

SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

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

Independent Auditor's Review Report on standalone unaudited quarterly financial results of Shankara Building Products Limited, Bengaluru pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

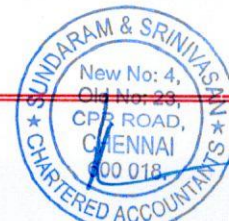
Review report to

The Board of Directors,

Shankara Building Products Limited, Bengaluru.

We have reviewed the accompanying statement of unaudited financial results of Shankara Building Products Limited, Bengaluru ("the Company") for the quarter ended June 30, 2019. This statement is the responsibility of the Company's management and has been 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 the Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the statements in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



12/08/2019

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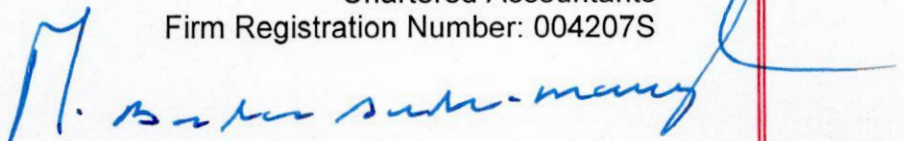
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Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Figures for the quarter ended June 30, 2018 and March 31, 2019 and for the year ended March 31, 2019 have been reviewed / audited by our predecessor. We have accepted those figures by verifying relevant records of the company. Our conclusion is not modified in respect of the said matter.

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



M. Balasubramaniyam
Partner
Membership no.: 007945

UDIN:19007945AAAAAF8290

Place: Bengaluru
Dated: August 12, 2019



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

Standalone financial results for the Quarter ended 30 June 2019

(Rs. In Lacs, except per share data)

Particulars	For the quarter ended			For the year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	59,084.88	54,872.38	69,876.76	2,35,236.55
II Other Income	48.09	203.89	21.97	393.07
III Total Income (I+II)	59,132.97	55,076.27	69,898.73	2,35,629.62
IV Expenses				
Purchases of stock-in-trade	59,035.68	52,410.43	65,879.89	2,19,658.61
Changes in inventories of Stock in Trade	(4,276.91)	(1,053.47)	(923.71)	(633.47)
Employee Benefits Expense	998.71	987.48	1,013.21	4,035.93
Finance Costs	910.47	759.98	906.50	3,520.17
Depreciation and amortisation expense	585.24	239.39	215.67	901.61
Other Expenses	1,134.32	1,553.56	1,292.84	5,690.94
Total Expenses	58,387.51	54,897.37	68,384.40	2,33,173.79
V Profit before tax [III-IV]	745.46	178.90	1,514.33	2,455.83
VI Tax Expense:				
Current tax	302.19	108.12	474.26	746.84
for earlier years	-	-	-	(59.94)
Deferred tax	(40.18)	(85.00)	95.39	126.39
Total Tax Expense	262.01	23.12	569.65	813.29
VII Profit for the period [V-VI]	483.45	155.78	944.68	1,642.54
VIII Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	(7.42)	4.65	(9.33)	(59.50)
(ii) Income tax relating to items that will not be reclassified to profit or loss	2.59	(1.63)	3.26	20.79
Total A	(4.83)	3.02	(6.07)	(38.71)
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)	(4.83)	3.02	(6.07)	(38.71)
IX Total Comprehensive Income (VII+VIII)	478.62	158.80	938.61	1,603.83
X Paid-up equity share capital (Face Value-Rs.10/- per share)	2,284.93	2,284.93	2,284.93	2,284.93
XI Reserve excluding revaluation reserve -other equity				30,089.72
XII Earnings per share:				
Basic & Diluted (in Rs.)	2.12	0.68	4.13	7.19

See accompanying notes to the Financial Results



Shankara Building Products Limited

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Notes on standalone and consolidated financial results (unaudited) for the quarter ended June 30, 2019

- 1 The above results for the quarter ended June 30, 2019 have been reviewed and recommended by the Audit Committee and approved by the Board at their meeting held on on August 12, 2019. These results have been subjected to limited review by the statutory auditors of the company.
- 2 The statements has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('The Ind AS') prescribed under section 133 of the companies Act, 2013 .
- 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 quarter ended March 31, 2019 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 April 01, 2019, the Group has adopted Ind AS 116 "Leases", to all contracts existing on April 01, 2019 using the modified retrospective approach wherein the right of use asset was recognised for an amount equal to the lease liability. Accordingly, comparatives for the year ended March 31, 2019 have not been adjusted. 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.48.35 lakhs and Rs. 57.91 lakhs respectively in standalone and consolidated results for the quarter.
- 6 On March 29, 2019, the Board of Directors of the subsidiary viz.Taurus Value Steel & Pipes Private Limited, after obtaining requisite sanction from its members resolved to sell some of its assets comprising of land, building and plant and equipments in one of its locations. The Parent company also consented on 20th May 2019. The sale transaction was completed by end of May 2019.

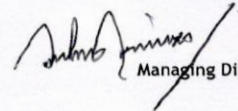
Place : BENGALURU

Date : 12th August 2019



By order of the Board

SUKUMAR SRINIVAS


Managing Director





Shankara Building Products Limited reported its Q1 FY 20 results. The key highlights are as follows:

- Consolidated revenue from operations stood at Rs. 6,393 mn. Retail segment revenue share stood at 56%.
- Consolidated EBITDA stood at Rs. 317 mn with an EBITDA margin of 5.0%. Retail segment EBITDA margins stood at 8.1%. These number are post Ind AS 116 impact. Adjusted for this impact, overall EBITDA margins stood at 4.3% and retail segment EBITDA margins stood at 7.2%.
- Consolidated PAT from continuing operations stood at Rs. 83 mn with a PAT margin of 1.3%. The reported profit decreased by Rs. 5.8 mn on account of Ind AS 116 adjustments.
- The combined value of net debt and acceptances stood at Rs. 3,182 mn at the end of the quarter. This value has been consistently declining over the last 2 quarters and the overall reduction has been Rs. 1,713 mn during this period.

(Rs. Mn)	Q1 FY 20	Q4 FY 19	Q-o-Q Growth	Q1 FY 19	Y-o-Y Growth
Revenue from operations	6,393	6,197	3%	7,852	-19%
Retail revenue	3,596	3,519	2%	4,019	-11%
<i>Retail comparable sales growth</i>	-13.4%	-13.0%			
Retail segment EBITDA	291	256	14%	415	-30%
<i>Retail segment EBITDA%</i>	8.1%	7.3%		10.3%	
Retail stores	129	134	-4%	132	-2%
Retail area	5,55,622	5,67,202	-2%	5,47,864	1%
Consolidated EBITDA	317	186	70%	490	-35%
<i>EBITDA margin</i>	5.0%	3.0%		6.2%	
PBT	118	16	641%	307	-61%
<i>PBT margin</i>	1.8%	0.3%		3.9%	
PAT from continuing operations	83	16	409%	195	-57%
<i>PAT margin</i>	1.3%	0.3%		2.5%	
Profit for the period	68	16	317%	195	-65%
<i>PAT margin</i>	1.1%	0.3%		2.5%	
Net debt + acceptance	3,182	3,678	-13%	4,895	-35%

