.5 Capital work-in-progress

Capital Work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

### 2.6 INVESTMENT PROPERTIES

Property that is held for long-term rental yields or for capital appreciation or both, but not for sale in the ordinary course of business, not used in the production or supply of goods or services or administrative purposes is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, the borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties (except freehold land) are depreciated using straight-line method over their estimated useful lives. Investment



properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation by management.

## 2.7 INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on a straight-line basis over their estimated useful lives of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful life are as follows:

Software - 3 years

Brand - 3 years

The amortisation period and amortisation method for intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis".

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

### 2.7.1 Intangible assets under development:

An intangible asset is an identifiable non-monetary asset without physical substance. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management.

An intangible asset arising from development shall be recognized if:

- i) there is technical feasibility of completing it so that it will be available for use
- ii) the entity intends to complete it and use it or sell it
- iii) the entity has ability to use or sell it
- iv) technical, financial and other resources are available to the entity to complete it
- v) the entity is able to measure reliably the expenditure attributable to the intangible asset during its development.

## 2.8 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired, an impairment loss is recognised for, the amount by which the assets carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.



## 2.9 BUSINESS COMBINATIONS

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

## 2.10 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach method. The Group as a lessee has recognised the lease liability based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application (being 01st April, 2019). The Right-of-Use (ROU) asset has been recognised at its carrying amount as if Ind AS 116 has been applied since the commencement date of the lease arrangement by using the incremental borrowing rate as at the transaction date (being 01st April, 2019). The Group has not restated the comparatives information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 01st April, 2019.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment of the

expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term for future periods is reassessed to ensure that the lease term reflects the current economic circumstances. In respect of such long term contracts, Ind AS 116 is applied.

### 2.10.1 Where the Group is lessor

As per terms of lease agreements there is no substantial transfer of risk and reward of the property to the lessee. Accordingly such leased out assets are treated as belonging to the Group. Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

### 2.10.2 Where the Group is a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The Group has however elected to use the exemptions provided by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.



For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset whichever is shorter.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an Individual asset basis unless the asset does not generate cash flows that are largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.11 INVENTORIES

Inventories are stated at lower of cost and net realizable value.

Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First in First out ('FIFO') basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares which does not meet the

definition of Property, plant and equipment are accounted as inventories

All items of inventories which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

### 2.11.1 Raw materials

Raw materials are valued at cost of purchase net of duties and taxes and include all expenses incurred in bringing such materials to the location of its use.

### 2.11.2 Finished goods

Finished goods include conversion costs in addition to the landed cost of raw materials.

### 2.11.3 Stock-in-trade

Stock-in-trade cost includes the purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts.

### 2.11.4 Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## 2.12 EMPLOYEE BENEFITS

In respect of defined contribution plan the Group makes the stipulated contributions to provident fund, Employee state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the Group is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement gains and losses recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in



profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

The Group recognizes a liability and an expense for bonus. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 2.13 INCOME TAX

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### 2.13.1 Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

### 2.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each annual reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in the statement of profit and loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also



recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Group has exercised option to pay income tax u/s. 115BAA of the Income Tax Act, 1961 from the financial year 2019-2020. Hence the provisions relating to minimum alternate tax (MAT) are not applicable to the Company.

## 2.14 FOREIGN CURRENCY TRANSLATION

The functional currency of the Group is determined on the basis of the primary economic environment in which it operates. The functional currency of the Group is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

## 2.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.

## 2.16 EARNING PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.



### 2.17 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

### 2.18 GOVERNMENT GRANTS & SUBSIDIES

Grants from the Government are recognized at their fair market value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available. Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### 2.19 NON-CURRENT ASSETS HELD FOR SALE/ DISTRIBUTION TO OWNERS AND DISCONTINUED OPERATIONS

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management is committed to the sale/distribution and it is expected to be completed within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded as met only when the assets or disposal group is available for immediate sale/ distribution in its present

condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group);
- An active programme to locate a buyer and complete the plan has been initiated;
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn."

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

Non-current assets held for sale qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.





## 2.20 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets (Other than Trade receivables) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Trade receivables are recognised at their transaction value as the same do not contain significant financing component.

Trade payables are in respect of the amount due on account of goods purchased or services availed in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

### a) Financial Assets

#### (i) Initial recognition and measurement

Financial assets (other than Trade receivables) are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Statement of Profit or Loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

Trade receivables are recognised at their transaction value as the same do not contain significant financing component

#### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost

- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

#### Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### Debt instrument at FVTOCI:

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).



### Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### (iii) Derecognition of financial assets

A financial asset is de-recognised only when;

- a. The Group has transferred the rights to receive cash flows from the financial asset or
- b. The Group retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Group examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is de-recognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is de-recognised, if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, it is continued to be recognised to the extent of continuing involvement in the financial asset.

## b) Financial liabilities and equity instruments

### (i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value plus transaction cost (if any) that is attributable to the acquisition of the financial liabilities which is also adjusted.

### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### Trade and other payables:

These amounts represent liabilities for goods or services provided to the Group which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

The Group enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances i.e. trade payables and are included in total outstanding due of creditors other than micro enterprises and small enterprises.

### Financial guarantee

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the principal debtor fails to make a payment when due in accordance with



the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, including transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of profit or loss are included within finance costs or finance income.

### **Other financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

#### **(iii) Derecognition of financial liabilities:**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **c) Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **d) Impairment of Financial assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime

expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

### **e) Fair value measurement:**

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability which are accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the



lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### f) Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising on account of repayment of foreign currency term loan and interest thereon. For the reporting periods under review, the Group has not designated any forward currency contracts as hedging instruments.

#### 2.21 CASH & CASH EQUIVALENTS AND CASH FLOW STATEMENT

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the Indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three

months or less.

#### 2.22 DIVIDEND ON ORDINARY SHARES

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### 2.23 SEGMENT REPORTING

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

#### 2.24 STANDARDS/AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

(i) New standard – Nil

(ii) Amendments to existing Ind AS :

The Ministry of Corporate Affairs (“MCA”) notified amendments to the existing standards – (Indian Accounting Standards) Rules, 2023 on March 31, 2023. These amendments are effective for the financial year beginning from April 1, 2023.

Ind AS - 101 First-time Adoption of Indian Accounting Standards

Ind AS –102 Share-based payment

Ind AS --103 Business Combinations

Ind AS--107 Financial Instruments : Disclosures

Ind AS --109 Financial Instruments

Ind AS – 115 Revenue from Contracts with Customers.

Ind AS – 1 Presentation of Financial Statements

Ind AS – 8 Accounting

Ind AS - 12 Income Taxes

Ind AS - 34 Interim Financial Reporting



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### 3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

#### **(i) Useful lives of property, plant and equipment**

The Board reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

#### **(ii) Provisions and liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### **(iii) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

#### **(iv) Fair value measurements**

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.



(Rupees in Crores)

Notes to the Consolidated Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
<b>Gross carrying amount as at 01-04-2021</b>	<b>52.96</b>	<b>90.39</b>	<b>79.43</b>	<b>35.63</b>	<b>9.20</b>	<b>3.35</b>	<b>1.80</b>	<b>272.76</b>
Additions	5.64	10.06	1.29	2.18	0.66	0.75	0.14	20.72
Transfer in / Transfer (out)	-	-	-	-	1.52	0.29	0.56	2.37
Disposals/Adjustment	0.14	1.02	0.35	0.11	0.55	0.05	0.02	2.24
Transferred to Investment property	0.62	0.20	-	-	-	-	-	0.82
<b>Gross carrying amount as at 31-03-2022</b>	<b>57.84</b>	<b>99.23</b>	<b>80.37</b>	<b>37.70</b>	<b>10.83</b>	<b>4.34</b>	<b>2.48</b>	<b>292.79</b>
Additions	14.40	16.21	1.59	5.50	2.80	0.48	0.41	41.39
Transfer in / Transfer (out)	-	-	-	-	-	-	-	-
Disposals/Adjustment	0.07	0.27	0.42	0.17	0.71	0.04	0.05	1.73
<b>Gross carrying amount as at 31-03-2023</b>	<b>72.17</b>	<b>115.17</b>	<b>81.54</b>	<b>43.03</b>	<b>12.92</b>	<b>4.78</b>	<b>2.84</b>	<b>332.45</b>
<b>Accumulated depreciation / amortisation and impairment</b>								
<b>Balance as at 01-04-2021</b>	-	<b>9.74</b>	<b>24.56</b>	<b>11.93</b>	<b>3.51</b>	<b>2.15</b>	<b>1.38</b>	<b>53.27</b>
Depreciation for the year	-	1.85	5.21	3.47	1.15	0.43	0.18	12.29
Transfer in / Transfer (out)	-	-	-	-	1.52	0.29	0.56	2.37
Depreciation on disposals/Adjustment	-	0.21	0.11	0.05	0.45	0.05	0.02	0.89
Transferred to Investment property	-	0.02	-	-	-	-	-	0.02
<b>Balance as at 31-03-2022</b>	-	<b>11.36</b>	<b>29.66</b>	<b>15.35</b>	<b>5.73</b>	<b>2.82</b>	<b>2.10</b>	<b>67.02</b>
Depreciation for the year	-	2.05	5.31	3.73	1.24	0.49	0.16	12.98
Transfer in / Transfer (out)	-	-	-	-	-	-	-	-
Depreciation on disposals/Adjustment	-	0.02	0.09	0.14	0.59	0.03	0.04	0.91
<b>Balance as at 31-03-2023</b>	-	<b>13.39</b>	<b>34.88</b>	<b>18.94</b>	<b>6.38</b>	<b>3.28</b>	<b>2.22</b>	<b>79.09</b>
<b>Net Carrying amount</b>								
<b>As at 31-03-2023</b>	<b>72.17</b>	<b>101.78</b>	<b>46.66</b>	<b>24.09</b>	<b>6.54</b>	<b>1.50</b>	<b>0.62</b>	<b>253.36</b>
<b>As at 31-03-2022</b>	<b>57.84</b>	<b>87.87</b>	<b>50.71</b>	<b>22.35</b>	<b>5.10</b>	<b>1.52</b>	<b>0.38</b>	<b>225.77</b>
Useful Life of the asset (In Years)	N/A	Refer note (b)	15 Years	10 Years	8 - 10 Years	5 Years	3 Years	
Method of depreciation	N/A			Straight Line Method				

## PROPERTY, PLANT AND EQUIPMENT Contd.

### Note

- a) Certain Property, plant & equipment have been hypothecated as security against long term borrowings and certain current borrowings of the Group (refer note no 20, 25 and 44).
- b) 30 years for Factory buildings and buildings other than RCC frame structure and 60 years for other buildings.
- c) During the current year as well previous year, Property, Plant and Equipment has not been revalued.
- d) The title deeds of the immovable properties of all the Group companies (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the respective company.





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## 4 (a) CAPITAL WORK-IN-PROGRESS - BUILDINGS

Particulars	Amount
Gross carrying amount as at 01-04-2021	2.41
Additions	9.20
Sub Total	11.61
Less: Capitalised during the year	10.05
<b>Gross carrying amount as at 31-03-2022</b>	<b>1.56</b>
Additions	10.39
Sub Total	11.95
Less: Capitalised during the year	9.61
<b>Gross carrying amount as at 31-03-2023</b>	<b>2.34</b>

## Capital Work-in-Progress (CWIP) ageing schedule as at 31-03-2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.34	-	-	-	<b>2.34</b>
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

## Capital Work-in-Progress (CWIP) ageing schedule as at 31-3-2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.56	-	-	-	<b>1.56</b>
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None







## 5. INVESTMENT PROPERTY

Particulars	Land	Buildings	Total
<b>Gross carrying amount as at 01-04-2021</b>	<b>6.11</b>	<b>2.68</b>	<b>8.79</b>
Additions	-	-	-
Transfer in / Transfer (out)	1.35	(1.35)	-
Disposals	-	-	-
Transferred from property, plant and equipment	0.62	0.20	0.82
<b>Gross carrying amount as at 31-03-2022</b>	<b>8.08</b>	<b>1.53</b>	<b>9.61</b>
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>8.08</b>	<b>1.53</b>	<b>9.61</b>
<b>Accumulated depreciation and impairment</b>			
<b>Balance as at 01-04-2021</b>	-	<b>0.18</b>	<b>0.18</b>
Depreciation for the year	-	0.02	0.02
Transfer in / Transfer (out)	(0.06)	(0.11)	(0.17)
Transferred from property, plant and equipment	-	0.02	0.02
Depreciation on disposals	-	-	-
<b>Balance as at 31-03-2022</b>	<b>(0.06)</b>	<b>0.11</b>	<b>0.05</b>
Depreciation for the year	-	0.03	0.03
Depreciation on disposals	-	-	-
<b>Balance as at 31-03-2023</b>	<b>(0.06)</b>	<b>0.14</b>	<b>0.08</b>
Net Carrying amount			
<b>As at 31-03-2023</b>	<b>8.14</b>	<b>1.39</b>	<b>9.53</b>
<b>As at 31-03-2022</b>	<b>8.14</b>	<b>1.42</b>	<b>9.56</b>
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	Straight line method	

## Income earned from and expenses incurred on Investment Property

Particulars	For the year ended	
	31-03-2023	31-03-2022
Rental income from investment properties	0.29	0.18
Less: Direct operating expenses (including repairs and maintenance)	0.03	0.01
Profit from investment properties before depreciation	<b>0.26</b>	<b>0.17</b>
Less: Depreciation	0.03	0.02
Profit from investment property	<b>0.23</b>	<b>0.15</b>



## Fair Value

Particulars	As at 31-3-2023	As at 31-3-2022
Investment properties	21.64	20.07

## Estimation of fair value

The best evidence of fair values is current prices in an active market for similar properties. Since investment properties are leased out by the Company, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location as determined by an Independent registered valuer as defined under Rule 2 of Companies (registered valuers and valuation) Rules, 2017 and consequently classified as a level 2 valuation.

## 6. RIGHT-OF-USE ASSET:

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2023
	Balance as at 01-04-2022	Additions	Deletions	Balance as at 31-03-2023	Balance as at 01-04-2022	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2023	
Right-of-use Asset - Buildings	23.07	0.66	10.35	13.38	14.47	3.33	8.21	9.59	3.79

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2022
	Balance as at 01-04-2021	Additions	Deletions	Balance as at 31-03-2022	Balance as at 01-04-2021	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2022	
Right-of-use Asset - Buildings	30.50	0.50	7.93	23.07	16.54	4.86	6.93	14.47	8.60



## 7 (a) GOODWILL ON CONSOLIDATION

Particulars	Goodwill
<b>Gross carrying amount as at 01-04-2021</b>	<b>14.04</b>
Additions	-
Disposals	-
<b>Gross carrying amount as at 31-03-2022</b>	<b>14.04</b>
Additions	-
Disposals	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>14.04</b>
<b>Accumulated impairment losses</b>	
<b>Balance as at 01-04-2021</b>	-
Impairment losses for the year	-
Impairment losses on disposals	-
<b>Balance as at 31-03-2022</b>	-
Impairment losses for the year	-
Impairment losses on disposals	-
<b>Balance as at 31-03-2023</b>	-
<b>Net Carrying amount</b>	
<b>As at 31-03-2023</b>	<b>14.04</b>
<b>As at 31-03-2022</b>	<b>14.04</b>

**7 (b) OTHER INTANGIBLE ASSETS**

Particulars	Brand	Software	Total
<b>Gross carrying amount as at 01-04-2021</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Additions	-	0.24	0.24
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Accumulated amortization and impairment Balance as at 01-04-2021</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Amortization for the year*	-	0.24	0.24
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
Amortization for the year	-	-	-
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2023</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Net Carrying amount</b>			
<b>As at 31-03-2023</b>	-	-	-
<b>As at 31-03-2022</b>	-	-	-
Useful Life of the asset (In Years)	3 Years	3 Years	
Method of amortization	Straight Line Method		

\*Represents write off on asset becoming obsolete.

**Note**

During the current year as well the previous year, the Group has not revalued any of its intangible asset.

**7 (c) INTANGIBLE ASSETS UNDER DEVELOPMENT**

Particulars	Amount
<b>Gross carrying amount as at 01-04-2021</b>	-
Additions	-
Sub-total	-
Less: Capitalised during the year	-
<b>Gross carrying amount as at 31-03-2022</b>	-
Additions	1.33
Sub-total	1.33
Less: Capitalised during the year	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>1.33</b>



## Intangible assets under development ageing schedule as at 31-03-2023

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.33	-	-	-	1.33
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

## Intangible assets under development ageing schedule as at 31-03-2022

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

## 8. TRADE RECEIVABLES (NON-CURRENT)

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Unsecured:</b>		
(a) Considered Good	-	-
(b) Credit Impaired	5.79	6.35
Less: Allowance for doubtful debts (expected credit loss allowance) *	(2.89)	(3.18)
<b>Total</b>	<b>2.90</b>	<b>3.17</b>
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member amount to (including "current" portion)	Nil	Nil



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

**\*Movement in loss allowance of trade receivables**

Particulars	As at 31-3-2023	As at 31-03-2022
Opening balance	3.18	3.80
Amount written off	-	-
Credit loss allowance	(0.29)	(0.62)
Closing balance	<b>2.89</b>	<b>3.18</b>

**Trade Receivables (Non-Current) ageing schedule as at 31-3-2023**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.21	0.20	0.71	1.78	2.90
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.21</b>	<b>0.20</b>	<b>0.71</b>	<b>1.78</b>	<b>2.90</b>

**Trade Receivables (Non-Current) ageing schedule as at 31-03-2022**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.04	0.18	0.69	0.14	2.12	3.17
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.04</b>	<b>0.18</b>	<b>0.69</b>	<b>0.14</b>	<b>2.12</b>	<b>3.17</b>



### 9. LOANS (NON-CURRENT)

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Unsecured, considered good:</b>		
Employee advances	0.06	0.06
<b>Total</b>	<b>0.06</b>	<b>0.06</b>

### 10. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Unsecured:</b>		
<b>Considered good:</b>		
(a) Security Deposits	8.36	7.72
(b) Deposit with Suppliers	1.70	1.51
(c) Others		
(i) Tender deposit	0.05	0.04
(ii) Utility deposit	0.32	0.29
<b>Total</b>	<b>10.43</b>	<b>9.56</b>

### 11. OTHER NON-CURRENT ASSETS

Particulars	As at 31-3-2023	As at 31-03-2022
(a) Capital Advances (refer note below)	2.38	1.08
(b) Advances other than capital advances - Deposits with Government authorities	0.93	1.06
<b>Total</b>	<b>3.31</b>	<b>2.14</b>

Capital advances includes borrowing costs of ₹0.05 crores (Previous year ₹0.05 crores) at 8% (Previous year 8%) which represents average borrowing costs of the group. This also includes advances made for purchase of land and Building in Chennai, Udupi, Bangalore and Mumbai in the years 2013, 2018, 2021 & 2022 respectively.



**12. INVENTORIES**

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Inventories: (at lower of cost and net realisable value)</b>		
(a) Raw materials	55.12	55.13
(b) Finished goods	28.82	28.80
(c) Stock-in-trade*	336.17	283.33
(d) Stores and spares	5.24	5.07
<b>Total</b>	<b>425.35</b>	<b>372.33</b>

\* Includes goods-in-transit amounting to ₹4.25 crores (PY ₹1.47 crores).

Inventories have been hypothecated as security against certain bank borrowings of the Group (refer note no 20, 25 and 44)

**13. TRADE RECEIVABLES (CURRENT)**

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Unsecured:</b>		
(A) Trade receivables Considered Good	504.35	331.20
Less: Allowance for doubtful debts (expected credit loss allowance)	(0.05)	(0.04)
<b>Total A</b>	<b>504.30</b>	<b>331.16</b>
(B) Trade receivables with significant increase in credit risk	10.53	30.98
Less: Allowance for doubtful debts (expected credit loss allowance)	(3.77)	(8.14)
<b>Total B</b>	<b>6.76</b>	<b>22.84</b>
<b>Total (A+B)</b>	<b>511.06</b>	<b>354.00</b>

**Movement in loss allowance of trade receivables**

Particulars	As at 31-3-2023	As at 31-03-2022
Opening balance	8.18	8.15
Amount written off	-	-
Credit loss allowance	(4.36)	0.03
Closing balance	<b>3.82</b>	<b>8.18</b>



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## Trade Receivables (Current) ageing schedule as at 31-3-2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	421.53	72.60	10.17	-	-	-	504.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	1.85	2.14	2.77	6.76
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>421.53</b>	<b>72.60</b>	<b>10.17</b>	<b>1.85</b>	<b>2.14</b>	<b>2.77</b>	<b>511.06</b>

## Trade Receivables (Current) ageing schedule as at 31-03-2022

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	286.38	37.11	7.67	-	-	-	331.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	7.65	11.95	3.24	22.84
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>286.38</b>	<b>37.11</b>	<b>7.67</b>	<b>7.65</b>	<b>11.95</b>	<b>3.24</b>	<b>354.00</b>

The credit period on goods sold ranges from 0 to 60 days without security. Trade receivable with credit impairment is identified on case to case basis.

In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

Credit risk is managed at the respective entity level. Before accepting any new customer, the Group evaluates the financial soundness, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Group does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the group to the counterparty.

Trade receivables have been offered as collateral towards borrowings (refer note no 20, 25 and 44).

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

### 14. CASH AND CASH EQUIVALENTS

Particulars	As at 31-3-2023	As at 31-03-2022
(a) Balances with banks :		
In current account	5.32	1.32
(b) Cash on hand	0.55	1.16
<b>Total</b>	<b>5.87</b>	<b>2.48</b>

The Group has entered into cash management service agreement with certain banks for the collection of cheques at various branches and transfer of the funds to certain cash credit accounts by way of standing instructions. Pending such credits in the account, the cash credit accounts are disclosed as net of such collections. The above mentioned cash and cash equivalents do not contain any amount that are not available for use by the Group.

### 15. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Earmarked balances:</b>		
(a) With banks in current account (for unclaimed dividends)	0.04	0.04
(b) Fixed Deposits held as margin money	6.00	4.33
<b>Total</b>	<b>6.04</b>	<b>4.37</b>

### 16. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Unsecured, considered good</b>		
<b>(i) Financial assets at amortised cost</b>		
(a) Rent receivable	0.09	0.07
(b) Employee advances*	1.22	0.67
(c) Interest accrued on deposits	0.07	0.05
<b>Total</b>	<b>1.38</b>	<b>0.79</b>

\*Includes transaction (s) with related parties - refer note no 47 (C)



## 17. OTHER CURRENT ASSETS

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Advances other than capital advances:</b>		
(a) Advances for purchases	34.91	27.08
(b) Prepaid Expenses	1.43	1.08
(c) Balances with Government authorities	3.85	4.00
<b>Total</b>	<b>40.19</b>	<b>32.16</b>

## 18. EQUITY SHARE CAPITAL

Particulars	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised:</b>				
Equity shares of ₹10/- each	3,00,00,000	30.00	2,50,00,000	25.00
Issued, subscribed and fully paid:	2,28,49,326	22.85	2,28,49,326	22.85

The Authorized share capital of the Company has been increased to ₹30 crores divided into 3,00,00,000 (Three Crore Only) Equity Shares of ₹10/- (Rupees Ten) each pursuant to approval of the shareholders in their Extra-ordinary meeting held on April 20, 2022.

### a) Reconciliation of number of equity shares outstanding and equity share capital

Particulars	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	2,28,49,326	22.85	2,28,49,326	22.85
Changes in equity share capital during the year	-	-	-	-
Balance as at the end of the year	2,28,49,326	22.85	2,28,49,326	22.85

### b) Rights, preferences and restrictions

(i) Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity.

The company has one class of equity shares having par value of ₹10 each. Each share holder is eligible for one vote per share held and carry a right to dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) There are no restrictions attached to equity shares

### c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31-3-2023		As at 31-03-2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	1,15,78,787	50.67%

**d) Shares held by promoters at the end of the year 31-03-2023**

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	0.00%
<b>Total</b>		<b>1,15,78,787</b>	<b>50.67%</b>	<b>0.00%</b>

**Shares held by promoters at the end of the year 31-03-2022**

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	(7.90%)
<b>Total</b>		<b>1,15,78,787</b>	<b>50.67%</b>	<b>(7.90%)</b>

e) In the period of five years immediately preceding 31-03-2023:

- i) The Company has not allotted any equity shares as fully paid-up without payment being received in cash
- ii) The Company has not allotted any equity shares by way of bonus issue.
- iii) The Company has not bought back any equity shares.

**19. OTHER EQUITY**

Particulars	As at 31-3-2023	As at 31-03-2022
Capital Reserve	0.19	0.19
Securities Premium	111.28	111.28
General Reserve	1.24	1.24
Retained earnings	481.06	420.16
Money received against Share warrants	26.25	-
<b>OTHER COMPREHENSIVE INCOME:</b>		
Exchange differences on translating the Financial Statements of a foreign operation	0.22	0.24
(Refer Statement of changes in Equity for additions and deductions from the last year Balance sheet)		
<b>Total</b>	<b>620.24</b>	<b>533.11</b>

**Capital Reserve**

Reserve is primarily created on amalgamation as per statutory requirement.

**Securities Premium**

This consists of premium realised on issue of shares and will be applied/ utilised in accordance with the provisions of the Companies Act, 2013

**General Reserve**

General Reserve is an accumulation of retained earnings of the Group, apart from the balance in the statement of profit and loss which can be utilised for meeting future obligations.

**Retained earnings**

Surplus in Statement of Profit and Loss is part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

**Foreign currency translation reserve**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

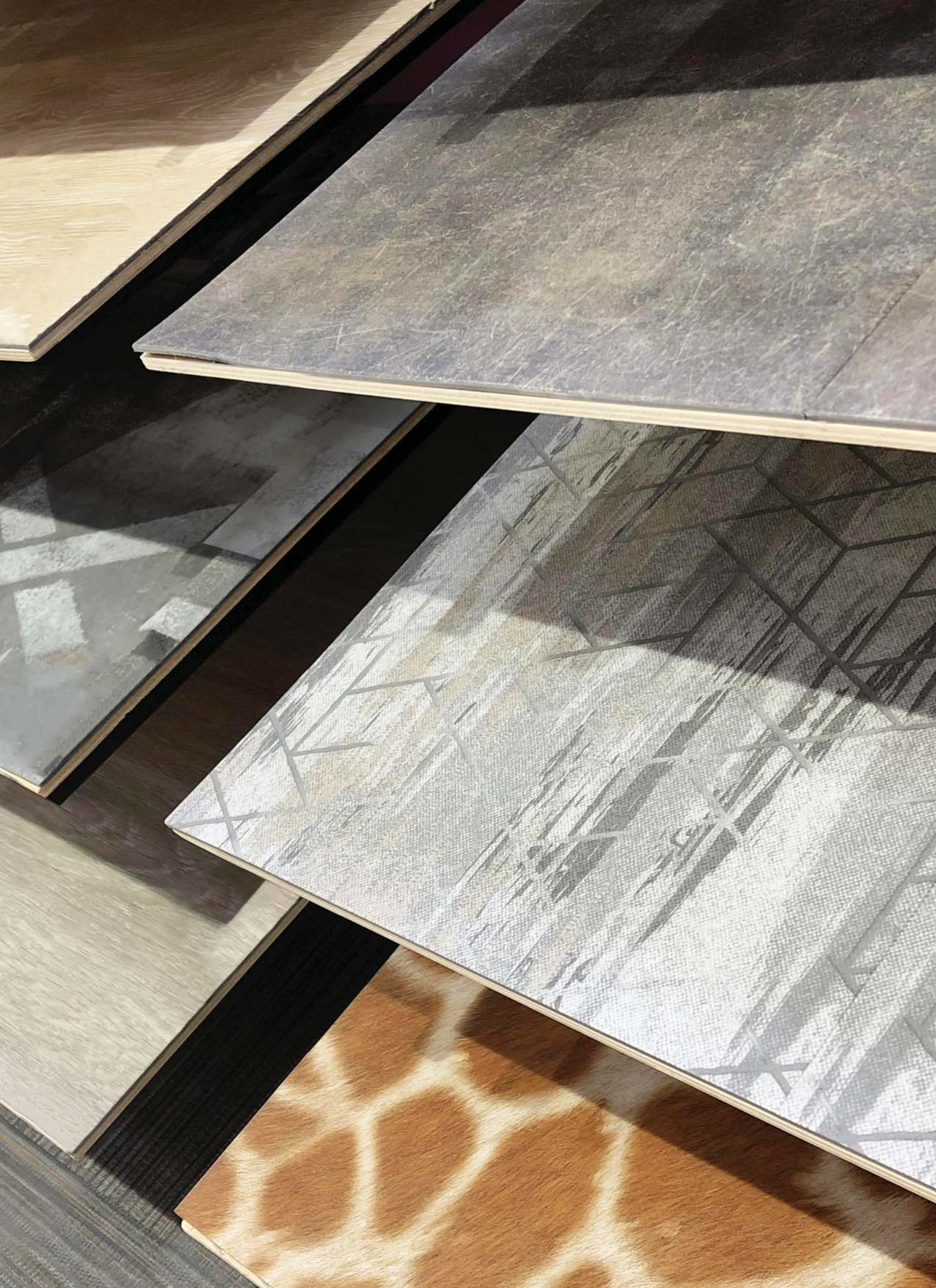
**Money Received against Share Warrants**

Money received against share warrants represent amount received towards warrants which entitles the warrant holders the option to apply for and be allotted equivalent number of equity shares of the face value of ₹10 /- each

During the year, the Holding Company has received approval from its members for issue and allotment of 14,00,000 warrants convertible into equivalent number of equity shares ("Warrants") on preferential basis, at the issue price of ₹750 each (including premium of ₹740 /- each share), under Regulation 28(1) of the SEBI (LODR) Regulations, 2015 to APL Apollo Mart Limited, Delhi ("Acquirer"), a wholly owned subsidiary of APL Apollo Tubes Limited, Delhi amounting to ₹105 crores.

An amount equivalent to 25% of issue price against warrants of ₹26.25 crores has been received. The holder of the warrants would need to exercise the option to subscribe to equity shares before the expiry of 18 months from the date of allotment made on 7th May, 2022 upon payment of the balance 75% of the consideration for warrants.

The balance 75% on the said warrants shall be paid if and when the right attached to the warrants is exercised by APL Apollo Mart Limited, Delhi.





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## 20. BORROWINGS (NON - CURRENT)

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Term Loans - secured*</b>		
From banks	26.85	35.55
<b>Total</b>	<b>26.85</b>	<b>35.55</b>

*Terms and security	Current	Non-current	Total
Term Loan 1 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured by second charge on all the existing and future current assets of the company- rate of Interest 6.95% to 8.65% pa - repayable in 48 equated monthly installments post moratorium period.	4.01	9.25	13.26
Term Loan 2 - from a bank - under Emergency Credit Line for a period of 60 months (Including 12 months of moratorium) - secured by second charge on stock and book debts - rate of Interest 7.29% to 9.06% pa - repayable in 48 equated monthly installments post moratorium period.	0.79	1.59	2.38
Term Loan 3 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% to 9.25% pa - repayable in 48 equated monthly installments post moratorium period.	2.97	7.15	10.12
Term Loan 4 - from a bank - under Emergency Credit Line for a period of 60 months (including 24 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 8.4% to 9.25% pa - repayable in 36 equated monthly installments post moratorium period.	-	6.55	6.55
Term Loan 5 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7.25% to 9.25% pa - repayable in 48 equated monthly installments post moratorium period.	0.49	1.69	2.18
Vehicle Loan-1- First charge on the vehicle. Loan repayable in 37 months instalments till 30th July 2025 - rate of interest 8.24 % p.a.	0.04	0.05	0.09
Vehicle Loan-2- First charge on the vehicle. Loan repayable in 37 months instalments till 18th July 2025 - rate of interest 8.26 % p.a.	0.06	0.10	0.16

Refer note no 44 for carrying amount of vehicles hypothecated





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

*Terms and security	Current	Non-current	Total
Vehicle Loan-3- First charge on the vehicle. Loan repayable in 36 months instalments till 5th December 2025 - rate of interest 8.44 % p.a.	0.03	0.05	0.08
Vehicle Loan-4- First charge on the vehicle. Loan repayable in 36 months instalments till 5th December 2025 - rate of interest 8.44 % p.a.	0.03	0.05	0.08
Vehicle Loan-5- First charge on the vehicle. Loan repayable in 36 months instalments till 5th January 2026 - rate of interest 8.54 % p.a.	0.05	0.09	0.14
Vehicle Loan-6- First charge on the vehicle. Loan repayable in 36 months instalments till 5th January 2026 - rate of interest 8.54 % p.a.	0.05	0.09	0.14
Vehicle Loan-7- First charge on the vehicle. Loan repayable in 36 months instalments till 5th February 2026 - rate of interest 8.68 % p.a.	0.05	0.12	0.17
Vehicle loan 8 - first charge on the vehicle. Loan repayable in 29 monthly instalments till 15th September 2024 - rate of interest 8.36 % p.a	0.13	0.07	0.20

Refer note no 44 for carrying amount of vehicles hypothecated

## 21. LEASE LIABILITY (NON-CURRENT)

Particulars	As at 31-3-2023	As at 31-3-2022
Lease liability	4.59	10.00
<b>Total</b>	<b>4.59</b>	<b>10.00</b>

## 22. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31-3-2023	As at 31-3-2022
Rent advance received	0.12	0.11
<b>Total</b>	<b>0.12</b>	<b>0.11</b>



### 23. PROVISIONS (NON-CURRENT)

Particulars	As at 31-3-2023	As at 31-3-2022
<b>Provision for employee benefits</b>		
Gratuity (refer note no 45 (b))	-	-
<b>Total</b>	-	-

#### Movement in Provision for employee benefits - gratuity

Particulars	As at 31-3-2023	As at 31-3-2022
Balance at the beginning of the year	-	-
Add: Provision made during the year	-	-
Less: Provision no longer required recognised in other income Provision utilised/ reversed during the year	-	-
<b>Balance at the end of the year</b>	-	-

### 24. INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Incomes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs.

#### a) Income tax expenses

Particulars	For the year ended	
	31-3-2023	31-3-2022
<b>Current tax:</b>		
Current tax	19.32	10.82
Tax pertaining to earlier years	0.11	(0.01)
	<b>19.43</b>	<b>10.81</b>
<b>Deferred tax</b>	<b>1.89</b>	<b>0.93</b>
<b>Total</b>	<b>21.32</b>	<b>11.74</b>



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is furnished below:

Particulars	For the year ended 31-03-2023		For the year ended 31-03-2022	
	%	Amount	%	Amount
<b>Profit / (loss) before tax:</b>		84.37		46.06
<b>Tax using the company's domestic tax rate</b>	25.168%	21.23	25.168%	11.59
<b><u>Tax impact on account of</u></b>				
Expenses not deductible in determining taxable profits	(0.17%)	(0.14)	1.99%	0.92
Deductions allowable under tax laws	(0.11%)	(0.09)	(1.06%)	(0.49)
Ind AS Adjustments	0.32%	0.27	(0.52%)	(0.24)
Provision for Diminution in value of Investment	(0.07%)	(0.06)	0.00%	-
Others	0.00%	-	(0.07%)	(0.03)
<b>Effective income tax rate/ Tax expense</b>	<b>25.14%</b>	<b>21.21</b>	<b>25.51%</b>	<b>11.75</b>
Particulars	For the year ended 31-03-2023		For the year ended 31-03-2022	
	Amount		Amount	
Tax expenses				
- Current tax		19.32		10.82
- Deferred tax		1.89		0.93
<b>Total tax</b>		<b>21.21</b>		<b>11.75</b>
Add: Tax for earlier years		0.11		(0.01)
<b>Total tax expenses reported for the year</b>		<b>21.32</b>		<b>11.74</b>

### b) Current Tax Liabilities

Particulars	As at 31-3-2023	As at 31-03-2022
Current tax liabilities (Net)	5.97	3.21

### c) Current Tax Assets

Particulars	As at 31-3-2023	As at 31-03-2022
Current Tax Assets (Net)	0.77	0.19



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## d) Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property, plant and equipment under Income Tax Act, 1961 and disallowance of certain expenditure under Income Tax Act, 1961. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Deferred Tax Liability:</b>		
On account of depreciation for tax purpose	10.77	10.47
Expenses allowed on payment basis	0.10	0.10
<b>Deferred Tax Asset:</b>		
Opening adjustments as per Ind AS 116	(0.72)	(0.72)
Allowance for doubtful receivables and advances	(1.54)	(2.71)
Ind AS Adjustments	0.26	(0.30)
Provision for Diminution in value of Investments	(0.08)	-
Others	-	0.00
<b>Deferred Tax (Asset) /Liabilities (Net)</b>	<b>8.79</b>	<b>6.84</b>

Deferred tax balance (Asset) /Liability in relation to	Balance as at 01-4-2022	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2023
Depreciation under Income Tax Act	10.47	0.30	-	10.77
Provision for employee benefit	0.10	(0.06)	0.06	0.10
Allowance for doubtful receivables and advances	(2.71)	1.17	-	(1.54)
Ind AS Adjustments	(0.30)	0.56	-	0.26
Provision for Diminution in value of Investments	-	(0.08)	-	(0.08)
Adjustment on adoption of Ind AS 116	(0.72)	-	-	(0.72)
<b>Total</b>	<b>6.84</b>	<b>1.89</b>	<b>0.06</b>	<b>8.79</b>



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-4-2021	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2022
Depreciation under Income Tax Act	9.63	0.84	-	10.47
Provision for employee benefit	0.07	0.02	0.01	0.10
Allowance for doubtful receivables and advances	(2.86)	0.15	-	(2.71)
Ind AS Adjustments	(0.19)	(0.11)	-	(0.30)
Adjustment on adoption of Ind AS 116	(0.72)	-	-	(0.72)
Others	(0.03)	0.03	-	0.00
<b>Total</b>	<b>5.90</b>	<b>0.93</b>	<b>0.01</b>	<b>6.84</b>





## 25. BORROWINGS (CURRENT)

Particulars	As at 31-3-2023	As at 31-3-2022
<b>SECURED</b>		
(a) Loans repayable on demand (from banks)*	45.30	76.86
(b) Current maturities of long term debt ( from banks) (refer note no 20)	8.70	9.18
<b>UNSECURED</b>		
Other loans- Bill discounting	1.75	-
<b>Total Borrowings</b>	<b>55.75</b>	<b>86.04</b>

### Terms and Security:

\*Working capital loans are repayable on demand and carries interest @ 7.25% to 12.05% and secured by:

- First charge on the existing and future current assets and certain fixed assets belonging to the Group.
- Guarantee by the Managing Director

### Other disclosures (for both current and non-current borrowings)

- Quarterly returns or statements of current assets filed by the group with banks are in agreement with books of accounts.
- The Group has adhered to debt repayment and interest service obligations on time. None of the Companies in the Group have been declared as wilful defaulter by any bank or financial institution.
- All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending as at 31-03-2023
- Term loans were applied for the purposes for which they were obtained. Further short term loans availed not have been utilised for long term purposes

### Reconciliation of cashflows from financing activities

Particulars	As at 31-03-2023	As at 31-03-2022
Cash and cash equivalents	5.87	2.48
Current borrowings	(47.05)	(76.86)
Non-current borrowings*	(35.55)	(44.73)
<b>Net Debt</b>	<b>(76.73)</b>	<b>(119.11)</b>

\*Including current maturities of long-term debt



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
<b>Net debt as at 01-04-2021</b>	<b>10.90</b>	<b>(113.05)</b>	<b>(38.62)</b>	<b>(140.77)</b>
Cash flows	(8.42)	-	-	(8.42)
Proceeds from borrowings	-	-	(6.95)	(6.95)
Repayment of borrowings	-	36.19	0.84	37.03
<b>Net debt as at 31-03-2022</b>	<b>2.48</b>	<b>(76.86)</b>	<b>(44.73)</b>	<b>(119.11)</b>
Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
<b>Net debt as at 01-04-2022</b>	<b>2.48</b>	<b>(76.86)</b>	<b>(44.73)</b>	<b>(119.11)</b>
Cash flows	3.39	-	-	3.39
Proceeds from borrowings	-	-	(0.95)	(0.95)
Repayment of borrowings	-	29.81	10.13	39.94
<b>Net debt as at 31-03-2023</b>	<b>5.87</b>	<b>(47.05)</b>	<b>(35.55)</b>	<b>(76.73)</b>

Note:

Assets are presented in positive numbers

Liabilities are presented in negative numbers

## 26. LEASE LIABILITY- CURRENT

Particulars	As at 31-3-2023	As at 31-03-2022
Lease liability	0.65	1.32
<b>Total</b>	<b>0.65</b>	<b>1.32</b>

## 27. TRADE PAYABLES

Particulars	As at 31-3-2023	As at 31-03-2022
(a) Total outstanding dues of micro enterprises and small enterprises (MSME) [refer note no 42]	105.66	67.14
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	414.63	251.55
<b>Total</b>	<b>520.29</b>	<b>318.69</b>



## Trade Payables ageing schedule as at 31-03-2023

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	105.66	-	-	-	-	105.66
(ii) Others	411.80	2.83	-	-	-	414.63
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>517.46</b>	<b>2.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>520.29</b>

## Trade Payables ageing schedule as at 31-03-2022

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	67.14	-	-	-	-	67.14
(ii) Others	250.76	0.79	-	-	-	251.55
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>317.90</b>	<b>0.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318.69</b>

## 28. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31-3-2023	As at 31-03-2022
(a) Interest accrued but not due	0.08	0.35
(b) Unclaimed Dividend	0.04	0.04
(c) Employee Benefits payable	6.34	5.01
(d) Other expense payable	4.90	4.08
<b>Total</b>	<b>11.36</b>	<b>9.48</b>

## 29. OTHER CURRENT LIABILITIES

Particulars	As at 31-3-2023	As at 31-03-2022
(a) Advances from customers (refer note no. 46(C))	9.25	7.23
(b) Statutory dues	4.30	5.57
<b>Total</b>	<b>13.55</b>	<b>12.80</b>





### 30. PROVISIONS (CURRENT)

Particulars	As at 31-3-2023	As at 31-03-2022
<b>Provision for employee benefits</b>		
(a) Gratuity (refer note no 45 (b))	0.57	0.56
(b) Compensated absences	0.17	0.22
<b>Total</b>	<b>0.74</b>	<b>0.78</b>

#### Movement in provision for gratuity

Particulars	As at 31-3-2023	As at 31-03-2022
Balance at the beginning of the year	0.56	0.22
Add: Provision made during the year	0.57	0.56
Less: Provision utilised/ reversed during the year	0.56	0.22
<b>Balance at the end of the year</b>	<b>0.57</b>	<b>0.56</b>

#### Movement in provision for compensated absences

Particulars	As at 31-3-2023	As at 31-03-2022
Balance at the beginning of the year	0.22	0.13
Add: Provision made during the year	0.48	0.52
Less: Provision utilised/ reversed during the year	0.53	0.43
<b>Balance at the end of the year</b>	<b>0.17</b>	<b>0.22</b>

### 31. REVENUE FROM OPERATIONS

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(a) Sale of traded goods	3,912.50	2,281.22
(b) Sale of manufactured products	109.46	127.99
(c) Other Operating Revenues - Sale of scrap	7.76	9.19
<b>Total</b>	<b>4,029.72</b>	<b>2,418.40</b>



### 32. OTHER INCOME

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(a) Interest Income	0.41	0.33
(b) Rent received	0.29	0.18
(c) Profit on sale of property, plant and equipment	0.07	0.85
(d) Gain on termination of lease	0.74	0.10
(e) Unwinding of interest income on rental deposits	0.47	0.40
(f) Provision for expenses no longer required written back	-	0.14
(g) Provision for doubtful debts written off no longer required	5.00	0.59
(h) Payables written back	0.04	0.07
(i) Other non-operating income	0.68	0.44
<b>Total</b>	<b>7.70</b>	<b>3.10</b>

### 33. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Opening stock of Raw Materials (A)	55.13	42.41
Purchases of Raw Materials (B)	603.65	581.15
Closing stock of Raw Materials (C)	55.12	55.13
<b>Total (A) + (B) - (C)</b>	<b>603.66</b>	<b>568.43</b>

### 34. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Opening stock of Finished goods	28.80	22.62
Less: Closing stock of Finished goods	28.82	28.80
<b>Total (A)</b>	<b>(0.02)</b>	<b>(6.18)</b>
Opening stock of Stock-in-Trade	283.33	245.80
Less: Closing stock of Stock-in-Trade	336.17	283.33
<b>Total (B)</b>	<b>(52.84)</b>	<b>(37.53)</b>
<b>Total (A) + (B)</b>	<b>(52.86)</b>	<b>(43.71)</b>

**35. EMPLOYEE BENEFITS EXPENSE**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(a) Salaries and Wages	43.32	36.99
(b) Contribution for:		
(i) Provident fund (refer note no 45(a))	2.70	2.40
(ii) Employees' State Insurance (refer note no 45(a))	0.25	0.27
(c) Gratuity (refer note no 45 (b))	0.83	0.76
(d) Welfare Expenses	1.14	0.92
<b>Total</b>	<b>48.24</b>	<b>41.34</b>

**36. FINANCE COSTS**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(a) Interest Expense on borrowings	22.16	23.01
(b) Other borrowing costs	1.51	0.24
(c) Interest on lease liability	0.58	1.12
<b>Total</b>	<b>24.25</b>	<b>24.37</b>

**36 (a) DEPRECIATION AND AMORTIZATION EXPENSE**

Particulars	Note No	For the year ended 31-03-2023	For the year ended 31-03-2022
(a) Depreciation			
- Property, plant and equipment	4	12.98	12.29
- Investment property	5	0.03	0.02
- Right-of-use Asset	6	3.33	4.86
Total		16.34	17.17
Less: Depreciation withdrawn on reclassification	5	-	0.17
Total (A)		16.34	17.00
(b) Amortization of intangible assets	7 (b)	-	0.24
<b>Total</b>		<b>16.34</b>	<b>17.24</b>



## 37. OTHER EXPENSES

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(a) Power, Fuel & Water	5.05	4.94
(b) Stores & Spares consumed	5.13	6.13
(c) Rent	8.31	4.31
(d) Repairs and Maintenance		
(i) Buildings	0.03	0.02
(ii) Other Assets	4.97	5.37
(e) Insurance #	0.84	1.16
(f) Rates & Taxes	2.24	0.77
(g) Travelling and Conveyance	2.44	1.51
(h) Payment to Auditors (refer note below)	0.45	0.41
(i) Legal and Professional fees	1.79	1.04
(j) Directors sitting fees	0.29	0.26
(k) Communication Expenses	0.94	0.80
(l) Advertisement & Publicity Expenses	2.43	0.46
(m) Loss Allowance for doubtful trade receivables	0.35	-
(n) Material handling charges***	11.41	7.84
(o) Freight outwards**	3.71	1.25
(p) Commission Charges	1.50	0.87
(q) Bad Debts written off( CY ₹23,709)	0.00	4.69
(r) Loss on sale of property, plant and equipment	0.06	0.35
(s) Sub contracting	0.67	0.37
(t) Corporate Social Responsibility expenditure (refer note no 50)	0.91	1.58
(u) Miscellaneous Expenses *	5.00	3.96
<b>Total</b>	<b>58.52</b>	<b>48.09</b>

\*Under this head, there is no expenditure which is in excess of 1% of revenue from operations or ₹0.10 crores, whichever is higher.

\*\*Freight recovered from customers-Current year-₹10.93 crores Previous year-₹7.80 crores

\*\*\*Material handling charges recovered from customers-Current year-₹7.10 crores Previous year-₹4.73 crores

# Insurance recovered from customers-Current year- ₹0.51 crore. Previous year- ₹Nil .



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

**Note : Breakup for payment to auditors is as under (excluding GST):**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(a) As auditors	0.30	0.29
(b) For taxation matters	0.02	0.03
(c) For other services	0.03	0.04
(d) For reimbursement of expenses	0.10	0.05
<b>Total</b>	<b>0.45</b>	<b>0.41</b>

### 38. Earnings Per Share (EPS)

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
<b>Basic &amp; Diluted</b>		
A. Profit attributable to equity shareholders (inCrores)	63.05	34.32
B. Weighted average number of equity shares (in crores)	2.28	2.28
C. Basic and Diluted EPS (₹) [A/B]	27.59	15.02
Face value per share (₹)	10	10

The Group does not have any potential equity shares. Accordingly, basic and diluted earnings per share will remain the same.

### 39. Contingent liabilities:

Particulars	As at 31-03-2023	As at 31-03-2022
To the extent not provided for:		
(A) In respect of Sales Invoices discounted	-	6.61
(B) Liability disputed but not provided for		
(i) Central sales tax	-	0.07
(ii) Value added tax	0.76	1.16
(iii) Entry tax	0.97	0.97

The above disputes are pending in appeal before various forums in the respective department. Outflows, if any, arising out of these claims would depend upon the adjudication of appellate authorities and the Group's rights for further appeals.

Amount remitted against disputed liability

Particulars	As at 31-03-2023	As at 31-03-2022
(i) Central sales tax	-	0.04
(ii) Value added tax	0.15	0.24
(iii) Entry tax	0.24	0.24



#### 40. Commitments

Particulars	As at 31-03-2023	As at 31-03-2022
Estimated value of capital commitments towards buildings (Net of advances made CY ₹0.78 crores PY ₹0.64 crores)	0.19	0.34
<b>Total</b>	<b>0.19</b>	<b>0.34</b>

#### 41. Operating lease

##### a) As lessor:

##### Leasing Arrangements:

The investment properties are leased to tenants under operating leases with rentals payable monthly.

Minimum lease payments receivable on leases of investment properties are as follows:

Particulars	As at 31-3-2023	As at 31-3-2022
Within one year	0.28	0.25
Between 1 and 2 years	0.29	0.19
Between 2 and 3 years	0.31	0.10
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
<b>Total</b>	<b>0.88</b>	<b>0.54</b>

##### b) As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 144 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### Accounting for Leases under Ind AS 116

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Gross carrying amount of Right-of-use assets -Opening	23.07	30.50
Depreciation charged for the Right-of-use assets	3.33	4.86
Interest expense on lease liability	0.58	1.12
The rental expense relating to short-term leases for which Ind AS 116 has not been applied	8.31	4.31
Additions to Right-of-use assets during the current year	0.66	0.50
Deletions to Right-of-use assets during the current year	10.35	7.93
Gross carrying amount of Right-of-use assets -Closing	13.38	23.07
Total cash outflow for leases for the year	4.39	6.18

### Lease liabilities

Particulars	As at 31-03-2023	As at 31-03-2022
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	0.68	1.03
Later than one year and not more than five years	4.81	10.28
More than five years	0.35	1.60
<b>Total undiscounted liabilities</b>	<b>5.84</b>	<b>12.91</b>
Lease liabilities		
Current	0.65	1.32
Non-current	4.59	10.00



#### 42. Additional Information

Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006 (as per information available with the Group):

Particulars	As at 31-03-2023	As at 31-03-2022
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; Principal amount Interest due thereon	105.66 -	67.14 -
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



### 4.3. Segment Reporting

The Group is engaged in selling various building products to Retail and Channel & Enterprise segments. The group identifies these business segments as the primary segment as per Ind AS 108 – Operating Segments, which is regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments. The group does not have any material operations outside India and hence disclosure of geographic segments is not applicable.

Particulars	As at / For the Year ended 31-03-2023		As at / For the Year ended 31-03-2022	
	Retail	Channel & Enterprise*	Retail	Channel & Enterprise*
<b>Income</b>				
External Sale	2,235.71	1,794.01	1,408.09	1,010.31
<b>Segment Revenue</b>	<b>2,235.71</b>	<b>1,794.01</b>	<b>1,408.09</b>	<b>1,010.31</b>
<b>Segment Result</b>	<b>124.29</b>	<b>19.62</b>	<b>88.77</b>	<b>14.40</b>
<b>Other Unallocated Items</b>				
Finance Cost			24.25	24.37
Unallocable Corporate Expenses (Net)			35.29	32.74
<b>Profit before tax</b>			<b>84.37</b>	<b>46.06</b>
<b>OTHER INFORMATION</b>				
Segment assets	487.84	460.47	360.86	372.31
Unallocated assets				
<b>Total Assets</b>			948.31	733.17
Segment Liabilities	76.93	443.36	71.01	307.61
Unallocated liabilities				
<b>Total Liabilities</b>			1,291.75	<b>1,040.78</b>
Capital Expenditure			520.29	318.69
Depreciation			128.37	166.13
Non-cash expenses other than depreciation (CY ₹23,709)			<b>648.66</b>	<b>484.82</b>
			41.39	20.96
			16.34	17.24
			0.00	4.69





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

\*Revenue from Channel &amp; Enterprise segment are as follows:

Particulars of segment	For the Year ended 31-03-2023		For the Year ended 31-03-2022	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Channel	1,036.79	-	505.33	-
Enterprise	757.22	-	504.98	-
<b>Total</b>	<b>1,794.01</b>	<b>-</b>	<b>1,010.31</b>	<b>-</b>

There were no customers the revenue derived from whom exceeded 10% or more of the entity's total revenue.

**44. Assets hypothecated as security**

The carrying amounts of assets hypothecated as security for current and non-current borrowings are:

Particulars	Note No	As at 31-03-2023	As at 31-03-2022
<b>Current Assets</b>			
<b>A) Financial assets</b>			
(i) First and Second Charge			
- Trade Receivables	13	511.06	354.00
(ii) Floating Charge			
<b>B) Non Financial assets</b>			
(i) First and Second Charge			
- Inventories (net off goods-in-transit)	12	421.10	370.86
(ii) Floating Charge			
<b>Total current assets hypothecated as security</b>		<b>932.16</b>	<b>724.86</b>
<b>Non-Current Assets</b>			
<b>A) Financial assets</b>			
(i) First and Second Charge			
- Trade Receivables	8	2.90	3.17
(ii) Floating Charge			
<b>B) Non Financial assets</b>			
(i) First Charge			
- Vehicles and other movable assets	4	1.42	0.42
- Land and Building	4	39.58	36.88
- Plant and Equipment	4	43.40	47.10
(ii) Floating Charge			
<b>Total non-current assets hypothecated as security</b>		<b>87.30</b>	<b>87.57</b>
<b>Total assets hypothecated as security</b>		<b>1,019.46</b>	<b>812.43</b>



## 45. Employee benefits

### a) Defined contribution plans

Contribution to Defined contribution plans, recognised as an expense for the year is as under:

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Employer's Contribution to Provident Fund (includes pension fund)	2.70	2.40
Employer's Contribution to Employees' State Insurance	0.25	0.27

### b) Defined benefit plan

#### (i) Gratuity

The Group has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at last 15 days salary for each completed year of service, subject to a maximum of ₹20 lacs per employee. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31-03-2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.



## Gratuity (Funded)

Particulars	As at 31-3-2023	As at 31-3-2022
<b>Liability recognized in the Balance Sheet</b>		
Present value of defined benefit obligation		
Opening Balance	7.86	7.56
Current Service Cost	0.78	0.74
Past Service Cost	-	-
Interest Cost	0.52	0.47
Actuarial Loss/(Gain) on obligation	(0.40)	(0.23)
Transfer In/(Out)	-	-
Benefits paid	(0.72)	(0.68)
<b>Closing Balance</b>	<b>8.04</b>	<b>7.86</b>
<b>Less: Fair Value of Plan Assets</b>		
Opening Balance	7.35	7.52
Expected Return on Plan assets less loss on investments	0.47	0.45
Actuarial (Loss)/Gain on Plan Assets	(0.20)	(0.19)
Employers' Contribution	0.59	0.25
Benefits paid	(0.72)	(0.68)
Transfer In/(Out)	-	-
<b>Closing Balance</b>	<b>7.49</b>	<b>7.35</b>
<b>Amount recognized in Balance Sheet (refer note no 17 and 30)*</b>	<b>0.55</b>	<b>0.51</b>



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

Particulars	As at 31-3-2023	As at 31-3-2022
<b>Expenses during the year</b>		
Current Service cost	0.78	0.74
Past Service cost	-	-
Interest cost	0.52	0.47
Expected Return on Plan assets	(0.47)	(0.45)
<b>Component of defined benefit cost recognized in statement of profit &amp; loss (refer note no 35)</b>	<b>0.83</b>	<b>0.76</b>
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(0.40)	(0.23)
- Actuarial Loss/(Gain) on Plan Assets	0.20	(0.19)
<b>Component of defined benefit cost recognized in other comprehensive income</b>	<b>(0.20)</b>	<b>(0.04)</b>
<b>Total</b>		
<b>Actual Return on plan assets</b>	0.27	0.26
<b>Break up of Plan Assets:</b>		
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	100%	100%
Of which, Traditional/ Non-Unit Linked	-	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

\* Current year balance is net off ₹0.02 crores paid in advance by two subsidiary companies. (Previous year balance is net off ₹0.05 crores paid in advance by two subsidiary companies)

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

**Principal actuarial assumptions**

Particulars	As at 31-03-2023	As at 31-03-2022
Discount Rate	7.20%	6.5% - 6.9%
Expected rate (s) of salary increase	7.00%	7.00%
Expected return on plan assets	6.5% - 6.9%	6.2% - 6.5%
Attrition rate	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## Experience adjustments

Particulars	31-03-2023	31-03-2022	31-03-2021	31-03-2020	31-03-2019
Defined Benefit Obligation	8.04	7.86	7.56	7.98	6.83
Plan Assets	7.49	7.35	7.53	6.23	5.15
Surplus / (Deficit)	(0.55)	(0.51)	(0.04)	(1.75)	(1.69)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	(0.07)	0.15	0.33	(0.27)	(0.49)
Experience Adjustments on Plan Assets – (Loss)/Gain	(0.19)	(0.18)	0.09	0.34	0.05

The Group expects to contribute ₹0.57 crores (previous year ₹0.56 crores ) to its gratuity plan for the next year.

In assessing the Group's post retirement liabilities, the Group monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2012-14) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Effective 29-03-2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to ₹20 lacs from ₹10 lacs. Accordingly the amended and improved benefits, if any, are recognised as current year's expense as required under paragraph 103, Ind AS 19.

**Sensitivity Analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Impact on Defined benefit obligation			
	As at 31-3-2023		As at 31-03-2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)	-	0.44	-	0.49
Discount rate (1% decrease)	0.52	-	0.54	-
Future salary growth (1% increase)	0.52	-	0.54	-
Future salary growth (1% decrease)	-	0.47	-	0.49
Attrition rate (1% increase) (CY Increase- ₹5,000 , Decrease - ₹41,000)	0.00	0.00	-	0.02
Attrition rate (1% decrease)(CY Increase- ₹36,000, Decrease - ₹5,000)	0.00	0.00	0.03	-



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 6 years (31-03-2022 - 6 years) as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The expected maturity analysis of the benefit payments of gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
<b>31-03-2023</b>					
Defined benefit obligation (Gratuity)	1.03	0.93	3.40	5.59	10.95
<b>Total</b>	<b>1.03</b>	<b>0.93</b>	<b>3.40</b>	<b>5.59</b>	<b>10.95</b>
<b>31-03-2022</b>					
Defined benefit obligation (Gratuity)	0.99	1.06	3.16	5.48	10.69
<b>Total</b>	<b>0.99</b>	<b>1.06</b>	<b>3.16</b>	<b>5.48</b>	<b>10.69</b>

The Group had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets or own funds. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



#### 46. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

##### Disaggregated revenue information

##### A Type of goods and service

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(a) Sale of products	3,912.50	2,281.22
(b) Sale of Manufactured products	109.46	127.99
(c) Other operating revenues	7.76	9.19
Total Operating Revenue	4,029.72	2,418.40
In India	4,029.72	2,418.40
Outside India	-	-

##### B. Timing of revenue recognition

Particulars	For the year ended 31-03-2023		For the year ended 31-03-2022	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	4,029.72	Nil	2,418.40	Nil

##### C. Contract Balances

Particulars	As at 31-03-2023	As at 31-03-2022
Contract Assets	-	-
Contract Liabilities	9.25	7.23

##### D. Revenue recognised in relation to contract liabilities

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Revenue recognised in relation to contract liabilities	7.23	6.97







## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## E. Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Revenue at contracted prices	4,029.72	2,418.40
Revenue from contract with customers	4,029.72	2,418.40
Difference	-	-

## F. Unsatisfied or partially satisfied performance obligation

Particulars	As at 31-3-2023	As at 31-3-2022
Unsatisfied or partially satisfied performance obligation	Nil	Nil

## 47. Related party disclosures

## A. Names of Related parties with whom transactions have taken place during the year/previous year and nature of relationship:

Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. C.Ravikumar (Whole-time Director)
	Mr. Alex Varghese (Chief Financial Officer)
	Ms. Ereena Vikram (Company Secretary)
Relatives of Key Managerial Personnel	Mr. Dhananjay Mirlay Srinivas Mrs. Parwathi Mirlay Srikanth
Enterprise in which Key Managerial Personnel have significant influence	Shankara Holdings Private Limited, Bengaluru.
Entities where control exist	Shankara Building Products Employees Gratuity Fund
	Taurus Value Steel & Pipes Private Limited Gratuity Fund
	Vishal Precision Steel Tubes and Strips Private Limited Gratuity fund

Transactions with Related Parties	For the year ended 31-03-2023	For the year ended 31-03-2022
<b>Amount contributed to</b>		
Shankara Building Products Employees Gratuity Fund	0.56	0.21
Taurus Value Steel & Pipes Private Limited- Gratuity Fund (CY ₹35000)	0.00	0.01
<b>Rent paid to</b>		
Managing Director	0.43	-
Relative of Key Managerial Personnel	0.03	-
<b>Advances granted to /(repaid by)</b>		
A Whole-time Director-Net	(0.02)	0.02
Chief Financial Officer-Net (PY ₹8,131)	(0.02)	(0.00)
<b>Dividend paid to</b>		
Key Managerial Personnel	1.17	-
Relatives of Key Managerial Personnel	0.02	-
Shankara Holdings Private Limited	0.02	-



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

Remuneration to Key Managerial Personnel (refer note 1 below)	For the year ended 31-03-2023	For the year ended 31-03-2022
<b>Short-term employee benefits</b>		
Managing Director	1.32	0.31
Whole-time director	0.62	0.58
Chief Financial Officer	0.36	0.33
Company Secretary	0.13	0.12
<b>Remuneration paid to a relative of a Key Managerial Personnel</b>	0.10	0.05

Balance Outstanding to/ from related parties	As at 31-03-2023	As at 31-03-2022
<b>Remuneration payable to Key Managerial Personnel</b>		
Managing Director	0.07	-
Whole-time director	0.03	0.03
Chief Financial Officer	0.02	0.01
Company Secretary	0.01	0.01
<b>Remuneration payable to a relative of a Key Managerial Personnel (CY-₹55300, PY-₹37400)</b>	0.01	0.00
<b>Guarantees furnished by Managing Director</b>	597.00	- 292.50

### Notes

As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

C. Amount due to/ from related parties	As at 31-03-2023	As at 31-03-2022
Due from Whole-time director (CY ₹14,412)	0.00	0.02
Due from Chief Financial Officer	0.01	0.03

#### Terms and Conditions

All outstanding credit balances are unsecured and are repayable in cash.

#### Guarantees furnished by the Managing Director

Personal guarantee has been furnished by the Managing Director of the holding company to the Group to avail working capital facilities from the lender banks.



## 48. DETAILS OF SUBSIDIARIES

Details of the Group's subsidiaries at the end of reporting period are as follows:

Name of the Subsidiary	Place of incorporation	Proportion of ownership		Principal activity
		31-03-2023	31-03-2022	
<b>Direct Subsidiary</b>				
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	India	100%	100%	Manufacturing of steel products
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	India	100%	100%	Manufacturing of steel products
Steel Network (Holdings) Pte Limited, Singapore	Singapore	100%	100%	Investment holding company
Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu	India	100%	100%	Manufacturing of roofing sheets

## 49. FINANCIAL INSTRUMENTS

### A. Capital Management

#### (1) Capital risk management

The Group's capital requirements are mainly to fund its expansion, working capital and strategic acquisitions. The principal source of funding of the group has been, and is expected to continue to be, cash generated from its operations supplemented by borrowings from bank and the funds from capital markets. The Group is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce finance cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	Note no	As at 31-03-2023	As at 31-03-2022
Long term borrowings	20	26.85	35.55
Current maturities of long-term debt	25	8.70	9.18
Short term borrowings	25	47.05	76.86
Less: Cash and cash equivalents	14	(5.87)	(2.48)
Net Debt (A)		76.73	119.11
Total Equity (B)	18,19	643.09	555.96
Gearing Ratio (A / B)		0.12	0.21

(i) Equity includes all capital and reserves of the Group that are managed as capital.

(ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 20 and 25



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### (2) Dividend

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
<b>Equity Shares</b>		
(i) Dividend not recognised at the end of the previous reporting period	-	-
(ii) Final Dividend for the year ended March 31,2022 of ₹1.00 per fully paid equity share	2.29	-

### B. Categories of financial instruments

Particulars	Note no	As at 31-03-2023		As at 31-03-2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>					
<b>Measured at amortised cost</b>					
Loans	9	0.06	0.06	0.06	0.06
Other financial assets	10, 16	11.81	11.81	10.35	10.35
Trade receivables	8, 13	513.96	513.96	357.17	357.17
Cash and cash equivalents	14	5.87	5.87	2.48	2.48
Bank balances other than cash and cash equivalents	15	6.04	6.04	4.37	4.37
<b>Total financial assets at amortised cost (A)</b>		<b>537.74</b>	<b>537.74</b>	<b>374.43</b>	<b>374.43</b>
<b>Measured at fair value through other comprehensive income (B)</b>		-	-	-	-
<b>Measured at fair value through profit and loss</b>					
Derivative asset not designated as hedges					
Foreign exchange forward contracts		-	-	-	-
<b>Measured at fair value through profit and loss (C)</b>		-	-	-	-
<b>Total financial assets (A+B+C)</b>		<b>537.74</b>	<b>537.74</b>	<b>374.43</b>	<b>374.43</b>
Particulars	Note no	As at 31-03-2023		As at 31-03-2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
Long term Borrowings *	20, 25	35.55	35.55	44.73	44.73
Short term Borrowings**	25	47.05	47.05	76.86	76.86
Trade payables	27	520.29	520.29	318.69	318.69
Lease Liabilities	21, 26	5.24	5.24	11.32	11.32
Other financial liabilities	22, 28	11.48	11.48	9.59	9.59
<b>Total financial liabilities carried at amortised cost (A)</b>		<b>619.61</b>	<b>619.61</b>	<b>461.19</b>	<b>461.19</b>
<b>Total financial liabilities measured at fair value through other comprehensive income (B)</b>		-	-	-	-
<b>Total financial liabilities measured at fair value through profit and loss (C)</b>		-	-	-	-
<b>Total financial liabilities (A+B+C)</b>		<b>619.61</b>	<b>619.61</b>	<b>461.19</b>	<b>461.19</b>

\* including current maturities of long-term debt

\*\* excluding current maturities of long-term debt



### C. Financial risk management

The Group has an Audit & Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk and
- Liquidity risk

#### (1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

#### (i) Currency Risk

##### Exposure to currency risk

Particulars	As at 31-03-2023		As at 31-03-2022	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised liabilities	-	-	-	-
Forward exchange contracts	-	-	-	-
<b>Net Exposure</b>	-	-	-	-

#### Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

#### (ii) Commodity price risk

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the group earns from the sale of its steel products.

The Group purchases the steel and other building products in the open market from third parties as well as from subsidiaries at prevailing market price. The Group is therefore subject to fluctuations in the prices of steel coil, steel pipes, sanitary wares etc.

The Group aims to sell the products at prevailing market prices. Similarly the Group procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### Inventory Sensitivity Analysis (Raw materials, Finished goods & Stock-in-trade)

A reasonably possible changes of 1% in prices of inventory at the reporting date, would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
1% increase in prices of Inventory	(4.20)	(3.67)	(3.14)	(2.75)
1% decrease in prices of Inventory	4.20	3.67	3.14	2.75

### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk since funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the group are principally denominated in rupees. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Group's fixed and floating rate borrowings:

Particulars	As at 31-03-2023	As at 31-03-2022
Fixed rate borrowings	1.06	44.73
Floating rate borrowings	81.54	76.86
<b>Total borrowings</b>	<b>82.60</b>	<b>121.59</b>
Total Net borrowings as per Financial Statements	82.60	121.59
Add: Upfront fees	-	-
<b>Total borrowings</b>	<b>82.60</b>	<b>121.59</b>

### Sensitivity analysis for variable-rate instruments

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit or loss		Impact on Equity, net of tax	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
100 basis points increase in interest rates	(0.82)	(0.77)	(0.61)	(0.58)
100 basis points decrease in interest rates	0.82	0.77	0.61	0.58

### (2) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Group's credit risk arises principally from the trade receivables and advances.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## Trade receivables

Customer credit risk is managed centrally by each entity in the Group and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

## Year ended 31-03-2023

## Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	421.53	72.60	10.64	2.70	4.10	9.10	520.67
Expected credit losses (Loss allowance provision) trade receivables	-	-	(0.26)	(0.65)	(1.25)	(4.55)	(6.71)
Carrying amount of trade receivables (net of impairment)	<b>421.53</b>	<b>72.60</b>	<b>10.38</b>	<b>2.05</b>	<b>2.85</b>	<b>4.55</b>	<b>513.96</b>

## Year ended 31-03-2022

## Expected Credit loss for Trade receivables

Ageing	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	286.38	37.18	8.07	10.93	15.22	10.75	368.53
Expected credit losses (Loss allowance provision) trade receivables	-	(0.03)	(0.22)	(2.59)	(3.13)	(5.39)	(11.36)
Carrying amount of trade receivables (net of impairment)	<b>286.38</b>	<b>37.15</b>	<b>7.85</b>	<b>8.34</b>	<b>12.09</b>	<b>5.36</b>	<b>357.17</b>

## (3) Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for strategic acquisitions. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and borrowings provide liquidity. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

## Financing arrangements

Particulars	As at 31-03-2023	As at 31-03-2022
Floating Rate		
- Expiring within one year	156.80	66.69
- Expiring beyond one year	-	-
	<b>156.80</b>	<b>66.69</b>





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

With respect to floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

### Liquidity exposure as at 31-03-2023

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	9	-	0.06	-	0.06
Other financial assets	10, 16	1.38	10.28	0.15	11.81
Trade receivables	8, 13	511.06	2.90	-	513.96
Cash and cash equivalents	14	5.87	-	-	5.87
Bank balances other than cash and cash equivalents	15	6.04	-	-	6.04
<b>Total financial assets</b>		<b>524.35</b>	<b>13.24</b>	<b>0.15</b>	<b>537.74</b>
<b>Financial liabilities</b>					
Long term Borrowings *	20, 25	8.70	26.85	-	35.55
Short term Borrowings**	25	47.05	-	-	47.05
Trade payables	27	520.29	-	-	520.29
Lease Liabilities	21, 26	0.65	4.59	-	5.24
Other financial liabilities	22, 28	11.36	0.12	-	11.48
<b>Total financial liabilities</b>		<b>588.05</b>	<b>31.56</b>	<b>-</b>	<b>619.61</b>

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

### Liquidity exposure as at 31-03-2022

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	9	-	0.06	-	0.06
Other financial assets	10, 16	0.79	9.41	0.15	10.35
Trade receivables	8, 13	354.00	3.17	-	357.17
Cash and cash equivalents	14	2.48	-	-	2.48
Bank balances other than cash and cash equivalents	15	4.37	-	-	4.37
<b>Total financial assets</b>		<b>361.64</b>	<b>12.64</b>	<b>0.15</b>	<b>374.43</b>
<b>Financial liabilities</b>					
Long term Borrowings *	20, 25	9.18	35.55	-	44.73
Short term Borrowings**	25	76.86	-	-	76.86
Trade payables	27	318.69	-	-	318.69
Lease Liabilities	21, 26	1.32	10.00	-	11.32
Other financial liabilities	22, 28	9.48	0.11	-	9.59
<b>Total financial liabilities</b>		<b>415.53</b>	<b>45.66</b>	<b>-</b>	<b>461.19</b>

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

### Collateral

The Group has hypothecated part of its financial assets in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is an obligation to return the securities to the Group once these banking facilities are surrendered. (refer note no 20, 25 and 44)



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

## D. Level wise disclosure of financial instruments

Particulars	Note no	As at 31-03-2023			As at 31-03-2022		
		Carrying Value	Fair Value		Carrying Value	Fair Value	
			Level 1	Level 2		Level 3	Level 1
<b>Financial assets</b>							
Loans	9	0.06	-	-	0.06	-	-
Other financial assets	10, 16	11.81	-	6.50	10.35	-	7.72
Trade receivables	8,13	513.96	-	-	357.17	-	-
Cash and cash equivalents	14	5.87	-	-	2.48	-	-
Bank balances other than cash and cash equivalents	15	6.04	-	-	4.37	-	-
<b>Total financial assets</b>		<b>537.74</b>	-	<b>6.50</b>	<b>374.33</b>	-	<b>7.72</b>
<b>Financial liabilities</b>							
Long term Borrowings *	20, 25	35.55	-	-	44.73	-	-
Short term Borrowings**	25	47.05	-	-	76.86	-	-
Trade payables	27	520.29	-	-	318.69	-	-
Lease Liabilities	21, 26	5.24	-	-	11.32	-	-
Other financial liabilities	22, 28	11.48	-	-	9.59	-	-
<b>Total financial liabilities</b>		<b>619.61</b>	-	-	<b>461.19</b>	-	-

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

The carrying amounts of short-term borrowings, trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.

**50. Corporate social responsibility**

a) Gross amount required to be spent by the Group during the year - ₹0.90 crores (Previous year: ₹0.89 crores)

b) Amount spent during the year:

**Year ended 31-03-2023**

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	0.90	0.91	-	-

**Year ended 31-03-2022**

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	0.89	1.58	-	0.69
Amount paid is included under Other expenses (refer note no 37)				

The above aggregated CSR expenditure disclosed are relating to the group.

**Nature of CSR Activities** - Healthcare infrastructure, education, environment sustainability, rehabilitating abandoned women and children.

**51. Previous year figures**

The previous year figures has been regrouped / rearranged wherever necessary to conform to the current period's presentation.

**52.** No proceedings have been initiated or pending against the Group for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made there under.

**53.** The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

**54.** The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

55. The Group has not operated in any crypto currency or Virtual Currency transactions

56. There are no transactions with the Companies whose name are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31-03-2023.

57. During the year the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

58. The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

59. No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013

60. The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments

### 61. Events occurring after the Balance Sheet date

The Board of the Holding Company has recommended a final dividend of ₹2.5/- (Rupees Two and Fifty Paise only) per equity share (face value of ₹10/- each) for the financial year ended 31-03-2023 aggregating to ₹5.71 crores subject to the approval of shareholders in the ensuing Annual General Meeting.

### 62. Ratios as per the Schedule III requirements

#### A. Current ratio=Current asset / Current liability.

Particulars	As at 31-3-2023	As at 31-3-2022
Current assets	990.66	766.32
Current Liabilities	608.31	432.32
<b>Ratio (times)</b>	<b>1.63</b>	<b>1.77</b>
<b>% change from previous year</b>	<b>(7.91)</b>	

Reason for change more than 25%: Not applicable

#### B. Net Debt-Equity Ratio =Net debt / total equity

Particulars	As at 31-3-2023	As at 31-3-2022
Net Debt (refer note (i) below)	76.73	119.11
Equity	643.09	555.96
<b>Ratio (times)</b>	<b>0.12</b>	<b>0.21</b>
<b>% change from previous year</b>	<b>(42.86)</b>	

#### Note

(i) Net debt = Long term borrowings + Short term borrowings - Cash and cash equivalents

Reason for change more than 25%: Reflects better operational performance



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

**C. Debt service coverage ratio= Earnings available for debt service / Interest expense and principal repayment of long term loan made during the year.**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Earnings available for debt services (refer note (i) below)	124.96	87.67
Interest + Principal Repayments of long term loans made during the period excluding prepayment	33.80	24.68
<b>Ratio (times)</b>	<b>3.70</b>	<b>3.55</b>
<b>% change from previous year</b>	<b>4.23</b>	

### Note

(i) Earnings available for debt service = Earnings before interest, tax, exceptional items, depreciation and amortisation.

Reason for change more than 25%: Not applicable

**D. Return on equity ratio= Net profit after tax / average equity**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Net profit after tax	63.05	34.32
Average shareholders equity (refer note (i) below)	599.53	538.81
<b>Ratios (percentage)</b>	<b>10.52%</b>	<b>6.37%</b>
<b>% change from previous year</b>	<b>65.15</b>	

### Note

(i) Average shareholders equity = (Total equity as at beginning of respective year + total equity as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

**E. Inventory turnover ratio= Cost of goods sold / average inventory**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Cost of goods sold (refer note (i) below)	3,805.70	2,244.40
Average inventory (refer note (ii) below)	393.69	339.04
<b>Ratio (times)</b>	<b>9.67</b>	<b>6.62</b>
<b>% change from previous year</b>	<b>46.07</b>	

### Note

(i) Cost of goods sold of respective year = Cost materials consumed + purchases + Changes in inventory

(ii) Average inventory = (Total inventory less Stores and Spares as at beginning of respective year + Total inventory less stores and spares as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

**F. Trade receivables turnover ratio = Sales / Average trade receivables**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Turnover (refer note (i) below)	4,755.07	2,853.71
Average trade receivables (refer note (ii) below)	435.57	328.03
<b>Ratio (times)</b>	<b>10.92</b>	<b>8.70</b>
<b>% change from previous year</b>	<b>25.52</b>	

**Note**

(i) Turnover = Revenue from operations (including GST)

(ii) Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

**G. Trade payables turnover ratio = Purchases / Average trade payables**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Purchases (Including GST)	3,858.56	2,405.43
Average trade payables (refer note (i) below)	419.49	262.12
<b>Ratio(times)</b>	<b>9.20</b>	<b>9.18</b>
<b>% change from previous year</b>	<b>0.22</b>	

**Note**

(i) Average trade payables = (Total Trade Payables as at beginning of respective year + Total Trade Payables as at end of respective year) divided by 2

Reason for change more than 25%: Not applicable

**H. Net capital turnover ratio = Revenue from operations / Working capital**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Revenue from operations	4,029.72	2,418.40
Working capital	382.35	334.00
<b>Ratios (times)</b>	<b>10.54</b>	<b>7.24</b>
<b>% change from previous year</b>	<b>45.58</b>	

**Note**

Working capital = Current assets - Current liabilities

Reason for change more than 25%: Reflects better operational performance



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### I. Net profit ratio = Net profit after tax / Revenue from operations

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Net profit after tax	63.05	34.32
Revenue from operations	4,029.72	2,418.40
<b>Ratios (percentage)</b>	<b>1.56%</b>	<b>1.42%</b>
<b>% change from previous year</b>	<b>9.86</b>	

Reason for change more than 25%: Not applicable

### J. Return on Capital employed = Earnings before interest and taxes (EBIT) / Capital employed

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
EBIT (refer note (i) below)	108.62	70.43
Capital employed (refer note (ii) below)	719.82	675.06
<b>Ratios (percentage)</b>	<b>15.09%</b>	<b>10.43%</b>
<b>% change from previous year</b>	<b>44.68</b>	

#### Note

(i) EBIT = Profit before taxes + finance cost

(ii) Capital employed = Total equity + Long term borrowings + Short term borrowings - Cash and cash equivalents

Reason for change more than 25%: Reflects better operational performance

### K. Return on investment = Income generated from investments / average investments

No investment was made by the Group. Hence this ratio is not applicable.



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## 63. Additional information, as required under Schedule III to the Companies Act, 2013

Name of the entity	2022-23							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated Profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent:</b>								
Shankara Building Products Limited, Bengaluru	71.22%	458.04	90.43%	57.02	83.33%	0.10	90.42%	57.12
<b>Subsidiaries- Indian :</b>								
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	16.13%	103.76	0.92%	0.58	66.67%	0.08	1.05%	0.66
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	11.33%	72.85	2.70%	1.70	100.00%	0.12	2.88%	1.82
Centurywells Roofing India Private Limited, Kancheepuram	5.11%	32.83	5.93%	3.74	75.00%	0.09	6.06%	3.83
<b>Subsidiary- Foreign:</b>								
Steel Network (Holdings) Pte Limited, Singapore	0.00%	(0.00)	(0.11%)	(0.07)	(16.67%)	(0.02)	(0.14%)	(0.09)
<b>Inter-company elimination &amp; consolidation adjustments</b>	(3.79%)	(24.39)	0.13%	0.08	(208.33%)	(0.25)	(0.27%)	(0.17)
<b>Total</b>	<b>100.00%</b>	<b>643.09</b>	<b>100.00%</b>	<b>63.05</b>	<b>100.00%</b>	<b>0.12</b>	<b>100.00%</b>	<b>63.17</b>



## Additional information, as required under Schedule III to the Companies Act, 2013 - Continued

Name of the entity	2021-22							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated Profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent:</b>								
Shankara Building Products Limited, Bengaluru	67.80%	376.96	79.39%	27.24	(200.00%)	0.06	79.62%	27.30
<b>Subsidiaries- Indian:</b>								
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	18.54%	103.10	6.38%	2.19	0.00%	(0.00)	6.39%	2.19
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	12.78%	71.03	7.54%	2.59	133.33%	(0.04)	7.44%	2.55
Centurywells Roofing India Private Limited, Kancheepuram	5.22%	29.00	6.28%	2.16	33.34%	(0.01)	6.27%	2.15
<b>Subsidiary- Foreign:</b>								
Steel Network (Holdings) Pte Limited, Singapore	0.01%	0.06	(0.20%)	(0.07)	200.00%	(0.06)	(0.38%)	(0.13)
		-		-		-		-
		-		-		-		-
		-		-		-		-
<b>Inter-company elimination &amp; consolidation adjustments</b>	(4.35%)	(24.19)	0.61%	0.21	(66.67%)	0.02	0.66%	0.23
<b>Total</b>	<b>100.00%</b>	<b>555.96</b>	<b>100.00%</b>	<b>34.32</b>	<b>100.00%</b>	<b>(0.03)</b>	<b>100.00%</b>	<b>34.29</b>



As per our report attached of even date

**For SUNDARAM & SRINIVASAN**

Chartered Accountants  
ICAI Firm Reg.No: 004207S

**Srinivasan K**  
Partner  
Membership No: 209120

Place: Bengaluru  
Date: 11th May 2023

For and on behalf of the Board of Directors

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**C. Ravikumar**  
Whole-time Director  
DIN: 01247347

**Alex Varghese**  
Chief Financial Officer

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459

Place: Bengaluru  
Date: 11th May 2023





**STANDALONE AUDIT REPORT  
AND FINANCIALS 2022 - 2023**





**To the Members of Shankara  
Building Products Limited,  
Bengaluru - 560001.**

## **Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the Standalone Ind AS financial statements of Shankara Building Products Limited, Bengaluru (“the Company”), which comprise the standalone balance sheet as at March 31, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Standalone Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the

state of affairs of the Company, as at March 31, 2023, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p><b><u>INVENTORY EXISTENCE AND VALUATION</u></b></p> <p>Inventory is held in various locations by the Company. There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse &amp; numerous inventory products, multiple storage locations and price fluctuations of products. Hence, inventory quantities and valuation is identified as a key audit Matter.</p>	<p><b>We have performed the following procedures:</b></p> <ul style="list-style-type: none"> <li>• We have attended inventory counts at certain locations, which we selected based on financial significance and risk, observed management’s inventory count procedures to assess the effectiveness, selected a sample of inventory products and compared the quantities counted to the quantities recorded and ensured inventory adjustments, if any, are recorded in the books of accounts.</li> <li>• Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.</li> </ul>



Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"><li>• we assessed whether the management's controls relating to inventory's valuation are appropriately designed and implemented. Verification of the correctness of valuation made by the management on a sample basis, with regard to the cost and net realizable value of inventory.</li></ul>

We confirm the adequacy of disclosures made in the Financial Statements.

### Information Other than the Standalone Ind AS financial statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This

responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause

the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best





of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flows statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the remuneration paid / provided during the year to directors is in accordance with the provisions of section 197 read with Schedule V to the Act.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Standalone Ind AS financial statements - refer note 39 to the Standalone Ind AS financial statements;

ii. the Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts (refer note no. 53.), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note no. 54 to financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management under sub-clause (a) and (b) above, contain any material misstatement.

v. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with the Section 123 of the Companies Act, 2013 to the extent it applies to payment of Dividend. The Board has not declared interim dividend during the year. However, the Board at its meeting held today ie. May 11, 2023 has recommended a final dividend of ₹2.5 /- per equity share (face value of ₹10/- each) which is subject to the approval of the shareholders in the ensuing Annual General



Meeting. The dividend declared is in accordance with the provisions of the section 123 of the Act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a

feature of recording audit trail (edit log) facility is applicable to the company with effect from 1st April ,2023 , and accordingly , reporting under Rule 11 (g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31,2023.

**For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration No. 004207S**

**Place: Bengaluru  
Date : 11th May 2023**

**Srinivasan K  
Partner  
Membership No. 209120  
UDIN: 23209120BGSIMY2200**



**ANNEXURE - 1** referred to in our report under “Report on Other Legal and Regulatory requirements Para 1” of even date on the accounts for the year ended March 31, 2023

(i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Based on our verification of the registered sale deed provided to us, we report that, the title deeds of all immovable properties of the Company (included under Property, Plant and Equipment and Investment Property) are held in the name of the company as at the balance sheet date. In respect of title deeds hypothecated with a Bank, which were not verified by us, we relied on the confirmation received from the bank in respect of the said title deeds.

(d) The company has not revalued its Property, Plant and Equipment (including Right-of-Use asset) or intangible assets or both during the year.

(e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The discrepancies between the physical stocks and the book stocks were not material (less than 10% in the aggregate for each class of inventory) and have been properly dealt with in the books of accounts.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Banks on the basis of security of current assets. The quarterly Returns filed by the Company with such Banks are in agreement with books of accounts of the Company.

(iii) During the year, the company has neither

made any investment nor granted loan nor has provided advances in the nature of loans or provided guarantee or security to companies (other than three wholly owned Indian subsidiaries), firms, Limited Liability Partnerships or any other entities. During the year the company has renewed guarantee furnished to the lender Banks of the three of its wholly owned Indian subsidiaries to avail working capital facilities.

(a) During the year the company has renewed guarantee furnished to the lender banks of the three of its wholly owned Indian subsidiaries to avail working capital facilities.

(A) Aggregate amount of guarantees renewed during the year is ₹90.75 crore (previous year - ₹90.75 Crore) and the balance as at the balance sheet date is ₹90.75 crore (previous year - ₹90.75 crore)

(B) The Company has not granted loan or provided advance or security or furnished guarantee to any party.

(b) The guarantees furnished are not prejudicial to the company's interest.

(c) As the company has not granted any loan and advances in the nature of loans, reporting under clause 3(iii) (c), (d), (e) and (f) of the Order are not applicable.

(iv) According to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Act with respect to loans, investments, guarantees and security, as applicable.

(v) The company has not accepted any deposit as mentioned in the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the clause (v) of paragraph 3 of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the company under sub-section (1) of section 148 of the Act.

(vii) (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax (including Tax Deducted at Source), Duty of Customs, Goods and Service Tax, Cess and other



statutory dues with the appropriate authorities wherever applicable. We have observed delays in remittances of ESI in respect of one branch in the first and third quarter of year 2022-23 and delay in remittances of PF in one branch in second quarter of year 2022-23.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Duty of Customs, Goods and Service Tax and Cess were in arrears, as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues outstanding with respect to value added tax on account of any dispute, is as follows:

Name of the statute: The Maharashtra Value Added Tax Act, 2002			
Financial year	Nature of dues	Amount (₹ in Crores)	Forum where the dispute is Pending
2012-2013	Value added tax*	0.76	Maharashtra Sales Tax Tribunal, Mumbai.

\* out of it, ₹0.15 crore has been remitted by the company under protest

(viii) According to the information and explanations furnished to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)(a) The company has neither defaulted in repayment of loans nor in payment of interest thereon to any lender.

(b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans availed by the company were utilized for the purpose for which it were obtained.

(d) The funds raised on short term basis have not been utilized for long term purposes.

(e) The company has not availed any funds from any entity or person on account of or to meet the obligations of its wholly owned subsidiaries. The company does not have a joint venture or an associate.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries. The company does not have a joint venture or an associate.

(x) (a) The Company has not raised money by way of initial public issue offer or further public offer (including debt instruments) and hence the

question of utilization of money raised by way of initial public offer does not arise.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. However, the Company on May 07, 2022 has allotted 14,00,000 warrants all carrying a right to subscribe to 1 equity share per warrant at a price of ₹750 per share (including a premium of ₹740 per share). This aggregate to ₹105 crores. The warrant however has a time limit of 18 months from May 07, 2022 to convert the warrants in to equity shares. The time limit expires on November 06, 2023. The company has utilized the sum of ₹26.25 crores (ie 25% of the issue price) towards the objects as stated in the Explanatory statement issued under section 102 of the Companies Act, 2013 to the Notice of Extra-Ordinary General Meeting for preferential allotment of warrants.

(xi)(a) Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the year.

(b) In view of what is stated in point no. xi (a) above, no report under sub-section 12 of section 143 of Companies Act, 2013 has been filed in Form ADT-4 during the year.

(c) According to information furnished to us, the



company has not received any whistle-blower complaints during the year.

(xii) The Company is not a Nidhi Company. Therefore, paragraph 3 (xii) of the Order is not applicable to the Company

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in note no 47 to the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

(b) The internal audit reports of the Company issued for the period under audit have been considered by us.

(xv) According to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Act.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, the provisions of clause 3 [xvi(a) and (b) ] are not applicable to the company.

(b) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence provisions of clause 3 [xvi (c) ] is not applicable to the company

(c) In our opinion, there is no core investment company within the Group (including the company) (as defined in the Core Investment

Companies (Reserve Bank) Directions, 2016) and accordingly reporting under para 3(xvi)(d) of the Order is not applicable.

(xvii) The company has not incurred cash loss in the financial year as well as in the immediately preceding financial year.

(xviii) During the year, there has been no resignation of statutory auditors. Accordingly, reporting under this clause (xviii) is not applicable.

(xix) According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) (a) The company has spent the amount prescribed under section 135 of the Act before the year end. Hence the question of unspent CSR amount does not arise.

(b) The company did not spend any CSR amount in any ongoing project. Hence reporting under this clause does not arise.

(xxi) Based on the Companies (Auditor's Report) Order (CARO) report, issued by the auditors of the subsidiaries included in the consolidated financial statements, we report that there are no qualifications or adverse remarks in those audit reports.

**For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration. No. 004207S**

**Srinivasan K  
Partner**

**Membership Number : 209120  
UDIN: 23209120BGSIMY2200**

**Place: Bengaluru  
Date : 11th May 2023**



**ANNEXURE - 2** referred to in our report under "Report on Other Legal and Regulatory requirements Para 2 (f) " of even date on the accounts for the year ended March 31, 2023

## **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Shankara Building Products Limited, Bengaluru ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

### **Management's Responsibility for Internal Financial Controls with reference to Financial Statements**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements,

both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that;

- I. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts



and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Bengaluru  
Date : 11th May 2023

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at Mach 31, 2023, based on;

- i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.
- ii. continuous adherence to Company's policies.
- iii. existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made and cash and bank balances.
- iv. existing system to prevent and detect fraud and errors.
- v. accuracy and completeness of Company's accounting records; and
- vi. existing capacity to prepare timely and reliable financial information

**For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration. No. 004207S**

**Srinivasan K  
Partner  
Membership Number : 209120  
UDIN: 23209120BGSIMY2200**



## SEPARATE (i.e. STANDALONE) BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2023

(Rupees in Crores)

Particulars	Note No	As at 31-03-2023	As at 31-03-2022
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	178.79	149.33
(b) Capital work-in-progress	4 (a)	2.34	1.56
(c) Investment Property	5	11.20	11.24
(d) Right-of-use Asset	6, 41 (b)	3.00	7.12
(e) Intangible assets	7	-	-
(f) Intangible assets under development	8	1.33	-
(g) Financial Assets			
(i) Investments	9	38.70	38.85
(ii) Trade receivables	10	2.79	3.08
(iii) Loans	11	0.06	0.06
(iv) Other financial assets	12	7.97	7.08
(h) Other non-current assets	13	2.82	1.64
<b>Total Non-current assets</b>		<b>249.00</b>	<b>219.96</b>
<b>(2) Current assets</b>			
(a) Inventories	14	336.25	283.38
(b) Financial Assets			
(i) Trade receivables	15	500.02	335.25
(ii) Cash and cash equivalents	16	5.71	1.25
(iii) Bank balances other than (ii) above	17	1.84	0.84
(iv) Other financial assets	18	1.30	0.69
(c) Other current assets	19	17.39	9.59
<b>Total current assets</b>		<b>862.51</b>	<b>631.00</b>
<b>Total Assets</b>		<b>1,111.51</b>	<b>850.96</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	20	22.85	22.85
(b) Other Equity	21	435.19	354.11
<b>Total Equity</b>		<b>458.04</b>	<b>376.96</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	64.59	71.78
(ia) Lease Liabilities	23	3.46	8.31
(ii) Other financial liabilities	24	0.12	0.11
(b) Provisions	25	0.35	0.44
(c) Deferred tax liabilities (Net)	26 (c)	3.54	1.30
<b>Total Non-current liabilities</b>		<b>72.06</b>	<b>81.94</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	45.83	68.05
(ia) Lease Liabilities	28	0.52	0.84
(ii) Trade payables:-	29		
(A) total outstanding dues of micro enterprises and small enterprises ; and		105.66	67.14
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		402.96	234.02
(iii) Other financial liabilities	30	9.43	7.37
(b) Other current liabilities	31	11.20	11.21
(c) Provisions	32	0.71	0.66
(d) Current Tax Liabilities(Net)	26 (b)	5.10	2.77
<b>Total current liabilities</b>		<b>581.41</b>	<b>392.06</b>
<b>Total Equity and Liabilities</b>		<b>1,111.51</b>	<b>850.96</b>
Significant accounting policies	1 to 3		

### See accompanying notes to the standalone financial statements

As per our report attached of even date  
**For SUNDARAM & SRINIVASAN**  
 Chartered Accountants  
 ICAI Firm Reg.No: 0042075

**Srinivasan K**  
 Partner  
 Membership No: 209120  
 Place : Bengaluru  
 Date : 11th May 2023

### For and on behalf of the Board of Directors

**Sukumar Srinivas**  
 Managing Director  
 DIN: 01668064

**C.Ravikumar**  
 Whole-time Director  
 DIN: 01247347

**Alex Varghese**  
 Chief Financial Officer

**Ereena Vikram**  
 Company Secretary  
 ACS Membership No: 33459

Place : Bengaluru  
 Date : 11th May 2023





## SEPARATE (i.e STANDALONE) STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(Rupees in Crores)

Particulars	Note No.	For the Year ended 31-03-2023	For the Year ended 31-03-2022
<b>I Revenue From Operations</b>	33	4,036.22	2,328.75
<b>II Other Income</b>	34	7.31	2.40
<b>III Total Income (I+II)</b>		<b>4,043.53</b>	<b>2,331.15</b>
<b>IV Expenses</b>			
Purchases of Stock-in-Trade		3,901.63	2,239.63
Changes in inventories of Stock-in-Trade	34 (a)	(50.09)	(41.84)
Employee benefits expense	35	39.09	31.09
Finance costs	36	21.54	21.11
Depreciation and amortization expense	36 (a)	9.71	10.72
Other expenses	37	45.40	34.15
<b>Total expenses (IV)</b>		<b>3,967.28</b>	<b>2,294.86</b>
<b>V Profit before tax (III-IV)</b>		76.25	36.29
<b>VI Tax expense:</b>	26 (a)		
Current tax		16.92	8.11
Tax relating to earlier years		0.11	-
Deferred tax		2.20	0.94
		<b>19.23</b>	<b>9.05</b>
<b>VII Profit for the year (V-VI)</b>		<b>57.02</b>	<b>27.24</b>
<b>VIII Other Comprehensive Income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
(i) Re-measurements of the defined benefit plans	45 (b)	0.14	0.08
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.04)	(0.02)
<b>Total A</b>		<b>0.10</b>	<b>0.06</b>
<b>B Items that will be reclassified to profit or loss</b>			
(i) Effective portion of cash flow hedges		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total B</b>		<b>-</b>	<b>-</b>
<b>Total Other Comprehensive Income/(loss) (A+B)</b>		<b>0.10</b>	<b>0.06</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>57.12</b>	<b>27.30</b>
<b>X Earning per equity share: [Face value ₹10 per share]</b>	38		
(1) Basic (in ₹)		24.95	11.92
(2) Diluted (in ₹)		24.95	11.92
Significant accounting policies	1 to 3		

### See accompanying notes to the standalone financial statements

As per our report attached of even date  
**For SUNDARAM & SRINIVASAN**  
 Chartered Accountants  
 ICAI Firm Reg.No: 004207S

**Srinivasan K**  
 Partner  
 Membership No: 209120  
 Place : Bengaluru  
 Date : 11th May 2023

### For and on behalf of the Board of Directors

**Sukumar Srinivas**  
 Managing Director  
 DIN: 01668064

**C.Ravikumar**  
 Whole-time Director  
 DIN: 01247347

**Alex Varghese**  
 Chief Financial Officer

**Ereena Vikram**  
 Company Secretary  
 ACS Membership No: 33459

Place : Bengaluru  
 Date : 11th May 2023


**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(Rupees in Crores)

Particulars	Note No	For the Year ended 31-03-2023	For the Year ended 31-03-2022
<b>Cash flow from operating activities</b>			
Profit before tax		76.25	36.29
<b>Adjustments to reconcile profit before tax to net cash flow:</b>			
Depreciation and amortization expense	36(a)	9.71	10.72
Depreciation withdrawn on reclassification		-	0.17
Loss on sale of property, plant & equipment	37	0.06	0.06
Profit on sale of property, plant & equipment	34	(0.07)	(0.82)
Gain on termination of lease	34	(0.74)	(0.10)
Unwinding of interest income on rental deposits	34	(0.46)	(0.39)
Interest income	34	(0.23)	(0.10)
Interest expense on Borrowings	36	21.08	20.20
Fair valuation of financial guarantee (Expenses)	37	0.09	0.06
Fair valuation of financial guarantee (Income)	34	(0.09)	(0.06)
Interest on Lease liability	36	0.46	0.91
Bad Debts written off (CY ₹23,709)	37	0.00	4.69
Payables written back	34	(0.04)	(0.07)
Provision for doubtful debts no longer required written back	34	(5.00)	(0.30)
Provision for diminution in the value of Investments	37	0.06	0.20
<b>Operating profit before working capital changes</b>		<b>101.08</b>	<b>71.46</b>
Adjustments for :			
(Increase) / Decrease in inventories	14	(52.87)	(37.46)
(Increase) / Decrease in trade receivable		(159.48)	(59.41)
Decrease/ (Increase) in loans and other financial assets		(1.01)	0.45
Decrease/ (Increase) in other current assets		(7.80)	(2.48)
Decrease/ (Increase) in other non-current assets (PY-₹10,000/-)	13	0.12	(0.00)
(Decrease)/ Increase in trade payables		207.46	112.90
(Decrease)/ Increase in other financial liabilities		2.22	1.48
(Decrease)/ Increase in other current liabilities (CY ₹45,506)		(0.00)	0.80
(Decrease)/Increase in provisions		(0.40)	0.10
<b>Cash flow from/(used in) operations</b>		<b>89.32</b>	<b>87.84</b>
Income taxes paid		(14.11)	(7.59)
<b>Net cash flows from/(used in) operating activities (A)</b>		<b>75.21</b>	<b>80.25</b>
<b>Cash flow from investing activities</b>			
Consideration paid for purchase of property, plant & equipment (Including capital work-in-progress and capital advances)	4, 4a,13	(39.15)	(17.20)
Purchase of software (Including intangible assets under development)	7,8	(1.28)	(0.24)
Receipt of advances from a subsidiary (PY-₹14,941/-)		-	0.00
Proceeds from sale of property, plant & equipment	4,37,34	0.66	1.16
(Purchase)/proceeds from maturity of bank deposits		(1.00)	(0.04)
Interest receipt		0.20	0.13
<b>Net cash flows from/(used in) investing activities (B)</b>		<b>(40.57)</b>	<b>(16.19)</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023 CONTD.**

(Rupees in Crores)

Particulars	Note No	For the Year ended 31-03-2023	For the Year ended 31-03-2022
<b>Cash flow from financing activities</b>			
Money received against Share warrants		26.25	-
Principal element of lease payments		(2.98)	(4.35)
Interest on Lease liability	36	(0.46)	(0.91)
Proceeds from term loans		0.95	6.55
Repayment of term loans		(7.53)	(1.36)
Repayment of term loan to a subsidiary		(0.24)	(0.02)
Current Borrowings availed/ (repaid)		(22.59)	(44.12)
Interest paid		(21.29)	(20.37)
Unclaimed dividend - Transfer in/(out) (CY ₹28,757)		0.00	-
Dividends paid	48 (A)(2)	(2.29)	-
<b>Net cash flows from/(used in) financing activities (C)</b>		<b>(30.18)</b>	<b>(64.58)</b>
<b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b>		<b>4.46</b>	<b>(0.52)</b>
<b>Cash and cash equivalents - at the beginning of the year</b>		<b>1.25</b>	<b>1.77</b>
Cash and cash equivalents - at the end of the year		<b>5.71</b>	<b>1.25</b>
<b>Non cash financing and investing activities</b>			
- Acquisition of Right-of-use assets	6	<b>0.65</b>	<b>0.49</b>
Note: Cash and Cash equivalents in the Cash Flow Statement comprise of the following :-			
<b>i) Cash on Hand</b>	16	0.52	1.12
<b>ii) Balance with Banks :</b>			
- In Current Account		5.19	0.13
		<b>5.71</b>	<b>1.25</b>
<b>Significant accounting policies</b>	1 to 3		

See accompanying notes to the standalone financial statements

The above Statement of Cash Flow has been prepared under the Indirect method as set out in Ind AS -7.

As per our report attached of even date

**For SUNDARAM & SRINIVASAN**  
Chartered Accountants  
ICAI Firm Reg.No: 004207S

**Srinivasan K**  
Partner  
Membership No: 209120

Place : Bengaluru  
Date : 11th May 2023

**For and on behalf of the Board of Directors**

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Alex Varghese**  
Chief Financial Officer

**C.Ravikumar**  
Whole-time Director  
DIN: 01247347

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru  
Date : 11th May 2023



(Rupees in Crores)

SEPARATE (i.e STANDALONE) STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

A. Equity Share Capital

(1) Year ended 31st March 2023 (refer note no 20)

Balance at the beginning i.e. 01 <sup>st</sup> April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end i.e. 31st March 2023
22.85	-	22.85	-	22.85

(2) Year ended 31st March 2022 (refer note no 20)

Balance at the beginning i.e. 01 <sup>st</sup> April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end i.e. 31st March 2022
22.85	-	22.85	-	22.85

B. Other Equity (refer note no 21)

(1) Year ended 31st March 2023

Particulars	Note No	Reserve and Surplus				Retained Earnings	Other Items of other comprehensive income	Money received against Share warrants *	Total		
		Capital Reserve	Securities Premium	General Reserve	Surplus in Statement of Profit and Loss					Defined benefit plan	Remeasurements of Net defined benefit Liability / Asset
Balance at the beginning i.e. 01st April 2022		0.19	111.28	1.24	241.51	(0.11)	0.00		354.11		
Profit for the year					57.02				57.02		
Other comprehensive income for the year, net of income tax					-		0.10		0.10		
Dividend Paid	48 (A)(2)				(2.29)		(0.10)		(2.29)		
Transfer to retained earnings						0.10			-		
Money received against Share warrants								26.25	26.25		
<b>Balance at the end i.e. 31st March 2023</b>		<b>0.19</b>	<b>111.28</b>	<b>1.24</b>	<b>296.24</b>	<b>(0.01)</b>	<b>0.00</b>	<b>26.25</b>	<b>435.19</b>		

\* Refer Note no 21

**Other Equity Comtd.**  
**(2) Year ended 31st March 2022**

(Rupees in Crores)

Particulars	Note No	Reserve and Surplus					Other Items of other comprehensive income	Money received against Share warrants	Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
					Surplus in Statement of Profit and Loss	Defined benefit plan			
Balance at the beginning i.e. 01st April 2021		0.19	111.28	1.24	214.27	(0.17)	0.00	-	326.81
Profit for the year					27.24				27.24
Other comprehensive income for the year, net of income tax Transfer to retained earnings		-	-	-	-	0.06	0.06 (0.06)	-	0.06 (0.00)
<b>Balance at the end i.e. 31st March 2022</b>		<b>0.19</b>	<b>111.28</b>	<b>1.24</b>	<b>241.51</b>	<b>(0.11)</b>	<b>0.00</b>	<b>-</b>	<b>354.11</b>
Significant accounting policies 1 to 3									

See accompanying notes to the standalone financial statements

As per our report attached of even date  
**For SUNDARAM & SRINIVASAN**  
Chartered Accountants  
ICAI Firm Reg.No: 004207S

**Srinivasan K**  
Partner  
Membership No: 209120

Place : Bengaluru  
Date : 11th, May 2023

**For and on behalf of the Board of Directors**  
**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Alex Varghese**  
Chief Financial Officer

**C.Ravikumar**  
Whole-time Director  
DIN: 01247347

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru  
Date : 11th, May 2023





## STANDALONE ACCOUNTING POLICIES

### 1. GENERAL INFORMATION

Shankara Building Products Limited ("SBPL" or "the company") is a public listed company incorporated and domiciled in India. The registered office is situated at G2, Farah Winsford, 133, Infantry Road, Bengaluru – 560001.

The company's shares are listed on the Bombay Stock Exchange 'BSE' and National Stock Exchange 'NSE'.

Shankara Building Products Limited is one of the India's leading organized retailers of home improvement and building products in India. It caters to a large customer base spread across various end-user segments in urban and semi-urban markets through a retail led, multi-channel sales approach complemented by processing facilities, supply chain and logistics facilities. It deals with a number of product categories including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing materials, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. The Company has operations spread across ten states and one union territory in India.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance

These Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Standalone financial statements for the year ended March 31, 2023 (including comparatives) are duly adopted by the Board of Directors in the meeting held on May 11, 2023 for consideration of approval by the shareholders.

#### 2.2 Functional and presentation currency

These standalone financial statements have been prepared and presented in Indian Rupees and all amounts have been presented in crore with two decimals, except share data and as otherwise stated.

#### 2.3 Basis of preparation and presentation

These financial statements have been prepared and presented under accrual basis of accounting and as a going concern on historical cost convention or fair values, wherever applicable, as per the requirements of Ind AS prescribed under section 133 of the Act and relevant provisions thereon.

Disclosures under Ind AS are made only in respect of material items and in respect of the items that will be useful to the users of financial statements in making economic decisions.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

#### Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle or 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the Board has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 2.4 Revenue recognition

##### 2.4.1 Sale of products

Revenue is recognized on fulfilment of performance obligation. In other words, revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.

Revenue towards satisfaction of a performance



obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration, on account of discounts, rebates, returns, taxes and duties on sales when the products are delivered to a carrier for sale, which is when control of goods are transferred to the customer or directly to the customer, as the case may be.

#### **2.4.2 Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is recognised on time proportion basis.

#### **2.4.3 Rental income**

Rental income from operating leases (of company's investment properties) is recognised on straight-line basis over the term of the relevant lease, except where rentals are structured to increase in line with expected general inflation. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset out and recognised on straight-line basis over the lease term.

#### **2.4.4 Other Income**

Other income is recognised on accrual basis provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

### **2.5 Property, plant and equipment**

#### **Recognition and measurement**

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset

ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates.

#### **Subsequent expenditure**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation / amortisation and impairment, if any.

#### **Disposal of property, plant and equipment**

An item of property, plant and equipment is derecognised upon disposal or on retirement, when no future economic benefits are expected to arise from the continued use of the asset.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within other gains / (losses).

#### **Depreciation**

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of Property, Plant & Equipment (other than capital work in progress) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives assessed by management, as above, are Indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than ₹0.0005 crore (₹5,000/-) are depreciated fully during the year of purchase.



The Company reviews the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

### Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

### 2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and but not for sale in the ordinary course of business and not used in the production or supply of goods or services or for administrative purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, the borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties (except freehold land) are depreciated using straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation by management.

### 2.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on a straight-line basis over their estimated useful lives of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives are as follows:

- Software - 3 years
- Brand - 3 years

The amortisation period and amortisation method for intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

#### 2.7.1 Intangible assets under development

An intangible asset is an identifiable non-monetary asset without physical substance. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management.

An intangible asset arising from development shall be recognized if :

- i) there is technical feasibility of completing it so that it will be available for use
- ii) the entity intends to complete it and use it or sell it
- iii) the entity has ability to use or sell it
- iv) technical, financial and other resources are available to the entity to complete it
- v) the entity is able to measure reliably the expenditure attributable to the intangible asset during its development.

#### 2.8 Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Board reviews the carrying amounts of its tangible and intangible assets to determine whether there is any Indication that those assets have suffered an impairment loss. If any such Indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an Individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent





basis of allocation can be identified, corporate assets are also allocated to Individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with Indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an Indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 2.9 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control are accounted for at carrying value. Transaction costs that the Company incurs in connection with a business

combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

## 2.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Effective April 01, 2019, the company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach method. The company as a lessee has recognised the lease liability based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application (being 01st April, 2019). The Right-of-Use (ROU) asset has been recognised at its carrying amount as if Ind AS 116 has been applied since the commencement date of the lease arrangement by using the incremental borrowing rate as at the transaction date (being 01st April, 2019). The company has not restated the comparatives information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 01st April, 2019.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment of the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term for future periods is reassessed to ensure that the lease term reflects the current economic circumstances. In respect of such long term contracts, Ind AS 116 is applied.

### Where the company is lessor

As per terms of lease agreements there is no substantial transfer of risk and reward of the



property to the lessee. Accordingly such leased out assets are treated as belonging to the company. Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

### Where the company is a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The company has however elected to use the exemptions provided by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset whichever shorter. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an Individual asset basis unless the asset does not generate cash flows that are

largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.11 Inventories

Inventories are stated at lower of cost and net realizable value.

Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First-in, First-out ('FIFO') basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories

All items of inventories which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

#### Raw materials

Raw materials are valued at cost of purchase net of duties and taxes and include all expenses incurred in bringing such materials to the location of its use.

#### Finished goods

Finished goods include conversion costs in addition to the landed cost of raw materials.



## Stock in Trade

Stock in trade cost includes the purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts.

## Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## 2.12 Employee benefits

In respect of defined contribution plan the company makes the stipulated contributions to provident fund, employees' state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement gains and losses recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

The company recognizes a liability and an expense for bonus. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 2.13 Income taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Indian Income Tax Act, 1961.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets



and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each annual reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are netted against each other if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in the statement of profit and loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company has exercised option to pay income tax u/s. 115BAA of the Income Tax Act, 1961 from the financial year 2019-2020. Hence the provisions relating to minimum alternate tax (MAT) are not applicable to the Company.

### 2.14 Foreign currency translation

The functional currency of the company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

### 2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.

### 2.16 Earnings per share

Basic earnings per share is computed by dividing the profit after tax / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the company to satisfy the exercise of the share options by the employees.

### 2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

### 2.18 Non-current assets held for sale / distribution to owners and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be

recovered principally through a sale / distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/distribution and it is expected to be completed within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded as met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group);
- An active programme to locate a buyer and complete the plan has been initiated;
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed, or is classified as held for sale, and:



- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively for resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

### 2.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Trade receivables are recognised at their transaction value as the same do not contain significant financing component.

Trade payables are in respect of the amount due on account of goods purchased or services availed in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

#### a) Financial Assets

##### (i) Recognition and initial measurement

Financial assets (other than Trade Receivables) are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Statement of Profit or Loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the

acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

Trade receivables are recognised at their transaction value as the same do not contain significant financing component

##### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

#### Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### Debt instrument at FVTOCI:

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:



- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

### Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(iii) De-recognition of financial assets

A financial asset is de-recognised only when;

a. The entity has transferred the rights to receive cash flows from the financial asset or

b. The entity retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the entity examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is de-recognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is de-recognised, if the entity has not retained control of the financial asset. Where the entity retains control of the financial asset is continued to be recognised to the extent

of continuing involvement in the financial asset.

### (iv) Investment in subsidiaries:

The company's investment in equity instruments of subsidiaries are accounted for at cost as per Ind AS 27, including adjustment for fair value of obligations, if any, in relation to such subsidiaries.

### b) Financial liabilities and equity instruments

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value plus transaction cost (if any) that is attributable to the acquisition of the financial liabilities which is also adjusted.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### Trade and other payables:

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated at fair value through profit and loss at the inception.

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions



make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances i.e. trade payables and are included in total outstanding due of creditors other than micro enterprises and small enterprises.

### Financial guarantee

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the principal debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, including transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of profit or loss are included within finance costs or finance income.

### Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

#### (iii) Derecognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### d) Impairment of Financial assets

The Board assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### e) Fair value measurement

The Board measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability which are accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.





Valuation techniques that are appropriate in the circumstances are used and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or Indirectly observable, or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### f) Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising on account of repayment of foreign currency term loan and interest thereon. For the reporting periods under review, the company has not designated any forward currency contracts as hedging instruments.

### 2.20 Cash and cash equivalents and cash flow statement

Cash comprises cash on hand and demand

deposits with banks. Cash equivalents are short-term balances (with maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the Indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.

### 2.21 Dividend on ordinary shares

The entity recognises a liability to make cash or non-cash distributions to equity holders of the company when the distribution is authorised and the distribution is no longer at the discretion of the Company. The amount so authorised is recognised directly in equity.

### 2.22 Segment reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the entity's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

### 2.23 Indian Accounting Standards / amendments issued but not yet effective –

- i) New standard – Nil
- ii) Amendments to existing Ind AS :

The Ministry of Corporate Affairs (“MCA”) notified amendments to the existing standards – (Indian Accounting Standards) Rules, 2023 on March 31, 2023. These amendments are effective for the financial year beginning from April 1, 2023.



Ind AS - 101 First-time Adoption of Indian Accounting Standards  
 Ind AS -102 Share-based payment  
 Ind AS --103 Business Combinations  
 Ind AS--107 Financial Instruments : Disclosures  
 Ind AS --109 Financial Instruments  
 Ind AS - 115 Revenue from Contracts with Customers.  
 Ind AS - 1 Presentation of Financial Statements  
 Ind AS - 8 Accounting  
 Ind AS - 12 Income Taxes  
 Ind AS - 34 Interim Financial Reporting

### 3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

#### (i) Useful lives of property, plant and equipment

The Board reviews the useful lives of property, plant and equipment once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

#### (ii) Impairment of investments in subsidiaries

Determining whether the investments in subsidiaries are impaired, requires an estimate in the value in use of investments. In considering the value in use, the Board has anticipated the future commodity prices, capacity utilization of plants, operating margins, discount rates and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to

changes in the above mentioned factors could impact the carrying value of investments.

#### (iii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### (iv) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the identifiable intangible assets and contingent consideration to be measured at fair value in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the business. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by Independent valuation experts.

#### (v) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

#### (vi) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.





## Notes to the Standalone Financial Statements

(Rupees in Crores)

## 4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
<b>Gross carrying amount as at 01-04-2021</b>	<b>47.07</b>	<b>61.95</b>	<b>5.07</b>	<b>34.25</b>	<b>8.75</b>	<b>3.09</b>	<b>1.63</b>	<b>161.81</b>
Additions	5.59	8.40	0.33	2.16	0.21	0.74	0.13	17.56
Transfer in / Transfer (out)	-	-	-	-	1.52	0.29	0.56	2.37
Disposals	0.14	0.11	-	0.11	0.55	0.05	0.02	0.98
Transferred to Investment property	0.62	0.20	-	-	-	-	-	0.82
<b>Gross carrying amount as at 31-03-2022</b>	<b>51.90</b>	<b>70.04</b>	<b>5.40</b>	<b>36.30</b>	<b>9.93</b>	<b>4.07</b>	<b>2.30</b>	<b>179.94</b>
Additions	14.34	13.38	0.19	5.47	2.80	0.48	0.41	37.07
Transfer in / Transfer (out)	-	-	-	-	-	-	-	-
Disposals	0.07	0.27	0.22	0.17	0.65	0.02	0.01	1.41
Transferred to Investment property	-	-	-	-	-	-	-	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>66.17</b>	<b>83.15</b>	<b>5.37</b>	<b>41.60</b>	<b>12.08</b>	<b>4.53</b>	<b>2.70</b>	<b>215.60</b>
<b>Accumulated depreciation and impairment</b>								
<b>Balance as at 01-04-2021</b>	<b>-</b>	<b>3.64</b>	<b>1.27</b>	<b>11.15</b>	<b>3.18</b>	<b>1.94</b>	<b>1.26</b>	<b>22.44</b>
Depreciation for the year	-	1.04	0.35	3.34	1.09	0.41	0.17	6.40
Transfer in / Transfer (out)	-	-	-	-	1.52	0.29	0.56	2.37
Depreciation on disposals	-	0.01	-	0.05	0.45	0.05	0.02	0.58
Transferred to Investment property	-	0.02	-	-	-	-	-	0.02
<b>Balance as at 31-03-2022</b>	<b>-</b>	<b>4.65</b>	<b>1.62</b>	<b>14.44</b>	<b>5.34</b>	<b>2.59</b>	<b>1.97</b>	<b>30.61</b>
Depreciation for the year	-	1.21	0.36	3.60	1.16	0.48	0.15	6.96
Transfer in / Transfer (out)	-	-	-	-	-	-	-	-
Disposals	-	0.02	0.05	0.14	0.53	0.01	0.01	0.76
Depreciation on disposals	-	-	-	-	-	-	-	-
Transferred to Investment property	-	-	-	-	-	-	-	-
<b>Balance as at 31-03-2023</b>	<b>-</b>	<b>5.84</b>	<b>1.93</b>	<b>17.90</b>	<b>5.97</b>	<b>3.06</b>	<b>2.11</b>	<b>36.81</b>
<b>Net Carrying amount</b>								
<b>As at 31-03-2023</b>	<b>66.17</b>	<b>77.31</b>	<b>3.44</b>	<b>23.70</b>	<b>6.11</b>	<b>1.47</b>	<b>0.59</b>	<b>178.79</b>
<b>As at 31-03-2022</b>	<b>51.90</b>	<b>65.39</b>	<b>3.78</b>	<b>21.86</b>	<b>4.59</b>	<b>1.48</b>	<b>0.33</b>	<b>149.33</b>
Useful Life of the asset (In Years)	N/A	30 years - 60 Years	15 Years	10 Years	8 - 10 Years	5 Years	3 Years	
Method of depreciation	N/A	Straight Line Method						

**Note**

- Certain immovable properties (viz land and buildings) have been hypothecated as security against the loans availed by the subsidiary companies (refer note no 44)
- Certain vehicles have been hypothecated as security against the long term borrowings availed by the company (refer note no 22 and 44)
- During the current year as well previous year the company has not revalued its Property, Plant and Equipment.
- The title deeds of the Immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 4 (a) CAPITAL WORK-IN-PROGRESS - BUILDINGS

Particulars	Amount
<b>Gross carrying amount as at 01-04-2021</b>	<b>2.19</b>
Additions	8.72
Sub-total	10.91
Less: Capitalised during the year	9.35
<b>Gross carrying amount as at 31-03-2022</b>	<b>1.56</b>
Additions	10.39
Sub-total	11.95
Less: Capitalised during the year	9.61
<b>Gross carrying amount as at 31-03-2023</b>	<b>2.34</b>

### Capital Work-in-Progress (CWIP) ageing schedule as at 31-3-2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.34	-	-	-	2.34
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

### Capital Work-in-Progress (CWIP) ageing schedule as at 31-3-2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.56	-	-	-	1.56
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None



## 5. INVESTMENT PROPERTY

Particulars	Land	Buildings	Total
<b>Gross carrying amount as at 01-04-2021</b>	<b>6.97</b>	<b>3.60</b>	<b>10.57</b>
Additions	-	-	-
Transfer in / Transfer (out)	1.35	(1.35)	-
Disposals	-	-	-
Transferred from property, plant and equipment	0.62	0.20	<b>0.82</b>
<b>Gross carrying amount as at 31-03-2022</b>	<b>8.94</b>	<b>2.45</b>	<b>11.39</b>
Additions	-	-	-
Transfer in / Transfer (out)	-	-	-
Disposals	-	-	-
Transferred from property, plant and equipment	-	-	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>8.94</b>	<b>2.45</b>	<b>11.39</b>
<b>Accumulated depreciation and impairment</b>			
<b>Balance as at 01-04-2021</b>	-	<b>0.26</b>	<b>0.26</b>
Depreciation for the year	-	0.04	0.04
Transfer in / Transfer (out)	<b>(0.06)</b>	(0.11)	(0.17)
Depreciation on disposals	-	-	-
Transferred from property, plant and equipment	-	0.02	0.02
<b>Balance as at 31-03-2022</b>	<b>(0.06)</b>	<b>0.21</b>	<b>0.15</b>
Depreciation for the year	-	0.04	0.04
Transfer in / Transfer (out)	-	-	-
Depreciation on disposals	-	-	-
Transferred from property, plant and equipment	-	-	-
<b>Balance as at 31-03-2023</b>	<b>(0.06)</b>	<b>0.25</b>	<b>0.19</b>
<b>Net Carrying amount</b>			
<b>As at 31-03-2023</b>	<b>9.00</b>	<b>2.20</b>	<b>11.20</b>
<b>As at 31-03-2022</b>	<b>9.00</b>	<b>2.24</b>	<b>11.24</b>
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	Straight line method	

### Income earned from and expenses incurred on Investment Property

Particulars	For the year ended	
	31-03-2023	31-03-2022
Rental income from investment properties	0.56	0.46
Less: Direct operating expenses (including repairs and maintenance)	0.04	0.03
Profit from investment properties before depreciation	0.52	0.43
Less: Depreciation	0.04	0.04
Profit from investment property	0.48	0.39



## Fair Value

Particulars	As at 31-03-2023	As at 31-03-2022
Investment properties	24.68	22.97

### Estimation of fair value

The best evidence of fair values is current prices in an active market for similar properties. Since investment properties are leased out by the Company, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location as determined by an Independent registered valuer as defined under Rule 2 of Companies (registered valuers and valuation) Rules, 2017 and consequently classified as a level 2 valuation.

## 6. RIGHT-OF-USE ASSET:

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2023
	Balance as at 01-04-2022	Additions	Deletions	Balance as at 31-03-2023	Balance as at 01-04-2022	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2023	
Right-of-use Asset - Buildings	19.31	0.65	9.64	10.32	12.19	2.71	7.58	7.32	3.00
<b>Total</b>	<b>19.31</b>	<b>0.65</b>	<b>9.64</b>	<b>10.32</b>	<b>12.19</b>	<b>2.71</b>	<b>7.58</b>	<b>7.32</b>	<b>3.00</b>

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2022
	Balance as at 01-04-2021	Additions	Deletions	Balance as at 31-03-2022	Balance as at 01-04-2021	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2022	
Right-of-use Asset - Buildings	26.67	0.49	7.85	19.31	14.91	4.21	6.93	12.19	7.12
<b>Total</b>	<b>26.67</b>	<b>0.49</b>	<b>7.85</b>	<b>19.31</b>	<b>14.91</b>	<b>4.21</b>	<b>6.93</b>	<b>12.19</b>	<b>7.12</b>







## 7. INTANGIBLE ASSETS

Particulars	Brand	Software	Total
<b>Gross carrying amount as at 01-04-2021</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Additions	-	0.24	0.24
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Accumulated Amortization and impairment</b>			
<b>Balance as at 01-04-2021</b>	<b>10.78</b>	<b>0.45</b>	<b>11.23</b>
Amortization for the year*	-	0.24	0.24
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
Amortization for the year	-	-	-
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2023</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Net Carrying amount</b>			
<b>As at 31-03-2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31-03-2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
Useful Life of the asset (In Years)	3 Years	3 Years	
Method of amortization	Straight Line Method		
Remaining amortization period (In Years)	-	-	

\*Represents write off on asset becoming obsolete.

### Note

During the current year as well the previous year the company has not revalued any intangible assets.



## 8. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Amount
Gross carrying amount as at 01-04-2021	-
Additions	
Sub-total	-
Less: Capitalised during the year	-
<b>Gross carrying amount as at 31-03-2022</b>	<b>-</b>
Additions	1.33
Sub-total	1.33
Less: Capitalised during the year	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>1.33</b>

### Intangible assets under development ageing schedule as at 31-03-2023

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.33	-	-	-	1.33
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

### Intangible assets under development ageing schedule as at 31-03-2022

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

**9. INVESTMENTS (Non-current)**

Particulars	Face Value	As at 31-03-2023		As at 31-03-2022	
		No. of Shares / units	Amount	No. of Shares / units	Amount
<b>Investment in Equity Instruments: Unquoted (At cost or deemed cost):</b>					
<b>Subsidiaries:</b>					
(a) Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka Deemed equity in Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka. (Refer note 1 below)	₹100 each	3,50,000	13.25	3,50,000	13.25
(b) Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana Deemed equity in Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana. (Refer note 1 below) (CY ₹16,500)	₹10 each	15,10,100	15.01	15,10,100	15.01
(c) Steel Network (Holdings) Pte Ltd, Singapore Deemed equity in Steel Network (Holdings) Pte Ltd, Singapore. (Refer note 1 below)	USD 1 each	47,640	0.30	47,640	0.30
(d) Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu Deemed equity in Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu. (Refer note 1 below)	₹100 each	1,99,920	10.01	1,99,920	10.01
<b>Sub-total</b>			<b>39.00</b>		<b>39.09</b>
<b>Less:</b>					
Provision for diminution in value of investment in a subsidiary viz. Steel Network (Holdings) Pte Limited, Singapore.			0.30		0.24
<b>Total</b>			<b>38.70</b>		<b>38.85</b>
<b>Particulars</b>			<b>As at 31-03-2023</b>		<b>As at 31-03-2022</b>
Aggregate amount of unquoted investments			38.70		38.85
Aggregate amount of impairment in the value of investments			0.30		0.24

**Note:**

1) The amount shown as deemed equity investments as per Ind AS 109, is in respect of financial guarantee given without any consideration.





## 10. TRADE RECEIVABLES (NON-CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Unsecured:</b>		
(a) Considered Good	-	-
(b) Credit Impaired	5.58	6.15
Less: Allowance for doubtful debts (expected credit loss allowance)	5.58 (2.79)	6.15 (3.07)
<b>Total</b>	<b>2.79</b>	<b>3.08</b>
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member amount to (including "current" portion)	Nil	Nil

### Movement in loss allowance of trade receivables

Particulars	As at 31-03-2023	As at 31-03-2022
Opening balance	3.07	3.71
Amount written off	-	-
Credit loss allowance	(0.28)	(0.64)
Closing balance	2.79	3.07

**Trade Receivables (Non Current) ageing schedule as at 31-03-2023**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.21	0.20	0.65	1.73	2.79
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>0.21</b>	<b>0.20</b>	<b>0.65</b>	<b>1.73</b>	<b>2.79</b>

**Trade Receivables (Non Current) ageing schedule as at 31-03-2022**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.04	0.18	0.69	0.08	2.09	3.08
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>0.04</b>	<b>0.18</b>	<b>0.69</b>	<b>0.08</b>	<b>2.09</b>	<b>3.08</b>





## 11. LOANS (NON-CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Unsecured:</b>		
<b>Considered good:</b>		
Employee advances	0.06	0.06
<b>Total</b>	<b>0.06</b>	<b>0.06</b>

## 12. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Unsecured:</b>		
<b>Considered good:</b>		
(a) Security Deposits	6.19	5.51
(b) Deposit with Suppliers	1.41	1.23
(c) Others		
(i) Tender deposit	0.05	0.05
(ii) Utility deposit	0.32	0.29
<b>Total</b>	<b>7.97</b>	<b>7.08</b>

Disclosure of loans and advances granted to subsidiaries as per Regulation 34 (3) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015

Name of the company	As at 31-03-2023	As at 31-03-2022
a) Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana		
- Amount outstanding (including current portion)	-	-
- Maximum amount outstanding during the year	-	-
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil
b) Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka		
- Amount outstanding	-	-
- Maximum amount outstanding during the year	-	-
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil
c) Steel Network Holdings Pte Limited, Singapore		
- Amount outstanding	-	-
- Maximum amount outstanding during the year (Previous year ₹14,941/-)	-	0.00
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil



### 13. OTHER NON-CURRENT ASSETS

Particulars	As at 31-03-2023	As at 31-03-2022
(i) Capital advances (refer note below)	2.38	1.08
(ii) Advances other than capital advances Deposits with Government authorities	0.44	0.56
<b>Total</b>	<b>2.82</b>	<b>1.64</b>

Capital advances includes borrowing costs of ₹0.05 crores (Previous year ₹0.05 crores) at 8% (Previous year 8%) which represents average borrowing costs of the company. This also includes advances made for purchase of land and Building in Chennai, Udipi, Bengaluru and Mumbai in the years 2013, 2018, 2021 & 2022 respectively.

### 14. INVENTORIES

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Inventories: (at lower of cost and net realisable value)</b>		
Stock-in-trade *	336.25	283.38
<b>Total</b>	<b>336.25</b>	<b>283.38</b>

\* Includes goods-in-transit amounting to ₹4.25 crores (PY ₹1.47 crores).

(refer note no. 47 B for related party transactions in relation to goods-in-transit)

Inventories have been hypothecated as security against certain bank borrowings of the company (refer note no 22, 27 and 44)

### 15. TRADE RECEIVABLES (CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Unsecured:</b>		
(A) Trade receivables - Considered Good	494.83	313.71
Less: Allowance for doubtful debts (Expected credit loss allowance)	(0.05)	(0.04)
<b>Total A</b>	<b>494.78</b>	<b>313.67</b>
(B) Trade receivables with significant increase in credit risk	8.09	29.16
Less: Allowance for doubtful debts (Expected credit loss allowance)	(2.85)	(7.58)
<b>Total B</b>	<b>5.24</b>	<b>21.58</b>
<b>Total (A+B)</b>	<b>500.02</b>	<b>335.25</b>

**Movement in loss allowance of trade receivables**

Particulars	As at 31-03-2023	As at 31-03-2022
Opening balance	7.62	7.28
Amount written off	-	-
Credit loss allowance	(4.72)	0.34
Closing balance	2.90	7.62

**Trade Receivables (Current) ageing schedule as at 31-03-2023**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	414.18	70.54	10.06	-	-	-	494.78
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	1.55	1.64	2.05	5.24
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>414.18</b>	<b>70.54</b>	<b>10.06</b>	<b>1.55</b>	<b>1.64</b>	<b>2.05</b>	<b>500.02</b>





**Trade Receivables (Current) ageing schedule as at 31-03-2022**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	271.38	34.73	7.56	-	-	-	313.67
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	7.47	11.20	2.91	21.58
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>271.38</b>	<b>34.73</b>	<b>7.56</b>	<b>7.47</b>	<b>11.20</b>	<b>2.91</b>	<b>335.25</b>

The credit period on goods sold ranges from 0 to 60 days without security. Trade receivable with credit impairment is identified on case to case basis.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Before accepting any new customer, the company evaluates the financial soundness, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been offered as collateral towards borrowings (refer note no 22, 27 and 44).

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date when credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.







## 16. CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2023	As at 31-03-2022
(a) Balances with Banks: In current account	5.19	0.13
(b) Cash on hand	0.52	1.12
<b>Total</b>	<b>5.71</b>	<b>1.25</b>

The company has entered into cash management service agreement with certain banks for the collection of cheques at various branches and transfer of the funds to certain cash credit accounts by way of standing instructions. Pending such credits in the account, the cash credit accounts are disclosed as net of such collections. The above mentioned cash and cash equivalents contain the amount that are available for use by the company.

## 17. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Earmarked balances:</b>		
(a) With banks in current account (for unclaimed dividends)	0.04	0.04
(b) Fixed Deposits held as margin money	1.80	0.80
<b>Total</b>	<b>1.84</b>	<b>0.84</b>

## 18. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Unsecured, considered good Financial assets at amortised cost</b>		
(a) Rent receivable*	0.12	0.10
(b) Employee advances*	1.14	0.58
(c) Interest accrued on fixed deposits	0.04	0.01
<b>Total</b>	<b>1.30</b>	<b>0.69</b>

\*Includes transaction(s) with related parties - refer note no 47



## 19. OTHER CURRENT ASSETS

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Advances other than capital advances:</b>		
(a) Advances for purchases	11.13	7.00
(b) Prepaid expenses	1.22	0.87
(c) Balances with Government authorities (Goods and Service Tax)	2.46	1.72
(d) Advances to a wholly owned Subsidiary (Refer note no 47)	2.58	-
<b>Total</b>	<b>17.39</b>	<b>9.59</b>

## 20. EQUITY SHARE CAPITAL

Particulars	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised:</b>				
Equity shares of ₹10/- each	3,00,00,000	30.00	2,50,00,000	25.00
Issued, subscribed and fully paid:	2,28,49,326	22.85	2,28,49,326	22.85

The Authorized share capital of the Company has been increased to ₹30 Crores divided into 3,00,00,000 (Three Crore Only) Equity Shares of ₹10/- (Rupees Ten) each pursuant to approval of the shareholders in their Extra-ordinary meeting held on April 20, 2022.

### a) Reconciliation of number of equity shares outstanding and equity share capital

Particulars	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	2,28,49,326	22.85	2,28,49,326	22.85
Changes in equity share capital during the year	-	-	-	-
Balance as at the end of the year	2,28,49,326	22.85	2,28,49,326	22.85

### b) Rights, preferences and restrictions

(i) Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity.

The company has one class of equity shares having par value of ₹10 each. Each share holder is eligible for one vote per share held and carry a right to dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) There are no restrictions attached to equity shares



## c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	1,15,78,787	50.67%

## d) Shares held by promoters at the end of the year 31-03-2023

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	0.00%
<b>Total</b>		<b>1,15,78,787</b>	<b>50.67%</b>	<b>0.00%</b>

## Shares held by promoters at the end of the year 31-03-2022

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	(7.90%)
<b>Total</b>		<b>1,15,78,787</b>	<b>50.67%</b>	<b>(7.90%)</b>

## e) In the period of five years immediately preceding 31-03-2023

- i) The Company has not allotted any equity shares as fully paid-up without payment being received in cash.
- ii) The Company has not allotted any equity shares by way of bonus issue.
- iii) The Company has not bought back any equity shares.

## 21. OTHER EQUITY

Particulars	As at 31-03-2023	As at 31-03-2022
Capital Reserve	0.19	0.19
Securities Premium	111.28	111.28
General Reserve	1.24	1.24
Retained earnings	296.23	241.40
Money received against Share warrants (Refer Statement of changes in Equity for additions and deductions from the last year Balance sheet)	26.25	-
<b>Total</b>	<b>435.19</b>	<b>354.11</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**General Reserve**

General Reserve is an accumulation of retained earnings of the Company, apart from the balance in the statement of profit and loss which can be utilised for meeting future obligations.

**Capital Reserve**

Reserve is primarily created on amalgamation as per statutory requirement.

**Securities Premium**

This consists of premium realised on issue of shares and will be applied/ utilised in accordance with the provisions of the Companies Act, 2013.

**Retained earnings**

Surplus in Statement of Profit and Loss is part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

**Money Received against Share Warrants**

Money received against share warrants represent amount received towards warrants which entitles the warrant holders the option to apply for and be allotted equivalent number of equity shares of the face value of ₹10 /- each

During the year, the Company has received approval from its members for issue and allotment of 14,00,000 warrants convertible into equivalent number of equity shares ("Warrants") on preferential basis, at the issue price of ₹750 each (including premium of ₹740 /- each share), under Regulation 28 (1) of the SEBI (LODR) Regulations, 2015 to APL Apollo Mart Limited, Delhi ("Acquirer"), a wholly owned subsidiary of APL Apollo Tubes Limited, Delhi amounting to ₹105 crores.

An amount equivalent to 25% of issue price against warrants of ₹26.25 crores has been received. The holder of the warrants would need to exercise the option to subscribe to equity shares before the expiry of 18 months from the date of allotment made on 7th May, 2022 upon payment of the balance 75% of the consideration for warrants.

The balance 75% on the said warrants shall be paid if and when the right attached to the warrants is exercised by APL Apollo Mart Limited, Delhi.

**22. BORROWINGS (NON - CURRENT)**

Particulars	As at 31-03-2023	As at 31-03-2022
<b>SECURED</b>		
(a) Term loan from banks*	25.09	32.04
<b>UNSECURED</b>		
(b) Loan from a related party viz a subsidiary. (refer note no 47)	39.50	39.74
<b>Total</b>	<b>64.59</b>	<b>71.78</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

<b>Secured: Terms and security</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Term Loan 1 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured by second charge on all the existing and future current assets of the company- rate of Interest 6.95% to 8.65% pa - repayable in 48 equated monthly installments post moratorium period.	4.01	9.25	13.26
Term Loan 2 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured by second charge on stock and book debts - rate of Interest 7.29% to 9.06% pa - repayable in 48 equated monthly installments post moratorium period.	0.79	1.59	2.38
Term Loan 3 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% to 9.25% pa - repayable in 48 equated monthly installments post moratorium period.	2.97	7.15	10.12
Term Loan 4 - from a bank - under Emergency Credit Line for a period of 60 months (including 24 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 8.4% to 9.25% pa - repayable in 36 equated monthly installments post moratorium period.	-	6.55	6.55
Vehicle Loan-1- First charge on the vehicle. Loan repayable in 37 months instalments till 30th July 2025 - rate of interest 8.24 % p.a.	0.04	0.05	0.09
Vehicle Loan-2- First charge on the vehicle. Loan repayable in 37 months instalments till 18th July 2025 - rate of interest 8.26 % p.a.	0.06	0.10	0.16
Vehicle Loan-3- First charge on the vehicle. Loan repayable in 36 months instalments till 5th December 2025 - rate of interest 8.44 % p.a.	0.03	0.05	0.08
Vehicle Loan-4- First charge on the vehicle. Loan repayable in 36 months instalments till 5th December 2025 - rate of interest 8.44 % p.a.	0.03	0.05	0.08
Vehicle Loan-5- First charge on the vehicle. Loan repayable in 36 months instalments till 5th January 2026 - rate of interest 8.54 % p.a.	0.05	0.09	0.14
Vehicle Loan-6- First charge on the vehicle. Loan repayable in 36 months instalments till 5th January 2026 - rate of interest 8.54 % p.a.	0.05	0.09	0.14
Vehicle Loan-7- First charge on the vehicle. Loan repayable in 36 months instalments till 5th February 2026 - rate of interest 8.68 % p.a.	0.05	0.12	0.17

<b>Unsecured: Terms and security</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
The term is for 60 months from the date of loan disbursement. There will be a moratorium of one year on the principal amount. From the second year onwards the company will pay a principal of ₹0.02 crore per month till the end of the tenure of the loan. Interest of 7% shall be calculated accordingly. The balance loan amount may be extended as agreed by the Lender and company with necessary diligence as thought fit at that time. However, the Lender has the right to call the entire loan amount giving 60 days notice to the company.	0.24	39.50	39.74

\*Refer note no 44 for carrying amount of vehicles hypothecated



### 23. LEASE LIABILITY (NON-CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
Lease liability	3.46	8.31
<b>Total</b>	<b>3.46</b>	<b>8.31</b>

### 24. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
Rent advance received	0.12	0.11
<b>Total</b>	<b>0.12</b>	<b>0.11</b>

### 25. PROVISIONS (NON-CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
Financial guarantee liability	0.35	0.44
<b>Total</b>	<b>0.35</b>	<b>0.44</b>

Provision is made in respect of financial guarantees furnished to lender of subsidiaries. The Company does not foresee any outflow in near future. Refer note 48 (C) (2) (ii) for details.

#### Movement in provision for financial guarantee liability

Particulars	As at 31-03-2023	As at 31-03-2022
Balance at the beginning of the year	0.44	0.38
Add: Provision made during the year	0.35	0.44
Less: Cost of investment in subsidiaries	0.44	0.38
<b>Balance at the end of the year</b>	<b>0.35</b>	<b>0.44</b>

### 26. INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Incomes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs.

The Company has opted to exercise the option permitted under section 115BAA of the Income-tax Act, 1961. Accordingly, the Company has made a provision for Income tax and re-measured its deferred tax at the rate prescribed by the section. Income tax is charged at 22% plus surcharge of 10% plus health and education cess of 4%.





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### a) Income tax expenses

Particulars	For the year ended	
	31-03-2023	31-03-2022
<b>Current tax:</b>		
Current tax	16.92	8.11
Tax pertaining to earlier years	0.11	-
<b>Deferred tax</b>	2.20	0.94
<b>Total</b>	<b>19.23</b>	<b>9.05</b>

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is furnished below:

Particulars	For the year ended		For the year ended	
	31-03-2023	31-03-2023	31-03-2022	31-03-2022
	%	Amount	%	Amount
Profit before tax		76.25		36.29
Tax using the company's domestic tax rate	25.168%	19.19	25.168%	9.13
<b>Tax impact on account of:</b>				
Depreciation under Income-tax Act				
Provision for doubtful debts disallowable				
Expenses allowed only on payment basis				
Expenses not deductible in determining taxable profits	(0.29%)	(0.22)	1.65%	0.60
Deductions allowable under tax laws	(0.06%)	(0.05)	(1.21%)	(0.44)
Others - Ind AS adjustments	0.34%	0.26	(0.66%)	(0.24)
Provision for Diminution in value of Investments	(0.08%)	(0.06)	0.00%	-
<b>Effective income tax rate/ Tax expense</b>	<b>25.08%</b>	<b>19.12</b>	<b>24.95%</b>	<b>9.05</b>
Particulars	For the year ended		For the year ended	
	31-03-2023	31-03-2023	31-03-2022	31-03-2022
	Amount	Amount	Amount	Amount
Tax expenses:				
- Current tax		16.92		8.11
- Deferred tax		2.20		0.94
<b>Total tax</b>		<b>19.12</b>		<b>9.05</b>
<b>Add: Tax for earlier years</b>		<b>0.11</b>		<b>-</b>
<b>Total tax expenses reported for the year</b>		<b>19.23</b>		<b>9.05</b>

### b) Current Tax Liabilities

Particulars	As at 31-03-2023	As at 31-03-2022
Current tax liabilities (Net)	5.10	2.77



## Notes to the Standalone Financial Statements

(Rupees in Crores)

## c) Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for Property, Plant and Equipment under Income Tax Act, 1961 and disallowance of certain expenditure under Income Tax Act, 1961. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Deferred Tax Liability:</b>		
On account of depreciation for tax purpose	5.32	4.85
<b>Deferred Tax Asset:</b>		
Opening adjustments as per Ind AS 116	(0.65)	(0.65)
Expenses allowed on payment basis	-	-
Allowance for doubtful receivables and advances	(1.43)	(2.70)
Ind AS adjustments	0.38	(0.20)
Provision for Diminution in value of Investments	(0.08)	-
<b>Deferred Tax (Asset)/Liabilities (Net)</b>	<b>3.54</b>	<b>1.30</b>

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-04-2022	Recognised / (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2023
Depreciation under income tax act	4.85	0.47	-	5.32
Provision for employee benefit	-	(0.04)	0.04	-
Allowance for doubtful receivables and advances	(2.70)	1.27	-	(1.43)
Ind AS adjustments	(0.20)	0.58	-	0.38
Provision for Diminution in value of Investments	-	(0.08)	-	(0.08)
Adjustment on adoption of Ind AS 116	(0.65)	-	-	(0.65)
<b>Total</b>	<b>1.30</b>	<b>2.20</b>	<b>0.04</b>	<b>3.54</b>

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-04-2021	Recognised / (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2022
Depreciation under income tax act	3.84	1.01	-	4.85
Provision for employee benefit	-	(0.02)	0.02	-
Allowance for doubtful receivables and advances	(2.77)	0.07	-	(2.70)
Ind AS adjustments	(0.08)	(0.12)	-	(0.20)
Adjustment on adoption of Ind AS 116	(0.65)	-	-	(0.65)
<b>Total</b>	<b>0.34</b>	<b>0.94</b>	<b>0.02</b>	<b>1.30</b>



## 27. BORROWINGS (CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>SECURED</b>		
(a) Loan repayable on demand (from banks)	35.76	60.10
(b) Current maturities of long-term debt (from banks) (refer note no 22)	8.08	7.71
<b>UNSECURED</b>		
(a) Current maturities of long-term debt from related party (refer note no	0.24	0.24
(b) Other loans- Bill discounting	1.75	-
<b>Total</b>	<b>45.83</b>	<b>68.05</b>

### Terms and Security:

Working capital loans are repayable on demand and carries interest @ 7.25% to 12.05% p.a. and secured by:

- First charge on the existing and future current assets belonging to the company.
- Guarantee by the Managing Director.

### Other disclosures (for both current and non-current borrowings)

(i) Quarterly returns or statements of current assets filed by the company with banks are in agreement with books of accounts.

(ii) The company has adhered to debt repayment and interest service obligations on time. The company has not been declared as wilful defaulter by any bank or financial institution.

(iii) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending as at the 31.03.2023

(iv) Term loans were applied for the purposes for which they were obtained. Further short term loans availed not have been utilised for long term purposes.

### Reconciliation of cashflows from financing activities

Particulars	As at 31-03-2023	As at 31-03-2022
Cash and cash equivalents	5.71	1.25
Current borrowings	(37.51)	(60.10)
Non-current borrowings*	(72.91)	(79.73)
<b>Net Debt</b>	<b>(104.71)</b>	<b>(138.58)</b>

\* Including current maturities of long-term debt



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
<b>Net debt as at 01-04-2021</b>	<b>1.77</b>	<b>(104.22)</b>	<b>(74.56)</b>	<b>(177.01)</b>
Net cashflows	(0.52)	-	-	(0.52)
Proceeds from borrowings	-	-	(6.55)	(6.55)
Repayment of borrowings	-	44.12	1.38	45.50
<b>Net debt as at 31-03-2022</b>	<b>1.25</b>	<b>(60.10)</b>	<b>(79.73)</b>	<b>(138.58)</b>
<b>Net debt as at 01-04-2022</b>	<b>1.25</b>	<b>(60.10)</b>	<b>(79.73)</b>	<b>(138.58)</b>
Net cashflows	4.46	-	-	4.46
Proceeds from borrowings	-	-	(0.95)	(0.95)
Repayment of borrowings	-	22.59	7.77	30.36
<b>Net debt as at 31-03-2023</b>	<b>5.71</b>	<b>(37.51)</b>	<b>(72.91)</b>	<b>(104.71)</b>

**Note:**

Assets are presented in positive numbers

Liabilities are presented in negative numbers

**28. LEASE LIABILITY (CURRENT)**

Particulars	As at 31-03-2023	As at 31-03-2022
Lease liability	0.52	0.84
<b>Total</b>	<b>0.52</b>	<b>0.84</b>

**29. TRADE PAYABLES**

Particulars	As at 31-03-2023	As at 31-03-2022
(a) Total outstanding dues of micro enterprises and small enterprises (MSME) [refer note no 43]	105.66	67.14
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	402.96	234.02
<b>Total</b>	<b>508.62</b>	<b>301.16</b>

Notes to the Standalone Financial Statements

(Rupees in Crores)

**Trade Payables ageing schedule as at 31-03-2023**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	105.66	-	-	-	-	105.66
(ii) Others	400.32	2.64	-	-	-	402.96
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>505.98</b>	<b>2.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>508.62</b>

**Trade Payables ageing schedule as at 31-03-2022**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
((i) MSME	67.14	-	-	-	-	67.14
(ii) Others	233.29	0.73	-	-	-	234.02
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>300.43</b>	<b>0.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301.16</b>

Refer note no 47 (c) for related party transactions





### 30. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
(a) Interest accrued but not due	0.08	0.29
(b) Unclaimed Dividend	0.04	0.04
(c) Employee Benefits payable	5.63	4.03
(d) Expense payable	3.68	3.01
<b>Total</b>	<b>9.43</b>	<b>7.37</b>

### 31. OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2023	As at 31-03-2022
(a) Advances from customers (refer note no 46 (c))	8.26	6.56
(b) Statutory dues	2.94	4.65
<b>Total</b>	<b>11.20</b>	<b>11.21</b>

### 32. PROVISIONS (CURRENT)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Provision for employee benefits</b>		
(a) Gratuity (refer note no 45 (b)) *	0.56	0.56
(b) Compensated absences **	0.15	0.10
<b>Total</b>	<b>0.71</b>	<b>0.66</b>

#### \* Movement in provision for employee benefits - gratuity

Particulars	As at 31-03-2023	As at 31-03-2022
Balance at the beginning of the year	0.56	0.21
Add: Provision made during the year	0.56	0.56
Less: Provision utilised/ reversed during the year	0.56	0.21
Balance at the end of the year	<b>0.56</b>	<b>0.56</b>

#### \*\* Movement in provision for compensated absences

Particulars	As at 31-03-2023	As at 31-03-2022
Balance at the beginning of the year	0.10	-
Add: Provision made during the year	0.48	0.10
Less: Provision reversed during the year	0.43	-
Balance at the end of the year	<b>0.15</b>	<b>0.10</b>





### 33. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Sale of traded goods	4,036.22	2,328.75
<b>Total</b>	<b>4,036.22</b>	<b>2,328.75</b>

### 34. OTHER INCOME

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
(a) Interest Income	0.23	0.10
(b) Rent received	0.56	0.46
(c) Profit on sale of property, plant & equipment	0.07	0.82
(d) Fair valuation of financial guarantee	0.09	0.06
(e) Gain on termination of lease	0.74	0.10
(f) Unwinding of interest income on rental deposits	0.46	0.39
(g) Provision for doubtful debts no longer required written back	5.00	0.30
(h) Payables written back	0.04	0.07
(i) Other non-operating income	0.12	0.10
<b>Total</b>	<b>7.31</b>	<b>2.40</b>

(Refer note no. 47 for related party transactions.)

### 34. (a) CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Opening stock of Stock-in-Trade	281.91	240.07
Less: Closing stock of Stock-in-Trade	332.00	281.91
<b>Total</b>	<b>(50.09)</b>	<b>(41.84)</b>





### 35. EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
(a) Salaries and Wages	34.92	27.71
(b) Contribution to:		
(i) Provident fund (refer note no 45(a))	2.35	1.92
(ii) Employees' state insurance (refer note no 45(a))	0.23	0.23
(c) Gratuity (refer note no 45(b))	0.70	0.64
(d) Welfare Expenses	0.89	0.59
<b>Total</b>	<b>39.09</b>	<b>31.09</b>

### 36. FINANCE COSTS

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
(a) Interest on borrowings	19.62	19.96
(b) Other borrowing costs	1.46	0.24
(c) Interest on lease liability	0.46	0.91
<b>Total</b>	<b>21.54</b>	<b>21.11</b>

### 36 (a) DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Note No	For the Year ended 31-03-2023	For the Year ended 31-03-2022
(a) Depreciation			
- Property, plant & equipment	4	6.96	6.40
- Investment property	5	0.04	0.04
- Right-of-use Asset	6	2.71	4.21
Total		9.71	10.65
Less: Depreciation withdrawn on reclassification	5	-	0.17
Total ( A )		9.71	10.48
(B) Amortization of intangible assets	7	-	0.24
<b>Total-(A+B)</b>		<b>9.71</b>	<b>10.72</b>



## 37. OTHER EXPENSES

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
(a) Power, Fuel & Water	1.38	0.87
(b) Rent (refer note no 41(b))	8.60	4.56
(c) Repairs and Maintenance		
(i) Buildings	0.03	0.02
(ii) Other Assets	4.80	5.05
(d) Insurance #	0.67	1.01
(e) Rates & Taxes	1.64	0.57
(f) Travelling and Conveyance	2.17	1.28
(g) Payment to Auditors (refer note below)	0.37	0.33
(h) Legal and Professional fees	1.61	0.89
(i) Directors sitting fees	0.23	0.21
(j) Communication Expenses	0.88	0.74
(k) Advertisement & Publicity Expenses	2.42	0.46
(l) Material handling charges **	11.40	7.81
(m) Freight Outwards ***	2.64	0.63
(n) Commission Charges	1.49	0.86
(o) Bad Debts written off (CY ₹23,709)	0.00	4.69
(p) Loss on sale of property, plant and equipment	0.06	0.06
(q) Sub Contracting	0.18	0.09
(r) Corporate Social Responsibility expenditure (refer note no 49)	0.61	0.52
(s) Fair valuation of financial guarantee	0.09	0.06
(t) Provision for diminution in the value of Investments	0.06	0.20
(u) Miscellaneous Expenses *	4.07	3.24
<b>Total</b>	<b>45.40</b>	<b>34.15</b>

\*Under this head, there is no expenditure which is in excess of 1% of revenue from operations or ₹10 lakhs, whichever is higher.

\*\* Material handling charges recovered from customers- Current year- ₹7.10 crore - Previous year- ₹4.37 crore.

\*\*\*Freight recovered from customers-Current year- ₹8.84 Crore - Previous year- ₹5.37 crore.

#Insurance recovered from customers-Current year- ₹0.51 crore. Previous year- ₹. Nil .

**Note : Breakup for payment to auditors is as under (excluding GST):**

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
(a) As auditors	0.22	0.22
(b) For taxation matters	0.02	0.02
(c) For other Services	0.03	0.04
(d) For reimbursement of expenses	0.10	0.05
<b>Total</b>	<b>0.37</b>	<b>0.33</b>

**38. EARNINGS PER SHARE (EPS)**

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
<b>Basic &amp; Diluted</b>		
A Profit attributable to equity shareholders (in crores)	57.02	27.24
B Weighted average number of equity shares (in crores)	2.28	2.28
C Basic and Diluted EPS (₹) [A/B]	24.95	11.92
Face value per share (₹)	10.00	10.00

14,00,000 share warrants does not have dilutive effect on Earning Per Share (EPS) and hence have not been considered for the purpose of computing diluted EPS. The company does not have any potential equity shares. Accordingly, basic and diluted earnings per share would remain the same.

**39. CONTINGENT LIABILITIES:**

Particulars	As at 31-03-2023	As at 31-03-2022
To the extent not provided for:		
(A) In respect of Sales Invoices discounted	-	6.61
(B) Liability disputed but not provided for		
(i) Central sales tax	-	0.07
(ii) Value added tax*	0.76	1.16
<b>Total</b>	<b>0.76</b>	<b>7.84</b>

\* These cases are pending in appeal at various forums in the respective department. Outflows, if any, arising out of these claims would depend upon the adjudication of appellate authorities and the Company's rights for further appeals.

Refer Note below for amount remitted against disputed liability

Particulars	As at 31-03-2023	As at 31-03-2022
(i) Central sales tax	-	0.04
(ii) Value added tax	0.15	0.24

**40. COMMITMENTS**

Particulars	As at 31-03-2023	As at 31-03-2022
Estimated value of capital commitments towards buildings (Net of advances made CY ₹0.78 crores PY ₹0.64 crores)	0.19	0.34



#### 41. OPERATING LEASE

##### a) As lessor:

##### Leasing Arrangements:

The investment properties are leased to tenants under operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Within one year	0.47	0.43
Between 1 and 2 years	0.49	0.38
Between 2 and 3 years	0.51	0.28
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
	<b>1.47</b>	<b>1.09</b>

##### b) As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 144 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The reporting entity makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

For the short-term and low value leases, the reporting entity recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

##### Accounting for leases under Ind AS 116

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Opening Gross carrying amount of right of use assets	19.31	26.67
Depreciation charged for the Right-of-use assets	2.71	4.21
Interest expense on lease liability	0.46	0.91
The rental expense relating to short-term leases for which Ind AS 116 has not been applied	8.60	4.56
Additions to Right-of-use assets during the current year	0.65	0.49
Deletions to Right-of-use assets during the current year	9.64	7.85
Closing Gross carrying amount of right of use assets	10.32	19.31
Total cash outflow for leases for the year	3.44	5.26



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Lease liabilities

Particulars	As at 31-03-2023	As at 31-03-2022
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	0.54	0.88
Later than one year and not more than five years	3.59	8.00
More than five years	0.35	1.60
<b>Total undiscounted liabilities</b>	<b>4.48</b>	<b>10.48</b>
Lease liabilities		
Current	0.52	0.84
Non-current	3.46	8.31

### 42. SEGMENT REPORTING

The company is primarily engaged in the business of Trading of products like structural steel , pipes and tubes, TMT bars, roofing solutions, sanitary wares and other allied products. In accordance with IND AS 108 "Operating Segments", the company has presented the segment information on the basis of its consolidated financial statements. Hence, the segment information for the separate (i.e. standalone) financial statements are not presented.

### 43. ADDITIONAL INFORMATION

Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

Particulars	As at 31-03-2023	As at 31-03-2022
(i) the principal amount and the interest due there on remaining unpaid to any supplier at the end of each accounting year;		
Principal amount	105.66	67.14
Interest due thereon	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



#### 44. ASSETS HYPOTHECATED AS SECURITY:

The carrying amount of assets hypothecated as security for current and non-current borrowings are:

Particulars	Note No	As at 31-03-2023	As at 31-03-2022
<b>Current Assets</b>			
<b>A) Financial assets</b>			
<i>(i) First and Second Charge</i>			
- Trade Receivables	15	500.02	335.25
<i>(ii) Floating Charge</i>		-	-
<b>B) Non Financial assets</b>			
<i>(i) First and Second Charge</i>			
- Inventories (net off goods-in-transit)	14	332.00	281.91
<i>(ii) Floating Charge</i>		-	-
<b>Total current assets hypothecated as security</b>		<b>832.02</b>	<b>617.16</b>
<b>Non-Current Assets</b>			
<b>A) Financial assets</b>			
<i>(i) First and Second Charge</i>			
- Trade Receivables	10	2.79	3.08
<i>(ii) Floating Charge</i>		-	-
<b>B) Non Financial assets</b>			
<i>(i) First Charge</i>			
- Vehicles	4	1.05	-
- Land and Building	4	12.72	12.05
<i>(ii) Floating Charge</i>		-	-
<b>Total non-current assets hypothecated as security</b>		<b>16.56</b>	<b>15.13</b>
<b>Total assets hypothecated as security</b>		<b>848.58</b>	<b>632.29</b>

#### 45. EMPLOYEE BENEFITS

##### a) Defined contribution plans

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Employer's Contribution to Provident Fund (includes pension fund)	2.35	1.92
Employer's Contribution to Employee State Insurance	0.23	0.23



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### b) Defined benefit plan

#### (i) Gratuity

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of ₹20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31-03-2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

#### Gratuity (Funded)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Liability recognized in the Balance Sheet</b>		
Present value of defined benefit obligation		
Opening Balance	6.11	5.90
Current Service Cost	0.67	0.61
Past Service Cost	-	-
Interest Cost	0.40	0.37
Actuarial Loss/(Gain) on obligation	(0.29)	(0.22)
Transfer In/(Out)	-	-
Benefits paid	(0.27)	(0.55)
<b>Closing Balance</b>	<b>6.62</b>	<b>6.11</b>
<b>Less: Fair Value of Plan Assets</b>		
Opening Balance	5.55	5.69
Expected Return on Plan assets less loss on investments	0.37	0.34
Actuarial (Loss)/Gain on Plan Assets	(0.15)	(0.14)
Transfer In/ (Out)	-	-
Employers' Contribution	0.56	0.21
Benefits paid	(0.27)	(0.55)
<b>Closing Balance</b>	<b>6.06</b>	<b>5.55</b>
<b>Amount recognized in Balance Sheet (refer note no 32)</b>	<b>0.56</b>	<b>0.56</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
<b>Expenses during the year</b>		
Current Service cost	0.67	0.61
Past Service cost	-	-
Interest cost	0.40	0.37
Expected Return on Plan assets	(0.37)	(0.34)
	<b>0.70</b>	<b>0.64</b>
<b>Component of defined benefit cost recognized in statement of profit &amp; loss (refer note no 35)</b>		
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(0.29)	(0.22)
- Actuarial Loss/(Gain) on Plan Assets	0.15	0.14
<b>Component of defined benefit cost recognized in other comprehensive income</b>	<b>(0.14)</b>	<b>(0.08)</b>
<b>Total</b>		
<b>Actual Return on plan assets</b>	<b>0.22</b>	<b>0.20</b>
<b>Break up of Plan Assets:</b>		
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	100%	100%
Of which, Traditional/ Non-Unit Linked	-	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

## Principal actuarial assumptions

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Discount Rate (pa)	7.20%	6.50%
Expected rate(s) of salary increase (pa)	7.00%	7.00%
Expected return on plan assets (pa)	6.50%	6.20%
Attrition rate (pa)	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Experience adjustments

Particulars	31-03-2023	31-03-2022	31-03-2021	31-03-2020	31-03-2019
Defined Benefit Obligation	6.62	6.11	5.90	6.10	4.41
Plan Assets	6.06	5.55	5.69	4.68	3.20
Surplus / (Deficit)	(0.56)	(0.56)	(0.21)	(1.43)	(1.22)
Experience Adjustments on Plan Liabilities – (Loss)/ Gain-(CY ₹17,000)	(0.00)	0.10	0.47	(0.20)	(0.52)
Experience Adjustments on Plan Assets – (Loss)/Gain	(0.15)	(0.14)	0.05	0.23	0.04

The Company expects to contribute ₹0.56 crores (previous year ₹0.56 crores) to its gratuity plan for the next year.

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2012-14) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Effective March 29, 2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to ₹20 lakhs from ₹10 lakhs Accordingly the amended and improved benefits, if any, are recognised as current year's expense as required under paragraph 103, Ind AS 19.

### Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	Impact on Defined benefit obligation			
	For the Year ended 31-03-2023		For the Year ended 31-03-2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)	-	0.37	-	0.37
Discount rate (1% decrease)	0.42	-	0.42	-
Future salary growth (1% increase)	0.42	-	0.41	-
Future salary growth (1% decrease)	-	0.38	-	0.37
Attrition rate (1% increase) (CY ₹39,000)	-	0.00	-	0.02
Attrition rate (1% decrease) (CY ₹35,000)	0.00	-	0.02	-
Mortality (increase in expected life time by 1 year) (CY ₹1,000 PY ₹2,000)	-	0.00	0.00	-
Mortality (increase in expected life time by 3 years) (CY ₹3,000 PY ₹7,000)	-	0.00	0.00	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 6 years (31-03-2022 - 6 years) as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The expected maturity analysis of the benefit payments of gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 3 - 5 years	Next 5 years	Total
<b>31-03-2023</b>					
Defined benefit obligation (Gratuity)	0.80	0.79	2.88	4.56	9.03
<b>Total</b>	<b>0.80</b>	<b>0.79</b>	<b>2.88</b>	<b>4.56</b>	<b>9.03</b>
<b>31-03-2022</b>					
Defined benefit obligation (Gratuity)	0.80	0.85	2.52	4.19	8.36
<b>Total</b>	<b>0.80</b>	<b>0.85</b>	<b>2.52</b>	<b>4.19</b>	<b>8.36</b>

The Company had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.





#### 46. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

##### Disaggregated revenue information

##### A. Type of goods and service

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Sale of products	4,036.22	2,328.75
<b>Total Operating Revenue</b>	<b>4,036.22</b>	<b>2,328.75</b>
In India	4,036.22	2,328.75
Outside India	-	-

##### B. Timing of revenue recognition

Particulars	For the Year ended 31-03-2023		For the Year ended 31-03-2022	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	4,036.22	Nil	2,328.75	Nil

##### C. Contract Balances

Particulars	As at 31-03-2023	As at 31-03-2022
Contract Assets	-	-
Contract Liabilities	8.26	6.56

##### D. Revenue recognised in relation to contract liabilities

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Revenue recognised in relation to contract liabilities	6.56	6.42

##### E. Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Revenue at contracted prices	4,036.22	2,328.75
Revenue from contract with customers	4,036.22	2,328.75
Difference	-	-



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### F. Unsatisfied or partially satisfied performance obligation

Particulars	As at 31-03-2023	As at 31-03-2022
Unsatisfied or partially satisfied performance obligation	Nil	Nil

## 47. RELATED PARTY DISCLOSURES

### A. Names of Related parties with whom transactions have taken place during the year/previous year and nature of relationship:

Subsidiaries	Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana
	Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka
	Steel Network (Holdings) Pte Limited, Singapore
	Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu
<b>Other related parties and their relationship where transaction exists:</b>	
Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. C.Ravikumar (Whole-time-Director)
	Mr. Alex Varghese (Chief Financial Officer)
	Ms. Ereena Vikram (Company Secretary)
Relatives of Key Managerial Personnel	Mr. Dhananjay Mirlay Srinivas
	Mrs. Parwathi Mirlay Srikanth
Enterprise in which Key Managerial Personnel have significant influence	Shankara Holdings Private Limited, Bengaluru
Entities where control exist	Shankara Building Products Employees Gratuity Fund, Bengaluru



## Related Party Disclosures Contd.

B. Transactions with Related Parties	For the Year ended 31-03-2023	For the Year ended 31-03-2022
<b>Purchase of Goods from (refer note 1 below)</b>		
Taurus Value Steel & Pipes Private Limited	54.06	61.47
Vishal Precision Steel Tubes and Strips Private Limited	362.19	316.88
Centurywells Roofing India Private Limited	233.27	137.22
<b>Sale of Goods to (refer note 2 below)</b>		
Taurus Value Steel & Pipes Private Limited	7.27	4.16
Vishal Precision Steel Tubes and Strips Private Limited	37.89	31.31
Centurywells Roofing India Private Limited	74.06	11.28
<b>Rent paid to</b>		
Taurus Value Steel & Pipes Private Limited	0.04	0.03
Vishal Precision Steel Tubes and Strips Private Limited	0.03	0.03
Managing Director	0.43	-
Relative of Key Managerial Personnel	0.03	-
<b>Interest paid to</b>		
Taurus Value Steel & Pipes Private Limited	2.79	2.80
<b>Rent received from</b>		
Taurus Value Steel & Pipes Private Limited	0.03	0.03
Vishal Precision Steel Tubes and Strips Private Limited	0.01	0.01
Centurywells Roofing India Private Limited	0.22	0.22
<b>Purchase of Assets from</b>		
Vishal Precision Steel Tubes and Strips Private Limited	-	0.08
Centurywells Roofing India Private Limited	-	-



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Transactions with Related Parties	For the Year ended 31-03-2023	For the Year ended 31-03-2022
<b>Sale of Assets to</b>		
Centurywells Roofing India Private Limited	-	0.02
Vishal Precision Steel Tubes and Strips Private Limited	0.54	0.04
<b>Advances granted to /(repaid by)</b>		
Steel Network (Holdings) Pte Limited (PY - repaid - ₹14,941/-) (Refer note no 4 below)	-	(0.00)
A Whole-time Director-Net	(0.02)	0.02
Chief Financial Officer-Net (PY ₹8131)	(0.02)	(0.00)
<b>Goods-in-transit from</b>		
Taurus Value Steel & Pipes Private Limited	0.35	-
Vishal Precision Steel Tubes and Strips Private Limited	3.90	1.34
Centurywells Roofing India Private Limited	-	0.13
<b>Unsecured loan availed</b>		
Taurus Value Steel & Pipes Private Limited	39.74	39.98
<b>Contribution to employee related trusts made during the year</b>		
Shankara Building Products Employees Gratuity Fund	0.56	0.21
<b>Dividend paid to</b>		
Key Managerial Personnel	1.17	-
Relatives of Key Managerial Personnel	0.02	-
Shankara Holdings Private Limited	0.02	-
<b>Guarantees and collaterals furnished/(closed) by the Company on behalf of:</b>		
Taurus Value Steel & Pipes Private Limited	-	(15.00)
Vishal Precision Steel Tubes and Strips Private Limited	-	(31.75)



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Remuneration paid to Key Managerial Personnel (refer note 3 below)	For the Year ended 31-03-2023	For the Year ended 31-03-2022
<b>Short-term employee benefits</b>		
Managing Director	1.32	0.31
Whole-time directors	0.62	0.58
Chief Financial Officer	0.36	0.33
Company Secretary	0.13	0.12
<b>Remuneration paid to Relative of Key Managerial Personnel</b>	0.10	0.05

## Notes

- The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.
- The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. The Company has not recorded any expected credit loss for trade receivables from related parties.
- As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above
- Advance was granted to Subsidiary for working capital purpose.

Balance Outstanding to/ from related parties	As at 31-03-2023	As at 31-03-2022
<b>Trade Payables</b>		
Taurus Value Steel & Pipes Private Limited	-	2.87
Centurywells Roofing India Private Limited	31.83	29.63
Vishal Precision Steel Tubes and Strips Private Limited	29.04	24.85
<b>Advances to Subsidiary company for Purchases</b>		
Taurus Value Steel & Pipes Private Limited	2.58	-
<b>Rent payable</b>		
Vishal Precision Steel Tubes and Strips Private Limited (Current year ₹27,000/-, Previous Year ₹27,000/-)	0.00	0.00
Taurus Value Steel & Pipes Private Limited (Previous Year ₹27,000/-)	0.01	0.00
<b>Remuneration payable to Key Managerial Personnel</b>		
Managing Director	0.07	-
Whole-time director	0.03	0.03
Chief Financial Officer	0.02	0.01
Company Secretary	0.01	0.01
<b>Remuneration payable to a relative of a Key Managerial Personnel</b>		
(Current year-₹55,300/-, Previous year- ₹37,400/-)	0.01	0.00





## Notes to the Standalone Financial Statements

(Rupees in Crores)

<b>Balance Outstanding to/ from related parties</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
<b>Rent Receivable</b>		
Taurus Value Steel & Pipes Private Limited (Current Year ₹31000/-, Previous year ₹31,000/-)	0.00	0.00
Vishal Precision Steel Tubes and Strips Private Limited (Current Year ₹23,000/-, Previous year ₹23,000/-)	0.00	0.00
Centurywells Roofing India Private Limited	0.02	0.02
<b>Loan Payable</b>		
Taurus Value Steel & Pipes Private Limited	39.74	39.98
<b>Assets hypothecated as security against the loans availed by</b>		
Centurywells Roofing India Private Limited	12.72	12.05
<b>Guarantees &amp; Collaterals furnished to</b> (Refer note no 48 (C)(2)(ii) for maximum exposure)		
Taurus Value Steel & Pipes Private Limited	5.00	5.00
Vishal Precision Steel Tubes and Strips Private Limited	45.75	45.75
Centurywells Roofing India Private Limited	40.00	40.00
<b>Guarantees &amp; Collaterals furnished by</b>		
Taurus Value Steel & Pipes Private Limited	-	95.00
Vishal Precision Steel Tubes and Strips Private Limited	-	95.00
Centurywells Roofing India Private Limited	-	95.00
<b>Guarantees furnished by</b>		
Managing Director	552.00	247.50
Due from a Whole-time director (CY ₹14,412)	0.00	0.02
Due from Chief Financial Officer	0.01	0.03

### Terms and Conditions

All outstanding balances are unsecured and are repayable in cash

### Guarantees furnished to subsidiaries:

Guarantees furnished to the lenders of the subsidiaries are for availing working capital facilities from the lender banks.

### Guarantees furnished by subsidiaries:

Guarantees furnished to the lenders of the company are for availing working capital facilities from the lender banks.

### Guarantees furnished by managing director:

Personal guarantee furnished by the managing director to the company are for availing working capital facilities from the lender banks.



## 48. Financial Instruments

### A. Capital Management

#### (1) Capital risk management

The Company's capital requirements are mainly to fund its expansion, working capital and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by borrowings from bank and funds from capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce finance cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	Note No.	As at 31-03-2023	As at 31-03-2022
Long term borrowings	22	64.59	71.78
Current maturities of long-term debt	27	8.32	7.95
Short term borrowings	27	37.51	60.10
Less: Cash and cash equivalents	15	(5.71)	(1.25)
Net Debt (A)		104.71	138.58
Total Equity (B)	20,21	458.04	376.96
Gearing Ratio (A / B)		0.23	0.37

- i) Equity includes all capital and reserves of the Company that are managed as capital.
- ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 22 and 27

#### (2) Dividends

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Equity Shares</b>		
(i) Dividend not recognised at the end of the previous reporting period	-	-
(ii) Final Dividend for the year ended March 31,2022 of ₹1.00 per fully paid share	2.29	-





## Notes to the Standalone Financial Statements

(Rupees in Crores)

## B. Categories of financial instruments

Particulars	Note No	As at 31-03-2023		As at 31-03-2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>					
<b>Measured at amortised cost</b>					
Loans	11	0.06	0.06	0.06	0.06
Other financial assets	12,18	9.27	9.27	7.77	7.77
Trade receivables	10,15	502.81	502.81	338.33	338.33
Cash and cash equivalents	16	5.71	5.71	1.25	1.25
Bank balances other than cash and cash equivalents	17	1.84	1.84	0.84	0.84
Non-current Investments	9	38.70	38.70	38.85	38.85
<b>Total financial assets at amortised cost (A)</b>		<b>558.39</b>	<b>558.39</b>	<b>387.10</b>	<b>387.10</b>
<b>Total financial assets measured at fair value through other comprehensive income (B)</b>		-	-	-	-
<b>Measured at fair value through profit and loss</b>					
Derivative asset not designated as hedge					
Foreign exchange forward contracts		-	-	-	-
<b>Total financial assets measured at fair value through profit and loss (C)</b>		-	-	-	-
<b>Total financial assets (A+B+C)</b>		<b>558.39</b>	<b>558.39</b>	<b>387.10</b>	<b>387.10</b>
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
Long term Borrowings *	22,27	72.91	72.91	79.73	79.73
Short term Borrowings**	27	37.51	37.51	60.10	60.10
Trade payables	29	508.62	508.62	301.16	301.16
Lease Liabilities	23, 28	3.98	3.98	9.15	9.15
Other financial liabilities	24, 30	9.55	9.55	7.48	7.48
<b>Total financial liabilities carried at amortised cost (A)</b>		<b>632.57</b>	<b>632.57</b>	<b>457.62</b>	<b>457.62</b>
<b>Total financial liabilities measured at fair value through profit and loss (B)</b>		-	-	-	-
<b>Total financial liabilities measured at fair value through other comprehensive income (C)</b>		-	-	-	-
<b>Total financial liabilities (A+B+C)</b>		<b>632.57</b>	<b>632.57</b>	<b>457.62</b>	<b>457.62</b>

\* including current maturities of long-term debt

\*\* excluding current maturities of long-term debt



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### C. Financial risk management

The Company has an Audit & Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

#### (1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in commodity prices and interest rates.

#### (i) Currency Risk

##### Exposure to currency risk

Particulars	As at 31-03-2023		As at 31-03-2022	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised liabilities	-	-	-	-
Forward exchange contracts	-	-	-	-
<b>Net Exposure</b>	-	-	-	-

### Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

#### (ii) Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company purchases the steel and other building products in the open market from third parties as well as from subsidiaries at prevailing market price. The Company is therefore subject to fluctuations in the prices of steel coil, steel pipes, sanitary wares etc.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.

**Inventory Sensitivity Analysis (Stock in trade)**

A reasonably possible changes of 1% in prices of inventory at the reporting date, would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
1% increase in prices of Inventory	(3.36)	(2.83)	(2.52)	(2.12)
1% decrease in prices of Inventory	3.36	2.83	2.52	2.12

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	As at 31-03-2023	As at 31-03-2022
Fixed rate borrowings	0.86	79.73
Floating rate borrowings	109.56	60.10
<b>Total borrowings</b>	<b>110.42</b>	<b>139.83</b>
Total Net borrowings as per Financial Statements	110.42	139.83
Add: Upfront fees	-	-
<b>Total borrowings</b>	<b>110.42</b>	<b>139.83</b>

**Sensitivity analysis for variable-rate instruments**

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
100 basis points increase in interest rates	(1.10)	(0.60)	(0.82)	(0.45)
100 basis points decrease in interest rates	1.10	0.60	0.82	0.45

**(2) Credit risk management:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables, advances and financial guarantees furnished to the lenders of the subsidiaries.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### (i) Trade receivables:

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

### Year ended 31-03-2023

#### Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	414.18	70.54	10.53	2.33	3.35	7.57	508.50
Expected credit losses (Loss allowance provision) - trade receivables	-	-	(0.26)	(0.58)	(1.06)	(3.79)	(5.69)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>414.18</b>	<b>70.54</b>	<b>10.27</b>	<b>1.75</b>	<b>2.29</b>	<b>3.78</b>	<b>502.81</b>

### Year ended 31-03-2022

#### Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	271.38	34.80	7.96	10.72	14.16	10.00	349.02
Expected credit losses (Loss allowance provision) - trade receivables	-	(0.03)	(0.22)	(2.56)	(2.88)	(5.00)	(10.69)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>271.38</b>	<b>34.77</b>	<b>7.74</b>	<b>8.16</b>	<b>11.28</b>	<b>5.00</b>	<b>338.33</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**(ii) Financial guarantees furnished :**

The company has furnished Corporate guarantee to the lenders of the subsidiaries for availing working capital facilities.

Maximum amount of exposure if the guarantee is called on, in the event of default:

As at 31-03-2023	As at 31-03-2022
70.91	81.54

The company does not anticipate any downfall in the current level of performance of the subsidiaries in the near future. The networth of the subsidiaries are sufficient enough to manage in the event of default.

**3. Liquidity risk management**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for strategic acquisitions. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The company has access to the following undrawn borrowing facilities at the end of the reporting period:

**Financing arrangements**

Particulars	As at 31-03-2023	As at 31-03-2022
Floating Rate		
- Expiring within one year	138.20	58.86
- Expiring beyond one year	-	-
	<b>138.20</b>	<b>58.86</b>

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

With respect to floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.





## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Liquidity exposure as at 31-03-2023

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	11	-	0.06	-	0.06
Other financial assets	12,18	1.30	7.83	0.14	9.27
Trade receivables	10,15	500.02	2.79	-	502.81
Cash and cash equivalents	16	5.71	-	-	5.71
Bank balances other than cash and cash equivalents	17	1.84	-	-	1.84
Non-current Investments	9	-	-	38.70	38.70
<b>Total Financial assets</b>		<b>508.87</b>	<b>10.68</b>	<b>38.84</b>	<b>558.39</b>
<b>Financial liabilities</b>					
Long term Borrowings *	22, 27	8.32	64.59	-	72.91
Short term Borrowings**	27	37.51	-	-	37.51
Trade payables	29	508.62	-	-	508.62
Lease Liabilities	23, 28	0.52	3.46	-	3.98
Other financial liabilities	24, 30	9.43	0.12	-	9.55
<b>Total Financial assets</b>		<b>564.40</b>	<b>68.17</b>	<b>-</b>	<b>632.57</b>

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

### Liquidity exposure as at 31-03-2022

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	11	0.00	0.06	-	0.06
Other financial assets	12,18	0.69	6.94	0.14	7.77
Trade receivables	10,15	335.25	3.08	-	338.33
Cash and cash equivalents	16	1.25	-	-	1.25
Bank balances other than cash and cash equivalents	17	0.84	-	-	0.84
Non-current Investments	9	-	-	38.85	38.85
<b>Total Financial assets</b>		<b>338.03</b>	<b>10.08</b>	<b>38.99</b>	<b>387.10</b>
<b>Financial liabilities</b>					
Long term Borrowings *	22, 27	7.95	71.78	-	79.73
Short term Borrowings**	27	60.10	-	-	60.10
Trade payables	29	301.16	-	-	301.16
Lease Liabilities	23, 28	8.31	0.84	-	9.15
Other financial liabilities	24, 30	7.37	0.11	-	7.48
<b>Total Financial assets</b>		<b>384.89</b>	<b>72.73</b>	<b>-</b>	<b>457.62</b>

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt



## Notes to the Standalone Financial Statements

(Rupees in Crores)

The amount of guarantees furnished on behalf of subsidiaries included in note no.47(c) represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

**Collateral**

The Company has hypothecated part of its financial assets in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is an obligation to return the securities to the Company once these banking facilities are surrendered. (refer note no 22, 27 and 44)

**D. Level wise disclosure of financial instruments**

Particulars	Note No	As at 31-03-2023				As at 31-03-2022			
		Carrying Value	Fair value			Carrying Value	Fair value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>									
Loans	11	0.06			-	0.06			
Other financial assets	12,18	9.27			6.09	7.77		5.85	
Trade receivables	10,15	502.81				338.33			
Cash and cash equivalents	16	5.71				1.25			
Bank balances other than cash and cash equivalents	17	1.84				0.84			
Non-current Investments	9	38.70				38.85			
<b>Total financial assets</b>		<b>558.39</b>	-	-	<b>6.09</b>	<b>387.10</b>	-	-	<b>5.85</b>
<b>Financial liabilities</b>									
Long term Borrowings *	22, 27	72.91				79.73	-		
Short term Borrowings**	27	37.51				60.10			
Trade payables	29	508.62				301.16			
Lease Liabilities	23, 28	3.98				9.15			
Other financial liabilities	24, 30	9.55				7.48			
<b>Total financial liabilities</b>		<b>632.57</b>	-	-	-	<b>457.62</b>	-	-	-

\* including current maturities of long-term debt

\*\*excluding current maturities of long-term debt

The carrying amounts of short-term borrowings, trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.





#### 49. CORPORATE SOCIAL RESPONSIBILITY

a) Gross amount required to be spent by Company during the year - ₹0.61 Crores (Previous year: ₹0.52 Crores)

b) Amount spent during the year:

Year ended 31-03-2023

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	0.61	0.61	-	-

Year ended 31-03-2022

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	0.52	0.52	-	-

Amount paid is included under Other expenses (refer note no 37)

**Nature of CSR Activities** - Healthcare infrastructure, education, environment sustainability, rehabilitating abandoned women and children.

#### 50. Previous year figures

The previous year figures has been regrouped /rearranged wherever necessary to conform to the current period's presentation.



## 51. Ratios as per the Schedule III requirements

### A. Current ratio = Current assets / Current liabilities

Particulars	As at 31.03.2023	As at 31.03.2022
Current assets	862.51	631.00
Current Liabilities	581.41	392.06
<b>Ratio (times)</b>	<b>1.48</b>	<b>1.61</b>
<b>% change from previous year</b>	<b>(8.07)</b>	

Reason for change more than 25%: Not applicable

### B. Net Debt-Equity Ratio = Net debt / total equity

Particulars	As at 31.03.2023	As at 31.03.2022
Net Debt (refer note (i) below)	104.71	138.58
Equity	458.04	376.96
<b>Ratio (times)</b>	<b>0.23</b>	<b>0.37</b>
<b>% change from previous year</b>	<b>(37.84)</b>	

#### Note

(i) Net debt = Long term borrowings + Short term borrowings - Cash and cash equivalents

Reason for change more than 25%: Reflects reduction in borrowings

### C. Debt service coverage ratio = Earnings available for debt service / Interest expense and principal repayment of long term loan made during the year.

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Earnings available for debt services (refer note (i) below)	107.50	68.12
Interest + Principal Repayments of long term loans made during the period excluding prepayment	28.85	21.59
<b>Ratio (times)</b>	<b>3.73</b>	<b>3.16</b>
<b>% change from previous year</b>	<b>18.04</b>	

#### Note

(i) Earnings available for debt service = Earnings before interest, tax, exceptional items, depreciation and amortisation.

Reason for change more than 25%: Not applicable



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**D. Return on equity ratio = Net profit after tax / average equity**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Net profit after tax	57.02	27.24
Average shareholders equity (refer note (i) below)	417.50	363.31
<b>Ratios (percentage)</b>	<b>13.66%</b>	<b>7.50%</b>
<b>% change from previous year</b>	<b>82.13</b>	

**Note:** (i) Average shareholders equity = (Total equity as at beginning of respective year + total equity as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

**E. Inventory turnover ratio = Cost of goods sold / average inventory**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Cost of goods sold (refer note (i) below)	3,851.54	2,197.79
Average inventory (refer note (ii) below)	306.96	260.99
<b>Ratio (times)</b>	<b>12.55</b>	<b>8.42</b>
<b>% change from previous year</b>	<b>49.05</b>	

**Note:** (i) Cost of goods sold of respective year = Cost materials consumed + purchases + Changes in inventory  
(ii) Average inventory = (Total inventory - Goods in transit as at beginning of respective year) + (total inventory - Goods in transit as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

**F. Trade receivables turnover ratio = Sales / Average trade receivables**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Turnover (refer note (i) below)	4,762.74	2,747.93
Average trade receivables (refer note (ii) below)	420.57	311.12
<b>Ratio (times)</b>	<b>11.32</b>	<b>8.83</b>
<b>% change from previous year</b>	<b>28.20</b>	

**Note:** (i) Turnover = Revenue from operations (including GST)

(ii) Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2

Reason for change more than 25%: Reflects better operational performance

**G. Trade payables turnover ratio = Purchases / Average trade payables**

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Purchases (Including GST)	4,603.93	2,642.76
Average trade payables (refer note (i) below)	404.89	244.71
<b>Ratio (times)</b>	<b>11.37</b>	<b>10.80</b>
<b>% change from previous year</b>	<b>5.28</b>	

**Note:** (i) Average trade payables = (Total Trade Payables as at beginning of respective year + Total Trade Payables as at end of respective year) divided by 2

Reason for change more than 25%: Not applicable



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### H. Net capital turnover ratio = Revenue from operations / Working capital

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
Revenue from operations	4036.22	2,328.75
Working capital	281.10	238.94
<b>Ratios (times)</b>	<b>14.36</b>	<b>9.75</b>
% change from previous year	47.28	

Note: Working capital = Current assets - Current liabilities

Reason for change more than 25%: Reflects better operational performance

### I. Net profit ratio = Net profit after tax / Revenue from operations

Particulars	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Net profit after tax	57.02	27.24
Revenue from operations	4,036.22	2,328.75
<b>Ratios (percentage)</b>	<b>1.41%</b>	<b>1.17%</b>
% change from previous year	20.51	

Reason for change more than 25%: Not applicable

### J. Return on Capital employed = Earnings before interest and taxes (EBIT) / Capital employed

Particulars	As at / For the Year ended 31-03-2023	As at / For the Year ended 31-03-2022
EBIT (refer note (i) below)	97.79	57.40
Capital employed (refer note (ii) below)	562.75	515.54
<b>Ratios (percentage)</b>	<b>17.38%</b>	<b>11.13%</b>
% change from previous year	56.15	

#### Note

(i) EBIT = Profit before taxes + finance cost

(ii) Capital employed = Total equity + Long term borrowings + Short term borrowings - Cash and cash equivalents

Reason for change more than 25%: Reflects better operational performance

### K. Return on investment = Income generated from investments / average investments

This is not applicable as the investments are made only in the subsidiaries. Benchmarking the return on annual basis will not reflect yield from such investments.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

- 52.** No proceedings have been initiated or pending against the Company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made there under
- 53.** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
 (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or  
 (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- 54.** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:  
 (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 55.** The Company has not operated in any crypto currency or Virtual Currency transactions
- 56.** There are no transactions with the Companies whose name are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31-03-2023
- 57.** During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.
- 58.** The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- 59.** No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013
- 60.** The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments

**61. Events occurring after the Balance Sheet date**

The Board has recommended a final dividend of ₹2.5/- (Rupees Two Paise Fifty only) per equity share (face value of ₹10/- each) for the financial year ended 31-03-2023 aggregating to ₹5.71 crores subject to the approval of shareholders in the ensuing Annual General Meeting.

As per our report attached of even date

For and on behalf of the Board of Directors

**For SUNDARAM & SRINIVASAN**

Chartered Accountants  
ICAI Firm Reg.No: 004207S

**Srinivasan K**  
Partner  
Membership No: 209120

Place: Bengaluru  
Date: 11th May 2023

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Alex Varghese**  
Chief Financial Officer

Place: Bengaluru  
Date: 11th May 2023

**C.Ravikumar**  
Whole-time Director  
DIN: 01247347

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459



