

**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,
Bangalore**

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, 2018** ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Ind AS financial statements. Our responsibility is to express an opinion on this Statement, based on our audit of such annual 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 Rule 7 of the Companies (Account) Rules, 2014 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; 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 March 31, 2018.
5. The Statement includes the results for the Quarter ended March 31, 2018 and Quarter ended March 31, 2017, 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



S. Sundararaman
Partner
Membership No.: 028423



Bangalore
May 10, 2018

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 2018

(Rs. In Lacs unless other wise stated)

| Particulars | For the quarter ended | | | For the year ended | |
|--|-----------------------|------------|------------|--------------------|-------------|
| | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | Unaudited | Unaudited | Unaudited | Audited | Audited |
| I Revenue from operations | 67,832.55 | 56,188.60 | 51,872.25 | 2,24,797.71 | 1,97,603.67 |
| II Other Income | 15.96 | 15.97 | 27.14 | 64.44 | 90.19 |
| III Total Income (I+II) | 67,848.51 | 56,204.57 | 51,899.39 | 2,24,862.15 | 1,97,693.86 |
| IV Expenses | | | | | |
| Purchase of Stock-in-Trade | 67,509.41 | 53,909.60 | 48,309.48 | 2,16,998.42 | 1,84,476.63 |
| Changes in inventories of stock in trade | (4,808.02) | (2,293.77) | (13.77) | (9,447.64) | 196.36 |
| Employee benefits expense | 929.80 | 901.20 | 633.54 | 3,305.18 | 2,532.34 |
| Finance costs | 871.43 | 654.33 | 668.20 | 2,744.64 | 2,910.44 |
| Depreciation and amortization expenses | 197.91 | 109.53 | 93.26 | 497.82 | 402.48 |
| Other expenses | 1,512.07 | 1,185.38 | 1,143.49 | 4,846.88 | 4,124.32 |
| Total expenses | 66,212.60 | 54,466.27 | 50,834.20 | 2,18,945.30 | 1,94,642.57 |
| V Profit before tax (III-IV) | 1,635.91 | 1,738.30 | 1,065.19 | 5,916.85 | 3,051.29 |
| VI Tax expense: | | | | | |
| Current tax | 624.50 | 600.00 | 376.00 | 2,154.50 | 1,147.00 |
| for earlier years | (0.00) | (26.87) | 25.89 | (26.87) | 25.89 |
| Deferred tax | (31.72) | 15.62 | (21.39) | (35.63) | (52.03) |
| | 592.78 | 588.75 | 380.50 | 2,092.00 | 1,120.86 |
| VII Profit for the period (V-VI) | 1,043.13 | 1,149.55 | 684.69 | 3,824.85 | 1,930.43 |
| VIII Other Comprehensive Income | | | | | |
| A (i) Items that will not be reclassified to Profit or loss | 6.55 | - | (0.10) | 6.55 | (0.10) |
| (ii) Income tax relating to items will not be reclassified to Profit or loss | (2.27) | - | 0.03 | (2.27) | 0.03 |
| Total A | 4.28 | - | (0.07) | 4.28 | (0.07) |
| B (i) Items that will be reclassified to Profit or loss | - | - | - | - | - |
| (ii) Income tax relating to items will be reclassified to Profit or loss | - | - | - | - | - |
| Total B | - | - | - | - | - |
| Total Other Comprehensive Income/(loss) (A+B) | 4.28 | - | (0.07) | 4.28 | (0.07) |
| IX Total Comprehensive Income | 1,047.41 | 1,149.55 | 684.62 | 3,829.13 | 1,930.36 |
| X Paid Equity share capital | 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 |
| XI Earning per equity share: | | | | | |
| Basic & Diluted (In Rs.) | 4.59 | 5.03 | 3.13 | 16.76 | 8.83 |

See accompanying notes



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Standalone statement of assets and liabilities as at 31st March 2018

(Rs. In Lacs unless other wise stated)

| Particulars | | 31.03.2018 | 31.03.2017 | 01.04.2016 |
|-------------|--------------------------------------|------------------|------------------|------------------|
| I. | ASSETS | | | |
| 1 | Non-current assets | | | |
| | Tangible assets | | | |
| | Property, plant and equipment | 10,892.38 | 9,774.27 | 8,972.73 |
| | Investment property | 243.20 | 244.93 | 246.66 |
| | Intangible assets | 1,035.18 | - | - |
| | Financial Assets | | | |
| | Investments | 3,848.31 | 3,897.77 | 3,870.70 |
| | Trade receivables | 306.02 | 229.92 | 137.24 |
| | Loans | 4,507.98 | 5,662.07 | 5,418.18 |
| | Other non-current assets | 171.97 | 38.62 | 63.75 |
| | Total Non current assets | 21,005.04 | 19,847.58 | 18,709.26 |
| 2 | Current Assets | | | |
| | Inventories | 25,659.45 | 16,211.80 | 16,414.16 |
| | Financial Assets | | | |
| | Trade receivables | 37,806.40 | 25,792.96 | 23,378.32 |
| | Cash and cash equivalents | 112.18 | 158.90 | 117.39 |
| | Bank balances other than above | 48.22 | 6,299.15 | 0.05 |
| | Loans | 2,432.01 | - | - |
| | Other financial assets | 1,738.26 | 105.13 | 85.09 |
| | Other current assets | 2,561.70 | 325.85 | 218.98 |
| | Total current assets | 70,358.22 | 48,893.79 | 40,213.99 |
| | Total Assets | 91,363.26 | 68,741.37 | 58,923.25 |
| II. | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | Equity Share capital | 2,284.93 | 2,284.93 | 2,187.10 |
| | Other equity | 29,381.13 | 26,349.67 | 20,286.83 |
| | Total Equity | 31,666.06 | 28,634.60 | 22,473.93 |
| 2 | Non-Current Liabilities | | | |
| | Financial liabilities | | | |
| | Borrowings | 85.12 | 444.83 | - |
| | Other financial liabilities | 1.50 | 1.50 | 1.50 |
| | Provisions | 59.12 | 101.23 | 79.69 |
| | Deferred tax liabilities (Net) | 76.61 | 109.97 | 162.04 |
| | Total Non-current liabilities | 222.35 | 657.53 | 243.23 |
| 3 | Current liabilities | | | |
| | Financial liabilities | | | |
| | Borrowings | 22,427.60 | 14,978.65 | 14,339.97 |
| | Trade payables | 34,754.49 | 21,574.45 | 20,242.68 |
| | Other financial liabilities | 1,134.30 | 1,222.91 | 592.36 |
| | Provisions | 55.84 | 41.36 | 6.82 |
| | Current tax liabilities(Net) | 375.12 | 956.67 | 402.90 |
| | Other current liabilities | 727.50 | 675.20 | 621.36 |
| | Total current liabilities | 59,474.85 | 39,449.24 | 36,206.09 |
| | Total Equity and Liabilities | 91,363.26 | 68,741.37 | 58,923.25 |

Previous year figures have been regrouped wherever considered necessary.

By order of the Board
SUKUMAR SRINIVAS

Managing Director


Place : Bangalore

Date : 10th May 2018

Shankara Building Products Limited

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Notes :

- 1 Figures for the previous years have been regrouped wherever necessary to conform to the current period's classification.
- 2 The above results have been reviewed and recommended by the Audit Committee and approved by the Board at their meetings held on 10th May, 2018.
- 3 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. Beginning April 1, 2017, the Company has for the first time adopted Ind AS, the transition date being April 1, 2016.
- 4 In terms of SEBI circular no : CIR/CFD/CMD/56/2016 dt: 27th May 2016, the company hereby declares that the Auditors have issued Audit Reports both for Standalone & Consolidated financial results with unmodified opinion for the year ended 31st March 2018
- 5 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).
- 6 The figures for the quarters ended 31st March 2018 and 31st March 2017 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.
- 7 Pursuant to Initial Public Offering ('IPO'), 75,00,029 equity shares of Rs. 10 each which were allotted on 31st March 2017 at a premium of Rs.450 per share consisting of fresh issue of 9,78,289 equity shares and offer for sale of 65,21,740 equity shares by the selling shareholders. The proceeds of the IPO have been utilised as under:

| Particulars | Amount in Rs. |
|--|---------------|
| Gross Proceeds from IPO | 45,00,12,940 |
| Less: Share Issue Expenses | 2,69,84,539 |
| Net Proceeds from IPO | 42,30,28,401 |
| Less: Utilisation towards repayment of short term borrowings | 42,30,28,401 |
| Amount kept unutilised | - |

- 8 Amount utilised for share issue expenses includes payment made for merchant banker fees, legal counsel fees, brokerage and selling commission, auditors fees, registrar to the issue, printing and stationary expenses, advertising and marketing expenses, statutory fees to regulator and stock exchanges and other incidental expenses towards Initial Public Offering ('IPO'). Of the total expenses relating to share issue, expenses aggregating to Rs.3,11,24,582 have been adjusted against the Securities Premium Account and expenses aggregating to Rs.18,23,60,059 have been recovered from the selling shareholders. The recovery of expenses is in proportion to shares offered for sale by the selling shareholders to total shares offered for IPO.
- 9 The Board of Directors, in its meeting on May 10, 2018, has proposed a final dividend of Rs.3.25 per equity share for the financial year ended March 31, 2018. 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.8.95 Crores including Corporate Dividend Tax.
- 10 The reconciliation of net profit reported under Indian GAAP for the year ended 31st March 2017 with Ind AS is given below:

| Description | Year ended 31.03.2017 | |
|--|-----------------------|--------------|
| | Standalone | Consolidated |
| Net profit as per Indian GAAP | 2,068.69 | 6,028.36 |
| Amortisation of Prepaid rent | (55.42) | (64.03) |
| Unwinding of interest income on Deposits | 31.52 | 39.34 |
| Commission on Guarantee | 5.52 | - |
| Provision for doubtful debts under expected credit loss method | (206.49) | (239.76) |
| Amortisation of unamortised finance cost | 13.34 | 13.34 |
| Tax impact on the above | 73.17 | 79.41 |
| Other comprehensive income, net of tax | | |
| (i) Items that will not be reclassified to Profit or loss | 0.03 | 7.49 |
| (ii) Items that will be reclassified to Profit or loss | - | 0.84 |
| Total comprehensive income for the period | 1,930.38 | 5,864.99 |

Place : Bangalore

Date : 10th May 2018



By order of the Board
SUKUMAR SRINIVAS

Managing Director