

# SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

23, C.P. RAMASWAMY ROAD,  
ALWARPET, CHENNAI - 600 018.

**Independent Auditor's Review Report on consolidated unaudited financial results of Shankara Building Products Limited, Bengaluru and its subsidiaries for the quarter and period ended September 30, 2019 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Review report to  
The Board of Directors,  
Shankara Building Products Limited, Bengaluru.

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Shankara Building Products Limited, Bengaluru ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax for the quarter ended September 30, 2019 and year to date results for the period from April 01, 2019 to September 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The consolidated figures for the corresponding quarter ended September 30, 2018 and the corresponding period from April 01, 2018 to September 30, 2018, as reported in the Statement have been approved by the Parent's Board of Directors and subjected to review by our predecessor.

Attention is drawn to the fact that the consolidated cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in the Statement have been approved by the Parent's Board of Directors of the company but have not been subjected to review.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting



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Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules thereunder and other accounting principles generally accepted in India.

Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

A. Parent Company

Shankara Building Products Limited, Bengaluru



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B. Subsidiary Companies

Vishal Precision Steel Tubes and Strips Private Limited,  
Hoskote

Taurus Value Steel & Pipes Private Limited, Kutbullapur  
Mandal

Steel Network (Holdings) Pte Limited, Singapore

Centurywells Roofing India Private Limited, Kancheepuram  
(step down subsidiary)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under section 133 of the Companies Act, 2013, as amended read with relevant Rules thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed or that it contains any material misstatement.
6. We did not review the interim financial results of three subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total assets of Rs. 31,163.76 lakhs as at September 30, 2019 and total revenues of Rs. 17,606.97 lakhs



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and Rs. 36,889.30 lakhs, total profit after tax of Rs. 418.81 lakhs and Rs. 707.83 lakhs, total comprehensive income of Rs. 440.47 lakhs and Rs. 583.13 lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, and cash outflows (net) of Rs. 42.01 lakhs for the period from April 01, 2019 to September 30, 2019 as considered in the consolidated unaudited financial results.

These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion 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 report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

7. The consolidated unaudited financial results include the interim financial information of one subsidiary which has not been reviewed by its auditors and are based solely on management certified accounts, whose financial information reflect total assets Rs. 2185.34 lakhs as at September 30, 2019 and nil revenue, nil total profit after tax and total comprehensive income of Rs. 11.13 lakhs (loss) and Rs. 11.11 lakhs (loss) for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, and cash inflows (net) of Rs. 982.34 lakhs for the period from April 01, 2019 to September 30, 2019 as considered in the consolidated unaudited interim financial results. According to the information and explanation



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given to us by the Management, this financial information is not material to the Group.

8. As already stated in para 1, figures for the quarter ended September 30, 2018 and the corresponding period from April 01, 2018 to September 30, 2018 and for the year ended March 31, 2019 have been reviewed / audited by our predecessor, who expressed unmodified opinion. We have accepted those figures by verifying relevant records of the company. Our conclusion is not modified in respect of the said matter for the purpose of our review opinion on the Statement.

For Sundaram & Srinivasan,  
Chartered Accountants  
Firm Registration Number: 004207S

*S. Venkata Subramanian*  
*11/11/2019*

Venkatasubramanian.S

Partner

Membership no.: 219238

UDIN: 19219238AAAABL6292

Place: Bengaluru

Dated: November 11, 2019.



(Rs. In Lacs, except per share data)

Consolidated financial results for the quarter and half year ended 30th September 2019

Particulars	For the quarter ended			For the half year ended		For the year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	63,310.50	63,929.46	64,389.08	1,27,239.96	1,42,910.86	2,65,410.45
II Other Income	57.11	52.43	158.12	109.54	179.19	442.82
III Total Income (I+II)	63,367.61	63,981.89	64,547.20	1,27,349.50	1,43,090.05	2,65,853.27
IV Expenses						
Cost of Materials Consumed	15,690.58	18,059.02	37,910.51	33,749.60	79,154.96	1,36,823.95
Purchase of Stock-in-Trade	40,382.65	44,877.69	20,379.30	85,260.34	49,261.00	98,782.99
Changes in inventories of finished goods & stock in trade	1,605.03	(5,090.23)	(1,597.08)	(3,485.20)	(2,712.60)	328.66
Employee benefits expense	1,389.14	1,320.09	1,712.78	2,709.23	3,458.19	6,426.95
Finance costs	1,118.44	1,133.29	1,523.20	2,251.73	2,910.36	5,669.78
Depreciation and amortization expense	571.95	853.53	462.60	1,425.48	912.10	1,862.11
Other expenses	1,570.24	1,646.12	2,869.34	3,216.36	5,754.30	11,106.02
Total expenses (IV)	62,328.03	62,799.51	63,260.65	1,25,127.54	1,38,738.31	2,61,000.46
V Profit before tax from continuing operations (III-IV)	1,039.58	1,182.38	1,286.55	2,221.96	4,351.74	4,852.81
VI Tax expense:						
Current tax	199.35	398.49	339.45	597.84	1,298.72	1,284.08
for earlier years	7.63	-	(57.18)	7.63	(57.18)	(73.29)
Deferred tax	(166.99)	(43.31)	91.57	(210.30)	251.49	367.82
Total Tax Expenses:	39.99	355.18	373.84	395.17	1,493.03	1,578.61
VII Profit after tax from continuing operations (V-VI)	999.59	827.20	912.71	1,826.79	2,858.71	3,274.20
VIII Profit/(Loss) from Discontinued operations	(0.00)	(968.58)	-	(968.58)	-	-
Tax expense relating to discontinued operations	(26.72)	(818.69)	-	(845.41)	-	-
Profit/(Loss) after tax from Discontinued operations	26.72	(149.89)	-	(123.17)	-	-
IX Profit for the period (VII+VIII)	1,026.31	677.31	912.71	1,703.62	2,858.71	3,274.20
X Other Comprehensive Income						
A (i) Items that will not be reclassified to Profit or loss	(4.43)	(2.07)	(48.63)	(6.50)	(67.44)	(67.20)
(ii) Income tax relating to items that will not be reclassified to Profit or loss	0.89	0.75	17.00	1.64	23.57	23.75
Total A	(3.54)	(1.32)	(31.63)	(4.86)	(43.87)	(43.45)
B (i) Items that will be reclassified to Profit or loss	(14.02)	0.02	(1.46)	(14.00)	3.23	8.90
(ii) Income tax relating to items that will be reclassified to Profit or loss	-	-	-	-	-	-
Total B	(14.02)	0.02	(1.46)	(14.00)	3.23	8.90
Total Other Comprehensive Income/(loss) (A+B)	(17.56)	(1.30)	(33.09)	(18.86)	(40.64)	(34.55)
XI Total Comprehensive Income (IX+X)	1,008.75	676.01	879.62	1,684.76	2,818.07	3,239.65
XII Total Profit for the year attributable to:						
- Owners of the Company	1,026.31	677.31	912.71	1,703.62	2,858.71	3,274.20
- Non-controlling interest	-	-	-	-	-	-
	1,026.31	677.31	912.71	1,703.62	2,858.71	3,274.20
XIII Other comprehensive income/(loss) for the year attributable to:						
- Owners of the Company	(17.56)	(1.30)	(33.09)	(18.86)	(40.64)	(34.55)
- Non-controlling interest	-	-	-	-	-	-
	(17.56)	(1.30)	(33.09)	(18.86)	(40.64)	(34.55)
XIV Total comprehensive income for the year attributable to:						
- Owners of the Company	1,008.75	676.01	879.62	1,684.76	2,818.07	3,239.65
- Non-controlling interest	-	-	-	-	-	-
	1,008.75	676.01	879.62	1,684.76	2,818.07	3,239.65
XIV Paid-up Equity share capital	2,284.93	2,284.93	2,284.93	2,284.93	2,284.93	2,284.93
Face Value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Reserve excluding revaluation reserve - Other equity						45,625.92
XVI Earnings per equity share: (in Rs)						
From Continuing Operations-Basic & Diluted	4.37	3.62	3.99	7.99	12.51	14.33
From Discontinued Operations-Basic & Diluted	0.12	(0.66)	-	(0.54)	-	-
From Continuing & Discontinued Operations-Basic & Diluted	4.49	2.96	3.99	7.45	12.51	14.33

See accompanying notes to the Financial Results



Consolidated statement of assets and liabilities

(Rs. In Lacs unless otherwise stated)

Particulars	As At 30.09.2019	As At 31.03.2019
	Unaudited	Audited
<b>1 ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	21,780.83	22,520.70
(b) Capital work-in-progress	376.98	425.18
(c) Investment property	704.91	705.69
(d) Right-of-use Asset	3,366.61	-
(e) Goodwill on Consolidation	1,404.03	1,404.03
(f) Other Intangible assets	473.89	661.33
(g) Financial Assets		
(i) Trade receivables	374.32	395.09
(ii) Loans	1,498.59	1,482.43
(h) Other non-current assets	102.62	139.11
<b>Total Non current assets (I)</b>	<b>30,082.78</b>	<b>27,733.56</b>
<b>2 Current Assets</b>		
(a) Inventories	37,688.30	38,294.57
(b) Financial Assets		
(i) Trade receivables	37,399.62	33,358.95
(ii) Cash and cash equivalents	1,262.50	916.28
(iii) Bank balances other than (ii) above	496.16	830.88
(iv) Other financial assets	79.66	128.06
(c) Current tax Asset (Net)	-	69.04
(d) Other current assets	2,947.13	2,955.37
<b>Total current assets (II)</b>	<b>79,873.37</b>	<b>76,553.15</b>
<b>Non current assets held for Sale (III)</b>	-	6,908.78
<b>Total Assets (I+II+III)</b>	<b>1,09,956.15</b>	<b>1,11,195.49</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	2,284.93	2,284.93
(b) Other equity	46,697.40	45,625.92
<b>Total Equity (IV)</b>	<b>48,982.33</b>	<b>47,910.85</b>
<b>1 Liabilities</b>		
<b>Non-Current Liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	169.47	243.82
(ii) Lease Liability	3,504.45	-
(iii) Other financial liabilities	2.25	2.25
(b) Provisions	38.15	34.86
(c) Deferred tax liabilities (Net)	781.79	2,064.97
<b>Total Non-current liabilities (V)</b>	<b>4,496.11</b>	<b>2,345.90</b>
<b>2 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	17,901.96	19,269.59
(ii) Trade Payables		
Dues to Micro and Small Enterprises	51.48	94.69
Dues to creditors other than Micro and Small Enterprises	35,474.95	38,049.88
(iii) Lease Liability	220.72	-
(iv) Other financial liabilities	1,206.96	1,670.05
(b) Other current liabilities	908.56	1,427.05
(c) Provisions	267.65	196.52
(d) Current tax liabilities (Net)	445.43	230.96
<b>Total current liabilities (VI)</b>	<b>56,477.71</b>	<b>60,938.74</b>
<b>Total Equity and Liabilities (IV+V+VI)</b>	<b>1,09,956.15</b>	<b>1,11,195.49</b>

See accompanying notes to the Financial Results

By order of the Board  
SUKUMAR SRINIVAS

Place : Bengaluru  
Date : 11th November 2019



*Sukumar Srinivas*  
Managing Director



Shankara Building Products Limited  
CIN: L26922KA1995PLC018990  
Registered and Corporate Office: G-2, FARAH WINSFORD, 133, INFANTRY ROAD, BENGALURU - 560 001  
Website:www.shankarabuildpro.com, Email:compliance@shankarabuildpro.com  
Ph: 080 4011 7777, Fax- 080 4111 9317

**Unaudited Consolidated Statement of Cash Flows**

*(All amounts are Rupees in lakhs, unless stated otherwise)*

Particulars	For the Half year ended 30-9-19	For the Half year ended 30-9-18
<b>Cash flow from operating activities</b>		
Profit before tax from Continuing Opearations	2,221.96	4,351.74
Profit before tax from Discontinued Opearations	(968.58)	-
Profit before tax for the period	1,253.38	4,351.74
Adjustments for :		
Depreciation and amortization expenses	1,492.43	912.10
Net Loss on disposal of Property, Plant & Equipment	5.12	-
Net gain on disposal of Property, Plant & Equipment	-	(111.09)
Loss on asset held for sale	865.09	-
Interest income on deposits	(6.35)	(21.78)
Provision for doubtful advances	-	-
Unwinding of interest income on rental deposits	(45.25)	(39.95)
Interest expense on borrowings	2,126.03	2,857.21
Interest on Lease liability	185.33	-
Bad Debts written off	4.18	7.36
Loss Allowance for doubtful trade receivables	124.41	(391.98)
Foreign Currency Translation Reserve	(14.00)	3.23
<b>Operating profit before working capital changes</b>	<b>5,990.37</b>	<b>7,566.84</b>
Adjustments for :		
(Increase) / Decrease in inventories	606.27	(848.71)
(Increase) / Decrease in trade receivable	(4,148.49)	6,295.02
Decrease/ (Increase) in Other Assets	58.02	1,910.51
(Decrease)/ Increase in trade payables	(2,446.74)	(18,739.14)
(Decrease)/ Increase in other liabilities	(680.39)	353.12
Increase in provisions	67.92	69.09
<b>Cash flow from operations</b>	<b>(553.04)</b>	<b>(3,393.27)</b>
Income taxes paid	(474.92)	(444.68)
<b>Net cash generated from operating activities (A)</b>	<b>(1,027.96)</b>	<b>(3,837.95)</b>
<b>Cash flow from investing activities</b>		
Payment for Purchase of Property, Plant & Equipment, Intangible assets including capital Advances	(1,257.19)	(1,958.80)
Proceeds from sale of Property, Plant & Equipment-Continuing operations	85.32	156.33
Proceeds from sale of Property, Plant & Equipment-Discontinued operations	6,997.78	-
Bank deposits not considered as cash and cash equivalents (net)	334.72	(44.56)
Interest received	62.11	78.93
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>6,222.74</b>	<b>(1,768.10)</b>
<b>Cash flow from financing activities</b>		
Repayment of Lease liability	(737.51)	-
Proceeds from non current borrowings	-	-
Repayment of term loans	(156.60)	(39.48)
Proceeds from/ (Repayment of) Current borrowings (net)	(1,367.63)	9,369.20
Interest paid	(2,173.62)	(2,830.69)
Dividend paid (including Dividend Distribution tax)	(413.20)	(892.85)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(4,848.56)</b>	<b>5,606.18</b>
<b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b>	<b>346.22</b>	<b>0.13</b>
Cash and cash equivalents - at the beginning of the period	916.28	123.41
Cash and cash equivalents - at the end of the period	1,262.50	123.54

The above Cash Flow Statement has been prepared under the Indirect method as set out in IND AS -7.  
Figures in brackets indicate cash outflow.





Shankara Building Products Limited

CIN: L26922KA1995PLC018990

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

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

Consolidated Segment information for the quarter and half year ended 30th September 2019

"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.

(Rs. In Lakhs)

Particulars	For the quarter ended			For the half-year ended		For the year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Segment Revenue</b>						
- Retail	34,677.88	35,962.42	34,332.37	70,640.30	74,518.14	1,43,107.63
- Channel & Enterprise	28,632.62	27,967.04	30,056.71	56,599.66	68,392.72	1,22,302.82
<b>Revenue from operation</b>	<b>63,310.50</b>	<b>63,929.46</b>	<b>64,389.08</b>	<b>1,27,239.96</b>	<b>1,42,910.86</b>	<b>2,65,410.45</b>
<b>2. Segment Results</b>						
- Retail	2,765.32	2,909.40	3,315.81	5,674.72	7,468.91	12,653.35
- Channel & Enterprise	614.90	973.81	516.27	1,588.71	2,323.02	2,870.14
<b>Total Segment Profit before Interest and Tax and unallocable expenses/income</b>	<b>3,380.22</b>	<b>3,883.21</b>	<b>3,832.08</b>	<b>7,263.43</b>	<b>9,791.93</b>	<b>15,523.49</b>
Finance Cost	1,118.44	1,133.29	1,523.20	2,251.73	2,910.36	5,669.78
Unallocable Corporate Expenses (Net)	1,222.20	1,567.54	1,022.33	2,789.74	2,529.83	5,000.90
<b>Profit before Tax</b>	<b>1,039.58</b>	<b>1,182.38</b>	<b>1,286.55</b>	<b>2,221.96</b>	<b>4,351.74</b>	<b>4,852.81</b>
<b>3. Assets</b>						
- Retail	33,960.88	31,389.67	27,986.43	33,960.88	27,986.43	27,769.09
- Channel & Enterprise	42,885.70	47,787.40	51,607.13	42,885.70	51,607.13	46,026.67
- Unallocated	33,109.57	33,665.08	35,738.57	33,109.57	35,738.57	37,399.73
<b>4. Liabilities</b>						
- Retail	9,571.27	10,087.99	5,863.21	9,571.27	5,863.21	7,778.12
- Channel & Enterprise	25,955.16	25,899.29	21,519.66	25,955.16	21,519.66	30,366.44
- Unallocated	25,447.39	28,600.79	40,459.61	25,447.39	40,459.61	25,140.08

