

**Limited Review Report on the Unaudited Consolidated Financial Results for the quarter ended December 31, 2017, pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

To The Board of Directors

Shankara Buildings Products Limited

(formerly known as Shankara Infrastructure Materials Limited)

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Shankara Building Products Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter ended December 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement which is the responsibility of the Holding Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We believe that the review procedures performed by us and performed by the other auditors in terms of their report referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our reporting on the Statement.
5. Based on our review conducted as above, and on consideration of the reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standard and other recognized accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. The financial information of the Company for the quarter and nine months ended December 31, 2016 prepared in accordance with the Companies (Accounting Standard) Rules, 2006 have been restated to comply with Indian Accounting Standards ("Ind AS") and included in the Statement as comparative financial information. Adjustments made to that financial information prepared in accordance with the Companies (Accounting Standard) Rules, 2006, to comply with Ind AS have been reviewed by us.
7. We did not review the financial results of 2 subsidiaries included in the Statement, whose financial results reflects total assets of Rs. 16,781.24 Lakhs as at December 31, 2017, total revenue of Rs. 17,036.52 Lakhs, total profit after tax of Rs. 346.53 Lakhs and total comprehensive income of Rs. 346.53 for the quarter ended December 31, 2017, as considered in the Statement. These financial results have been reviewed by the other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our report is not modified in respect of this matter.
8. We did not review the financial results of 1 subsidiary included in the Statement, whose financial results reflects total assets of Rs.1,203.03 Lakhs as at December 31, 2017, total revenue of Rs. Nil and total profit/(loss) after tax of (Rs. 0.19 Lakhs) and total comprehensive income of (Rs. 0.19 Lakhs) for the quarter ended December 31, 2017, as considered in the Statement. These financial results are not reviewed by their auditors and have been furnished to us by the Management and our reporting on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such un-reviewed financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group. Our report is not modified in respect of this matter.

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



S. Sundararaman  
Partner  
Membership No.:028423



Bangalore  
30<sup>th</sup> January 2018

**Shankara Building Products Limited**  
(Formerly Shankara Infrastructure Materials Limited)  
CIN: L26922KA1995PLC018990

Registered and Corporate Office: G-2, FARAH WINSFORD, 133, INFANTRY ROAD, BANGALORE - 560 001  
Website: www.shankarabuildpro.com, Email: compliance@shankarabuildpro.com

Consolidated Unaudited financial results for the Quarter and Nine months ended 31 December 2017

(Rs. In Lacs, except per share data)

Particulars	For the Quarter ended			For the Nine months ended	
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1. Income</b>					
Revenue from operations	62,461.61	57,162.04	54,075.35	1,78,785.58	1,70,975.15
Other Income	23.32	17.96	11.63	50.70	46.04
<b>Total Income</b>	<b>62,484.93</b>	<b>57,180.00</b>	<b>54,086.98</b>	<b>1,78,836.28</b>	<b>1,71,021.19</b>
<b>2. Expenses</b>					
(a) Cost of Materials Consumed	28,595.99	32,011.49	27,667.89	87,124.49	76,879.91
(b) Purchases of stock-in-trade	25,206.55	17,647.63	18,747.36	67,627.31	73,099.93
(c) (Increase) / Decrease in inventories of finished goods & Stock in Trade	(162.02)	(1,788.23)	(680.96)	(2,517.14)	(2,826.52)
(d) Employee Benefits Expense	1,605.82	1,494.79	1,230.39	4,381.61	3,676.24
(e) Finance Costs	1,099.91	1,180.35	1,310.78	3,260.88	3,785.54
(f) Depreciation and amortisation expense	329.85	311.48	283.44	927.80	850.11
(g) Other Expenses	3,131.85	3,683.62	3,493.48	10,058.81	9,482.85
<b>Total Expenses</b>	<b>59,807.95</b>	<b>54,541.13</b>	<b>52,052.38</b>	<b>1,70,863.76</b>	<b>1,64,948.06</b>
<b>3. Profit before tax [1-2]</b>	<b>2,676.98</b>	<b>2,638.87</b>	<b>2,034.60</b>	<b>7,972.52</b>	<b>6,073.13</b>
<b>4. Tax Expense</b>	<b>911.57</b>	<b>906.83</b>	<b>665.95</b>	<b>2,753.13</b>	<b>2,053.98</b>
<b>5. Profit after tax [3-4]</b>	<b>1,765.41</b>	<b>1,732.04</b>	<b>1,368.65</b>	<b>5,219.39</b>	<b>4,019.15</b>
<b>6. Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss	-	-	-	-	-
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-	-
Exchange differences on translation of foreign operations	0.26	(0.14)	(0.54)	(0.31)	(0.57)
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>0.26</b>	<b>(0.14)</b>	<b>(0.54)</b>	<b>(0.31)</b>	<b>(0.57)</b>
<b>7. Total Comprehensive Income before Non-Controlling Interest</b>	<b>1,765.67</b>	<b>1,731.90</b>	<b>1,368.11</b>	<b>5,219.08</b>	<b>4,018.58</b>
<b>8. Non-controlling interest</b>	<b>(0.31)</b>	<b>(0.35)</b>	<b>(0.42)</b>	<b>(0.97)</b>	<b>(0.96)</b>
<b>9. Total Comprehensive Income after Non-Controlling Interest</b>	<b>1,765.36</b>	<b>1,731.55</b>	<b>1,367.69</b>	<b>5,218.11</b>	<b>4,017.62</b>
<b>10. Paid-up equity share capital</b>	<b>2,284.93</b>	<b>2,284.93</b>	<b>2,187.10</b>	<b>2,284.93</b>	<b>2,187.10</b>
Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
<b>11. Earnings per share (of Rs.10/- each) (not annualised):</b>					
-Basic	7.73	7.58	6.25	22.85	18.37
-Diluted	7.73	7.58	6.25	22.85	18.37
See accompanying notes to the Financial Results					



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Consolidated Segment information for the Quarter and Nine months ended 31 December 2017

(Rs. In Lacs)

Particulars	For the quarter ended			For the Nine months ended	
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1. Segment Revenue</b>					
- Retail	29,893.57	27,289.26	22,614.30	84,185.28	71,570.95
- Channel & Enterprise	32,568.04	29,872.78	31,461.15	94,600.30	99,404.30
Revenue from operation	62,461.61	57,162.04	54,075.45	1,78,785.58	1,70,975.25
<b>2. Segment Results</b>					
- Retail	3,095.64	2,874.15	1,796.55	8,969.83	6,930.03
- Channel & Enterprise	1,765.81	1,640.88	2,770.36	5,242.30	5,849.58
<b>Total Segment Profit before Interest and Tax and unallocable expenses/income</b>	<b>4,861.45</b>	<b>4,515.03</b>	<b>4,566.91</b>	<b>14,212.13</b>	<b>12,779.61</b>
Finance Cost	1,099.91	1,180.35	1,310.77	3,260.88	3,785.54
Unallocable Corporate Expenses (Net)	1,084.56	695.81	1,221.57	2,978.73	2,920.99
<b>Profit before Tax</b>	<b>2,676.98</b>	<b>2,638.87</b>	<b>2,034.57</b>	<b>7,972.52</b>	<b>6,073.08</b>
<b>3. Assets</b>					
- Retail	23,922.41	22,520.50	16,020.67	23,922.41	16,020.67
- Channel & Enterprise	47,895.00	47,513.77	41,855.77	47,895.00	41,855.77
- Unallocated	34,294.40	33,804.96	28,260.37	34,294.40	28,260.37
<b>4. Liabilities</b>					
- Retail	4,876.79	4,010.39	3,649.16	4,876.79	3,649.16
- Channel & Enterprise	21,536.02	25,457.21	15,309.77	21,536.02	15,309.77
- Unallocated	36,238.40	32,635.32	34,351.26	36,238.40	34,351.26



**Key financial highlights for the quarter**

Shankara Building Products Limited reported revenue growth of 16% year-on-year for the quarter ended December 31, 2017. The retail segment recorded revenue growth of 32%. Adjusted for Excise / GST impact, the Same Store Sales Growth in the retail segment stood at 37%. The retail segment EBITDA grew by 72% with margins of 10.4% for the quarter. The consolidated PAT of the Company grew by 29%.

The following table captures the key highlights of the quarterly performance:

Consolidated P&L	Shankara Building Products Limited		
	Q3 FY18	Q3 FY17	YoY
Revenue from Operations (Net of GST)	62,462	54,075	16%
Retail Revenue	29,894	22,614	32%
Same Store Sales Growth *	22%		
Retail Segment EBITDA	3,096	1,797	72%
%	10.4%	7.9%	
Retail No of Stores	124	103	
Retail Area in Square Feet	4,73,034	3,73,294	27%
Consolidated EBITDA	4,083	3,617	13%
EBITDA Margin	6.5%	6.7%	
Profit before Tax	2,677	2,035	32%
PBT Margin	4.3%	3.8%	
PAT	1,765	1,369	29%
PAT Margin %	2.8%	2.5%	

\* Adjusted for Excise/GST the SSSG stood at 37% for the Quarter

*Subhojit*

