

# SUNDARAM & SRINIVASAN

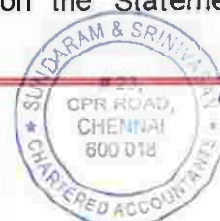
CHARTERED ACCOUNTANTS

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 December 31, 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 December 31, 2019 and year to date results for the period from April 01, 2019 to December 31, 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 December 31, 2018, as reported in the Statement have been approved by the Parent's Board of Directors and subjected to review by our predecessor.
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 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.



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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

B. Subsidiary Companies

(i) Vishal Precision Steel Tubes and Strips Private Limited, Hoskote

(ii) Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal

(iii) Steel Network (Holdings) Pte Limited, Singapore



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(iv) Centurywells Roofing India Private Limited,  
Kancheepuram

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 revenues of Rs. 16,469.15 lakhs and Rs. 53,358.45 lakhs, total profit after tax of Rs. 352.29 lakhs and Rs. 1,060.12 lakhs and total comprehensive income of Rs. 205.07 lakhs and Rs. 788.20 lakhs for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019, respectively as considered in the consolidated unaudited financial results.



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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 revenue of Rs. 43.03 lakhs and total profit after tax of Rs. 38.77 lakhs for the quarter ended as well as for the period ended December 31, 2019 and total comprehensive income of Rs. 38.96 lakhs and Rs. 27.85 lakhs for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019, respectively, as considered in the consolidated unaudited interim financial results. According to the information and explanation 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 December 31, 2018 and the corresponding period from April 01, 2018 to December 31, 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



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financial results of Shankara Building Products Limited, Bengaluru  
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December 31, 2019 pursuant to Regulation 33 of the SEBI (Listing  
Obligations and Disclosure Requirements) Regulations, 2015**

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's Registration Number: 004207S

*S. Venkata Subramanian*  
*05/02/2020*  
Venkatasubramanian.S

Partner

Membership no.: 219238

ICAI UDIN: 20219238AAAAAB5499

Place: Bengaluru

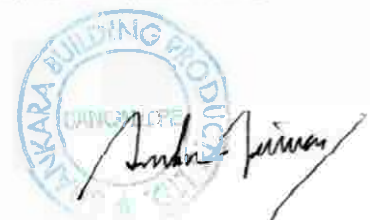
Dated: February 05, 2020.



(Rs. in Lacs, except per share data)

Consolidated Unaudited financial results for the quarter and nine months ended 31st December 2019

Particulars	For the quarter ended			For the nine months ended		For the year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations	70,006.25	63,310.50	58,025.63	1,97,246.21	1,94,831.00	2,54,631.86
2 Other Income	105.31	57.11	41.24	214.85	215.09	432.40
3 Total income (1+2)	70,111.56	63,367.61	58,066.87	1,97,461.06	1,95,046.09	2,55,064.26
4 Expenses						
a) Cost of Materials Consumed	14,047.81	15,690.58	30,514.90	47,797.41	1,07,391.47	1,33,010.53
b) Purchase of Stock-in-Trade	49,585.00	40,382.65	19,753.80	1,34,845.34	68,969.23	98,705.79
c) Changes in inventories of finished goods & stock in trade	216.32	1,605.03	2,413.82	(3,268.88)	(70.97)	(514.12)
d) Employee benefits expense	1,405.64	1,389.14	1,387.09	4,114.87	4,236.42	5,537.80
e) Finance costs	1,027.45	1,118.44	1,270.35	3,279.18	3,670.08	4,714.56
f) Depreciation and amortization expense	655.41	571.95	391.37	2,080.89	1,113.61	1,482.40
g) Other expenses	1,541.25	1,570.24	1,959.69	4,757.61	5,914.56	7,946.85
Total expenses	68,478.88	62,328.03	57,691.02	1,93,606.42	1,91,224.40	2,50,883.81
5 Profit before tax from continuing operations (3-4)	1,632.68	1,039.58	375.85	3,854.64	3,821.69	4,180.45
6 Tax expense:						
a) Current tax	393.47	199.35	17.91	991.31	1,021.75	1,157.43
b) for earlier years	-	7.63	(16.11)	7.63	(73.29)	(73.29)
c) Deferred tax	(59.84)	(166.99)	86.71	(270.14)	284.16	251.79
Total Tax Expenses:	333.63	39.99	88.51	728.80	1,232.62	1,335.93
7 Profit after tax from continuing operations (4-5)	1,299.05	999.59	287.34	3,125.84	2,589.07	2,844.52
8 Profit/(Loss) from Discontinued operations	0.00	-	(34.41)	(968.58)	871.50	672.36
Tax expense relating to discontinued operations	144.59	(26.72)	(0.11)	(700.82)	348.81	242.68
Profit/(Loss) after tax from Discontinued operations	(144.59)	26.72	(34.30)	(267.76)	522.69	429.68
9 Profit for the period (7+8)	1,154.46	1,026.31	253.04	2,858.08	3,111.76	3,274.20
10 Other Comprehensive Income						
A (i) Items that will not be reclassified to Profit or loss	(17.17)	(4.43)	(7.75)	(23.67)	(75.19)	(67.20)
(ii) Income tax relating to items that will not be reclassified to Profit or loss	4.32	0.89	2.70	5.96	26.27	23.75
Total A	(12.85)	(3.54)	(5.05)	(17.71)	(48.92)	(43.45)
B (i) Items that will be reclassified to Profit or loss	3.09	(14.02)	3.58	(10.91)	6.81	8.90
(ii) Income tax relating to items that will be reclassified to Profit or loss	-	-	-	-	-	-
Total B	3.09	(14.02)	3.58	(10.91)	6.81	8.90
Total Other Comprehensive Income/(loss) (A+B)	(9.76)	(17.56)	(1.47)	(28.62)	(42.11)	(34.55)
11 Total Comprehensive Income (9+10)	1,144.70	1,008.75	251.57	2,829.46	3,069.65	3,239.65
12 Total Profit for the year attributable to:						
- Owners of the Company	1,154.46	1,026.31	253.04	2,858.08	3,111.76	3,274.20
- Non-controlling interest	-	-	-	-	-	-
13 Other comprehensive income/(loss) for the year attributable to:						
- Owners of the Company	(9.76)	(17.56)	(1.47)	(28.62)	(42.11)	(34.55)
- Non-controlling interest	-	-	-	-	-	-
14 Total comprehensive income for the year attributable to:						
- Owners of the Company	1,144.70	1,008.75	251.57	2,829.46	3,069.65	3,239.65
- Non-controlling interest	-	-	-	-	-	-
15 Paid-up Equity share capital (Face Value of Rs.10/- each)	2,284.93	2,284.93	2,284.93	2,284.93	2,284.93	2,284.93
Reserve excluding revaluation reserve - Other equity						45,625.92
16 Earnings per share (Face Value of Rs.10/- each) (Not annualised)						
From Continuing Operations:						
Basic (in Rs.)	5.69	4.37	1.26	13.68	11.33	12.45
Diluted (in Rs.)	5.69	4.37	1.26	13.68	11.33	12.45
From Discontinued Operations:						
Basic (in Rs.)	(0.64)	0.12	(0.15)	(1.17)	2.29	1.88
Diluted (in Rs.)	(0.64)	0.12	(0.15)	(1.17)	2.29	1.88
From Continuing & Discontinued Operations:						
Basic (in Rs.)	5.05	4.49	1.11	12.51	13.62	14.33
Diluted (in Rs.)	5.05	4.49	1.11	12.51	13.62	14.33



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 Nine months ended 31st December 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 Nine months ended		For the year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Segment Revenue</b>						
- Retail	37,040.97	34,677.88	33,399.17	1,07,681.27	1,07,917.31	1,43,107.63
- Channel & Enterprise	32,965.28	28,632.62	24,626.46	89,564.94	86,913.69	1,11,524.23
<b>Revenue from operation</b>	<b>70,006.25</b>	<b>63,310.50</b>	<b>58,025.63</b>	<b>1,97,246.21</b>	<b>1,94,831.00</b>	<b>2,54,631.86</b>
<b>2. Segment Results</b>						
- Retail	3,046.53	2,765.32	2,420.07	8,721.25	9,536.40	11,897.24
- Channel & Enterprise	824.21	614.90	157.64	2,412.92	1,183.11	1,182.68
<b>Total Segment Profit before Interest and Tax and unallocable expenses/income</b>	<b>3,870.74</b>	<b>3,380.22</b>	<b>2,577.71</b>	<b>11,134.17</b>	<b>10,719.51</b>	<b>13,079.92</b>
Finance Cost	1,027.45	1,118.44	1,270.35	3,279.18	3,670.08	4,714.56
Unallocable Corporate Expenses (Net)	1,210.61	1,222.20	931.51	4,000.35	3,227.74	4,184.91
<b>Profit before Tax</b>	<b>1,632.68</b>	<b>1,039.58</b>	<b>375.85</b>	<b>3,854.64</b>	<b>3,821.69</b>	<b>4,180.45</b>
<b>3. Assets</b>						
- Retail	37,668.57	33,960.88	27,589.39	37,668.57	27,589.39	27,763.67
- Channel & Enterprise	45,298.43	42,885.70	41,029.19	45,298.43	41,029.19	41,760.03
- Unallocated	32,313.39	33,109.57	43,170.91	32,313.39	43,170.91	41,671.79
<b>4. Liabilities</b>						
- Retail	12,829.60	9,571.27	5,764.39	12,829.60	5,764.39	7,778.12
- Channel & Enterprise	30,838.61	25,955.16	19,815.61	30,838.61	19,815.61	30,366.44
- Unallocated	21,485.13	25,447.39	38,461.80	21,485.13	38,461.80	25,140.08

\* Assets for the quarter ended 31.12.2018, period ended 31.12.2018 & for the year ended 31.03.2019 includes assets pertaining to the discontinued operations.



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Notes on standalone and consolidated financial results (unaudited) for the quarter and nine months ended December 31, 2019

- 1 The above results for the quarter and nine months ended December 31, 2019 have been reviewed and recommended by the Audit Committee and approved by the Board at their meeting held on February 5, 2020. These results have been subjected to limited review by the statutory auditors of the company.
- 2 The statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('The Ind AS'), prescribed by under section 133 of the Companies Act, 2013.
- 3 The company conducts operations along with its subsidiaries. The consolidated financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial results as set out in the accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).
- 4 Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases", to all contracts existing on April 01, 2019 using the modified retrospective approach method and applied the standard to its leases retrospectively and has recognized the effect of the cumulative adjustment in the opening balance of retained earnings (net of tax-Rs.188.21 Lakhs and Rs.210.01 Lakhs in standalone and consolidated financial statements respectively) as at April 01,2019, being the date of initial application. This has an effect of increase in finance cost and depreciation and reduction in rent paid. As a result, there is a decrease in profit to the tune of Rs.35.60 lakhs and Rs.45.64 lakhs respectively in standalone and consolidated results for the 9 months period ending 31st December 2019. Comparatives for the period prior to the current quarter/ nine months ended have not been restated.
- 5 The Group opted to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has made a provision for Income tax for nine months ended December 31, 2019 and re-measured its deferred tax at the rate prescribed by the section.
- 6 The holding company has purchased the equity shares of Centurywells Roofing India Private Limited, Kancheepuram (a step down subsidiary) from Steel Network (Holdings) Pte Limited, Singapore (a wholly owned subsidiary) for a sum of Rs. 995.70 lakhs, during the quarter.
- 7 Previous year/quarter figures have been regrouped, wherever necessary, to conform to the current period's classification.

Place : BENGALURU

Date : 5th February 2020



By order of the Board  
SUKUMAR SRINIVAS

*Sukumar Srinivas*  
Managing Director