

Independent Auditor's Report on the audited Standalone financial results of Shankara Building Products Limited, Bengaluru for the year ended March 31, 2024 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors,
Shankara Building Products Limited, Bengaluru

Report on the audit of the Annual Standalone Financial Results

Opinion

1. We have audited the accompanying annual Standalone financial results (including statement of assets and liabilities, statement of cash flow and notes thereon) of Shankara Building Products Limited, Bengaluru (the company) for the year ended March 31, 2024 ("the Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. 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 Listing Regulations in this regard; and
 - ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit



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and other comprehensive income and other financial information for the year ended March 31, 2024.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report.
4. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

6. The Statement has been prepared on the basis of the annual standalone financial statements.



SUNDARAM & SRINIVASAN

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

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7. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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8. In preparing the annual standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

10. Our objectives are to obtain reasonable assurance about whether the annual standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to



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influence the economic decisions of users taken on the basis of these annual standalone financial results.

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the annual standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant



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audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

14. The Statement includes the results for the Quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year to date figures up to December 31, 2023', which were subject to limited review by us, as required under the Listing Regulations.

15. Our opinion on the Statement is not modified in respect of this matter.

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No. 004207S

K. Srinivasan

Srinivasan K
Partner

Membership Number : 209120
ICAI UDIN: 24209120 BKBKHZ7175

Place: Bengaluru
Date : May 20, 2024

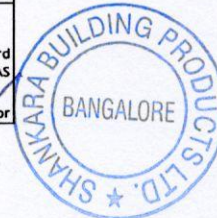


Shankara Building Products Limited CIN: L26922KA1995PLC018990 Registered Office: G-2, FARAH WINSFORD, 133, INFANTRY ROAD, BENGALURU - 560 001 Website: www.shankarabuildpro.com, Email: compliance@shankarabuildpro.com Ph: 080 4011 7777, Fax- 080 4111 9317 Statement of Standalone financial results for the quarter and year ended 31st March 2024 (Rs. In Crores)					
Particulars	For the quarter ended			For the year ended	
	31.03.2024 Unaudited	31.12.2023 Unaudited	31.03.2023 Unaudited	31.03.2024 Audited	31.03.2023 Audited
1 Revenue from operations	1,321.40	1,179.44	1,229.79	4,862.73	4,036.22
2 Other Income	4.12	1.62	0.81	6.68	7.31
3 Total Income (1+2)	1,325.52	1,181.06	1,230.60	4,869.41	4,043.53
4 Expenses					
a) Purchases of stock-in-trade	1,233.24	1,150.12	1,203.10	4,649.27	3,901.63
b) Changes in inventories of finished goods and Stock-in-Trade	25.63	(29.74)	(24.66)	(14.58)	(50.09)
c) Employee Benefits Expense	11.66	11.73	10.16	45.34	39.09
d) Finance Costs	8.96	8.12	6.11	31.66	22.05
e) Depreciation and amortisation expense	2.39	2.44	2.56	9.46	9.71
f) Other Expenses	16.42	12.91	12.00	55.34	44.89
Total Expenses (4)	1,298.30	1,155.58	1,209.27	4,776.49	3,967.28
5 Profit before exceptional items and tax [3-4]	27.22	25.48	21.33	92.92	76.25
6 Exceptional items	-	-	-	-	-
7 Profit/(loss) before tax [5+6]	27.22	25.48	21.33	92.92	76.25
8 Tax Expense:					
a) Current tax	6.49	6.01	5.23	22.62	16.92
b) Tax for earlier years	0.29	-	0.11	0.29	0.11
c) Deferred tax	(0.16)	0.17	0.30	0.15	2.20
Total Tax Expense	6.62	6.18	5.64	23.06	19.23
9 Profit/(loss) for the period [7-8]	20.60	19.30	15.69	69.86	57.02
10 Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss - Re-measurements of the defined benefit plans	0.08	0.12	0.04	0.36	0.14
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.02)	(0.03)	(0.02)	(0.09)	(0.04)
Total A	0.06	0.09	0.02	0.27	0.10
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)	0.06	0.09	0.02	0.27	0.10
11 Total Comprehensive Income/(loss) (9+10)	20.66	19.39	15.71	70.13	57.12
12 Paid-up equity share capital (Face Value of Rs.10/- each)	24.25	24.25	22.85	24.25	22.85
13 Reserve excluding revaluation reserve -other equity				576.96	435.19
14 Earnings per share (Face Value of Rs.10/- each) (Not annualised/Annualised for the year ended 31-03-2024 & 31-03-2023)					
Basic (in Rs.)	8.51	8.16	6.86	29.85	24.95
Diluted (in Rs.)	8.51	8.16	6.86	29.85	24.95

See accompanying notes to the Financial Results

Place : BENGALURU
Date : 20th May 2024

By order of the Board
SUKUMAR SRINIVAS
Managing Director



Shankara Building Products Limited
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Standalone statement of assets and liabilities as at 31st March 2024

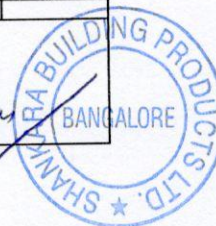
(Rs. In Crores)

Particulars	As at	As at
	31.03.2024	31.03.2023
	Audited	Audited
I ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	195.48	178.79
(b) Capital work-in-progress	-	2.34
(c) Investment Property	9.33	11.20
(d) Right-of-use Asset	2.41	3.00
(e) Intangible assets	-	-
(f) Intangible assets under development	2.89	1.33
(g) Financial Assets	38.62	38.70
(i) Investments	2.69	2.79
(ii) Trade receivables	0.06	0.06
(iii) Loans	7.67	7.97
(iv) Other financial assets	3.97	3.21
(h) Other non-current assets		
Total Non-current assets	263.12	249.39
2 Current assets		
(a) Inventories	348.16	336.25
(b) Financial Assets	633.56	500.02
(i) Trade receivables	28.22	5.71
(ii) Cash and cash equivalents	1.22	1.84
(iii) Bank balances other than (ii) above	1.36	1.30
(iv) Other financial assets	31.06	17.00
(c) Other current assets		
Total current assets	1,043.58	862.12
Total Assets	1,306.70	1,111.51
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	24.25	22.85
(b) Other Equity	576.96	435.19
Total Equity	601.21	458.04
Liabilities		
2 Non-Current Liabilities		
(a) Financial Liabilities	14.40	64.59
(i) Borrowings	1.59	3.46
(iA) Lease Liabilities	0.19	0.12
(ii) Other financial liabilities	0.26	0.35
(b) Provisions	3.78	3.54
(c) Deferred tax liabilities (net)		
Total Non-current liabilities	20.22	72.06
3 Current liabilities		
(a) Financial Liabilities	61.00	45.83
(i) Borrowings	1.19	0.52
(iA) Lease Liabilities		
(ii) Trade payables		
(A) Total outstanding dues of Micro enterprises and Small enterprises and	21.33	105.66
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	564.01	402.96
(iii) Other financial liabilities	9.87	9.43
(b) Other current liabilities	23.08	11.20
(c) Provisions	0.54	0.71
(d) Current Tax Liabilities (net)	4.25	5.10
Total current liabilities	685.27	581.41
Total Equity and Liabilities	1,306.70	1,111.51

See accompanying notes to the Financial Results

Place : BENGALURU
Date : 20th May 2024

By order of the Board
SUKUMAR SRINIYAS
Managing Director

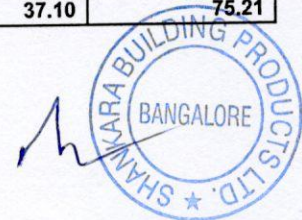


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Audited Standalone Statement of Cash Flows

(Rs. In Crores)

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
	Audited	Audited
Cash flow from operating activities		
Profit before tax	92.92	76.25
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortization expense	9.46	9.71
Loss on sale of property, plant & equipment	0.05	0.06
Profit on sale of property, plant & equipment \ Investment property	(1.25)	(0.07)
Gain on termination of lease	(0.29)	(0.74)
Unwinding of interest income on rental deposits	(0.33)	(0.46)
Interest income	(1.21)	(0.23)
Write off of property, plant and equipment	0.28	-
Interest expense on Borrowings	30.94	21.08
Fair valuation of financial guarantee (Expenses)	0.13	0.09
Fair valuation of financial guarantee (Income)	(0.13)	(0.09)
Interest on Lease liability	0.24	0.46
Bad Debts written off (PY Rs.23,709)	1.01	0.00
Payables written back	(1.73)	(0.04)
Provision for doubtful debts no longer required written back	-	(5.00)
Provision for damaged goods	0.50	-
Provision for diminution in the value of Investments	-	0.06
Provision for expenses no longer required written back	(0.05)	-
Loss Allowance for doubtful trade receivables	3.32	-
Operating profit before working capital changes	133.86	101.08
Adjustments for :		
(Increase) / Decrease in inventories	(12.41)	(52.87)
(Increase) / Decrease in trade receivable	(137.78)	(159.48)
Decrease/ (Increase) in loans and other financial assets	0.54	(1.01)
Decrease/ (Increase) in other current assets	(14.06)	(7.41)
Decrease/ (Increase) in other non-current assets	0.11	(0.27)
(Decrease)/ Increase in trade payables	78.46	207.46
(Decrease)/ Increase in other financial liabilities	0.07	2.22
(Decrease)/ Increase in other current liabilities (PY Rs.45,506)	11.88	(0.00)
(Decrease)/Increase in provisions	(1.83)	(0.40)
Cash flow from/(used in) operations	58.84	89.32
Income taxes paid	(21.74)	(14.11)
Net cash flows from/(used in) operating activities (A)	37.10	75.21



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Audited Standalone Statement of Cash Flows

(Rs. In Crores)

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
	Audited	Audited
Cash flow from investing activities		
Consideration paid for purchase of property, plant & equipment (Including capital work-in-progress and capital advances)	(24.31)	(39.15)
Purchase of software (Including intangible assets under development)	(1.56)	(1.28)
Investment in a subsidiary	(0.01)	-
Proceeds from sale of property, plant & equipment \ Investment property	3.89	0.66
(Purchase)/proceeds from maturity of bank deposits	0.62	(1.00)
Interest receipt	1.24	0.20
Net cash flows from/(used in) investing activities (B)	(20.13)	(40.57)
Cash flow from financing activities		
Money received against Share warrants*(CY 75%, PY 25%)	78.75	26.25
Principal element of lease payments	(1.79)	(2.98)
Interest on Lease liability	(0.24)	(0.46)
Proceeds from term loans	-	0.95
Repayment of term loans	(8.07)	(7.53)
Repayment of term loan to a subsidiary	(39.74)	(0.24)
Current Borrowings availed/ (repaid)	12.79	(22.59)
Interest paid	(30.46)	(21.29)
Unclaimed dividend - Transfer in/(out) (PY Rs.28,757)	0.01	0.00
Dividends paid	(5.71)	(2.29)
Net cash flows from/(used in) financing activities (C)	5.54	(30.18)
Net increase/(decrease) in cash and cash equivalents(A+B+C)	22.51	4.46
Cash and cash equivalents - at the beginning of the period	5.71	1.25
Cash and cash equivalents - at the end of the period	28.22	5.71
Non cash financing and investing activities		
- Acquisition of Right-of-use assets	1.52	0.65
Note: Cash and Cash equivalents in the Cash Flow Statement comprise of the following :-		
i) Cash on Hand	0.86	0.52
ii) Balance with Banks :		
- In Current Account and cash credit account	27.36	5.19
	28.22	5.71

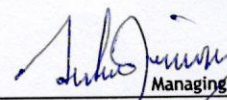
The above Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS -7.

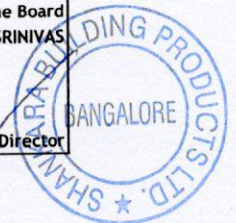
* Share warrants were converted to shares on 9th November 2023.

See accompanying notes to the Financial Results

By order of the Board
SUKUMAR SRINIVAS

Place : BENGALURU
Date : 20th May 2024


Managing Director



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Notes on statement of standalone and consolidated financial results for the quarter and year ended March 31, 2024

1. The above audited financial results for the year ended March 31, 2024 have been reviewed and recommended by the Audit Committee and approved by the Board at their meeting held on May 20, 2024. These above results have been subjected to an audit 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 under section 133 of the Companies Act, 2013.
3. The company conducts business 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 annual financial results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by the Statutory Auditors.
5. The Board of Directors of the Company at their meeting held on 18th December, 2023 approved a Scheme of Arrangement under section 230-232 and read with other applicable provisions of the Companies Act, 2013 for demerger of the Demerged Undertaking ("Trading



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Notes on statement of standalone and consolidated financial results for the quarter and year ended March 31, 2024

Business") of Shankara Building Products Limited ("Demerged Company") into Shankara Buildpro Limited ("Resulting Company") which is a wholly owned subsidiary of the Demerged Company and their respective shareholders and creditors ("Scheme").

The Scheme inter-alia provides for

(i) Demerger, transfer and vesting of Trading Business from the Demerged Company into the Resulting company on a going concern basis.

(ii) Reduction and cancellation of equity share capital of the Resulting company held by the Demerged Company.

(iii) Issuance and allotment of Equity Shares by the Resulting Company to all the shareholders of the Demerged Company as per the Share Entitlement Ratio i.e., for every 1 (one) fully paid equity share of face value of INR 10/- (Indian Rupees Ten only) each, held in the Demerged Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Demerged Company shall be issued 1 (One) fully paid equity share of face value of INR 10/- (Indian Rupees Ten Only) each in the Resulting Company, in consideration of transfer of Demerged Undertaking.

After the sanction of the Scheme by the National Company Law Tribunal, Bengaluru having jurisdiction over the Companies (NCLT) and upon the fulfilment of conditions as prescribed in clause 18 of the Scheme, the Scheme shall become effective from the Effective Date as defined in the Scheme.

The Appointed date is 01.04.2024 as per the Scheme which is approved by the Board of Directors in the Board Meeting held on 18th December 2023.

The Scheme is subject to receipt of necessary regulatory and other approvals inter-alia approval from BSE Limited, NSE Limited, Securities and Exchange Board of India, Shareholders and Creditors of the Company, NCLT and such other statutory and regulatory approvals as may be applicable.

The Board is of the view that provisions of Ind AS 105- "Non-Current Assets Held for Sale and Discontinued Operations" are not applicable as there is no sale by the Demerged Company. Further there is no inflow of cash as consideration for sale into the Demerged Company.



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Notes on statement of standalone and consolidated financial results for the quarter and year ended March 31, 2024

6. Figures for the previous quarters/year ended figures have been regrouped, wherever necessary, to conform to the current year's classification.

Place : Bengaluru
Date : May 20, 2024



By order of the Board

SUKUMAR SRINIVAS

Sukumar Srinivas
Managing Director