

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

To
The Board of Directors,
Shankara Building Products Limited.

1. We have audited the accompanying Statement of Annual Standalone Ind AS Financial Results of Shankara Building Products Limited ("the Company") for the year ended March 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement 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. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement has been prepared on the basis of the annual standalone Ind AS financial statements. Our responsibility is to express an opinion on this Statement, based on our audit of such annual standalone Ind AS financial statements, which have been prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.
3. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.



4. In our opinion and to the best of our information and according to the explanations given to us the Statement:
- (i) is presented in accordance with 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; and
 - (ii) gives a true and fair view of the net profit (including other comprehensive income) and other financial information of the Company for the year ended 31-3-2019
5. The Statement includes the results for the quarter ended March 31, 2019, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

Goddar

Gautav Poddar
Partner
Membership No.: 063847



Bangalore
May 09, 2019

Shankara Building Products Limited

CIN:L26922KA1995PLC018990

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

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

Standalone financial results for the Quarter and Year ended 31 March 2019

(Rs. in Lacs, except per share data)

| Particulars | For the quarter ended | | | For the year ended | |
|---|-----------------------|------------|------------|--------------------|-------------|
| | 31.03.2019 | 31.12.2018 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| | Unaudited* | Unaudited | Unaudited* | Audited | Audited |
| I Revenue from operations | 54,872.38 | 53,086.89 | 67,832.55 | 2,35,236.55 | 2,24,797.71 |
| II Other Income | 203.89 | 34.40 | 15.96 | 393.07 | 64.44 |
| III Total Income (I+II) | 55,076.27 | 53,121.29 | 67,848.51 | 2,35,629.62 | 2,24,862.15 |
| IV Expenses | | | | | |
| Purchases of stock-in-trade | 52,410.43 | 47,129.81 | 67,509.41 | 2,19,658.61 | 2,16,998.42 |
| Changes in inventories of Stock in Trade | (1,053.47) | 2,010.22 | (4,808.02) | (633.47) | (9,447.64) |
| Employee Benefits Expense | 987.48 | 1,039.91 | 929.80 | 4,035.93 | 3,305.18 |
| Finance Costs | 759.98 | 907.64 | 871.43 | 3,520.17 | 2,744.64 |
| Depreciation and amortisation expense | 239.39 | 229.24 | 197.91 | 901.61 | 497.82 |
| Other Expenses | 1,553.56 | 1,416.11 | 1,512.07 | 5,690.94 | 4,846.88 |
| Total Expenses | 54,897.37 | 52,732.93 | 66,212.60 | 2,33,173.79 | 2,18,945.30 |
| V Profit before tax [III-IV] | 178.90 | 388.36 | 1,635.91 | 2,455.83 | 5,916.85 |
| VI Tax Expense: | | | | | |
| Current tax | 108.12 | 70.15 | 624.50 | 746.84 | 2,154.50 |
| for earlier years | - | (2.76) | (0.00) | (59.94) | (26.87) |
| Deferred tax | (85.00) | 97.00 | (31.72) | 126.39 | (35.63) |
| Total Tax Expense | 23.12 | 164.39 | 592.78 | 813.29 | 2,092.00 |
| VII Profit for the period [V-VI] | 155.78 | 223.97 | 1,043.13 | 1,642.54 | 3,824.85 |
| VIII Other Comprehensive Income | | | | | |
| A (i) Items that will not be reclassified to profit or loss | 4.65 | (8.87) | 6.55 | (59.50) | 6.55 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | (1.63) | 3.10 | (2.27) | 20.79 | (2.27) |
| Total A | 3.02 | (5.77) | 4.28 | (38.71) | 4.28 |
| B (i) Items that will be reclassified to profit or loss | - | - | - | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - |
| Total B | - | - | - | - | - |
| Total Other Comprehensive Income/Loss (A+B) | 3.02 | (5.77) | 4.28 | (38.71) | 4.28 |
| IX Total Comprehensive Income (VII+VIII) | 158.80 | 218.20 | 1,047.41 | 1,603.83 | 3,829.13 |
| X Paid-up equity share capital (Face Value-Rs.10/- per share) | 2,284.93 | 2,284.93 | 2,284.93 | 2,284.93 | 2,284.93 |
| XI Reserve excluding revaluation reserve -other equity | | | | 30,089.72 | 29,381.13 |
| XII Earnings per share: | | | | | |
| Basic & Diluted (in Rs.) | 0.68 | 0.98 | 4.57 | 7.19 | 16.74 |

See accompanying notes to the Financial Results

* Refer Note 5



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Standalone statement of assets and liabilities as at 31st March 2019

(Rs. in Lacs unless other wise stated)

| Particulars | | 31.03.2019 | 31.03.2018 |
|-------------|--|------------------|------------------|
| I. | ASSETS | | |
| 1 | Non-current assets | | |
| | Tangible assets | | |
| | Property, plant and equipment | 13,185.72 | 10,892.38 |
| | Investment property | 878.74 | 243.20 |
| | Intangible assets | 661.33 | 1,035.18 |
| | Capital Work-in-progress | 116.30 | - |
| | Financial Assets | | |
| | Investments | 3,846.37 | 3,848.31 |
| | Trade receivables | 385.43 | 306.02 |
| | Loans | 2,608.14 | 4,507.98 |
| | Other non-current assets | 91.80 | 171.97 |
| | Total Non current assets | 21,773.83 | 21,005.04 |
| 2 | Current Assets | | |
| | Inventories | 26,288.42 | 25,659.45 |
| | Financial Assets | | |
| | Trade receivables | 28,370.00 | 37,806.40 |
| | Cash and cash equivalents | 839.46 | 112.18 |
| | Bank balances other than above | 106.39 | 48.22 |
| | Loans | 41.11 | 2,432.01 |
| | Other financial assets | 1,757.12 | 1,738.26 |
| | Other current assets | 1,202.27 | 2,561.70 |
| | Total current assets | 58,604.77 | 70,358.22 |
| | Total Assets | 80,378.60 | 91,363.26 |
| II. | EQUITY AND LIABILITIES | | |
| 1 | Equity | | |
| | Equity Share capital | 2,284.93 | 2,284.93 |
| | Other equity | 30,089.72 | 29,381.13 |
| | Total Equity | 32,374.65 | 31,666.06 |
| 2 | Non-Current Liabilities | | |
| | Financial liabilities | | |
| | Borrowings | 243.82 | 85.12 |
| | Other financial liabilities | 2.25 | 1.50 |
| | Provisions | 57.18 | 59.12 |
| | Deferred tax liabilities (Net) | 203.00 | 76.61 |
| | Total Non-current liabilities | 506.25 | 222.35 |
| 3 | Current liabilities | | |
| | Financial liabilities | | |
| | Borrowings | 15,924.82 | 22,427.60 |
| | Trade payables | | |
| | i) Dues to Micro and Small Enterprises | 93.07 | 26.99 |
| | ii) Dues to creditors other than Micro and Small Enterprises | 29,062.17 | 34,712.20 |
| | Other financial liabilities | 1,211.24 | 1,149.60 |
| | Provisions | 135.47 | 55.84 |
| | Current tax liabilities(Net) | 220.89 | 375.12 |
| | Other current liabilities | 850.04 | 727.50 |
| | Total current liabilities | 47,497.70 | 59,474.85 |
| | Total Equity and Liabilities | 80,378.60 | 91,363.26 |

Previous year figures have been regrouped wherever considered necessary.

Place : Bangalore
Date : 9th May 2019By order of the Board
SUKUMAR SRINIVAS

Managing Director

Shankara Building Products Limited

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Notes:

- 1 The above results for the quarter and year ended March 31, 2019 have been reviewed and recommended by the Audit Committee and approved by the Board at their meeting held on 9th May, 2019.
- 2 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 The Company conducts its operations along with its subsidiaries. The consolidated financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial results as set out in the accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).
- 4 The figures for the quarters ended 31st March 2019 and 31st March 2018 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial year which were subjected to limited review.
- 5 Effective 1st April 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers. The application of Ind AS 115 did not have any significant impact on financial results of the Company.
- 6 During second quarter, inventory to the value of Rs.314.28 lakhs were damaged on account of floods in Kerala. The company had lodged a claim for the same with the insurance company. Subsequently, the Company has realised an amount of Rs.130.78 lakhs out of auction sales from third parties (under the supervision of the insurance company). The resultant loss of Rs.183.50 lakhs (Rs.314.28 Lakhs minus Rs. 130.78 Lakhs) was accounted in the financial results pending admission of claim by the insurance company, as at 31st December 2018. During this quarter, the claim has been admitted by the insurance company and the same has been received and recognised under other income.
- 7 On 29th March 2019, the Board of Directors of one of the subsidiary company has consented for sale of its partial assets, including land, building and equipments in one of its location, having a net carrying value of Rs.6908.78, which is subject to approval from the shareholders of Shankara Building Products Limited, being the holding company, in their ensuing EGM. The sale is expected to be completed in the next three months. Accordingly, those assets are reclassified as Held-for-Sale in accordance with Ind AS 105. On reclassification, the company has estimated the fair value less costs to sell for the said assets which is more than its carrying amount. Accordingly, there are no write down of assets consequent to classification as Held-for-Sale. Some assets at the above mentioned location of the subsidiary company have also been abandoned which together with the assets held for sale does not constitute a major component for the group and accordingly has not been classified as discontinued operations in the consolidated financial statements of the Group.
- 8 The Board of Directors, in its meeting on May 09, 2019, has proposed a final dividend of Rs. 1.50 per equity share for the financial year ended March 31, 2019. The proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately Rs. 413.19 Lakhs including Corporate Dividend Tax.
- 9 Figures for the previous periods have been regrouped wherever necessary to conform to the current period's classification.



By order of the Board

SUKUMAR SRINIVAS

Sukumar Srinivas
Managing Director

Place : Bangalore

Date : 9th May 2019