Shankara®
Building Products Ltd.

Date: 28th May, 2019

To
The Department of Corporate services
Bombay Stock Exchange Limited
P.J Towers, Dalal Street
Mumbai-400001

Scrip Code: - 540425

To
National Stock Exchange of India Limited
5th Floor, Exchange Plaza
Bandra (E)
Mumbai-400051

Scrip Symbol- SHANKARA

Dear Sirs,

Subject: Submission of Annual Report of the Company for the Financial Year 2018-19 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of the Regulation 34 of the Listing Regulations, find attached the copy of the Annual Report for the financial year 2018-19 circulated to the Shareholders of the Company in respect of 24th Annual General Meeting, scheduled on Tuesday, June 25, 2019 at 12.30 P.M (IST) at Radisson Blu Atria No. 1, Palace Road, Bengaluru- 560001.

Request you to take on record.

Thanking you

Yours faithfully,

For **Shankara Building Products Limited**

Ereena Vikram

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Ereena Vikram
Company Secretary & Compliance Officer

G2 - Farah Winsord, No. 133, Infantry Road,
Bangalore - 560 001. Karnataka.
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www.shankarabuildpro.com

Shankara
Building Products Ltd.



ANNUAL REPORT 2018 - 2019





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Board of Directors

Managing Director
Sukumar Srinivas

Directors
V. Ravichandar
C. Ravikumar
R. S. V. Sivaprasad
Jayashri Murali
Chandu Nair
B. Jayaraman

Auditors
Haribhakti & Co., LLP
Chartered Accountants
Bangalore

Company Secretary
Ereena Vikram

Bankers
Citibank N. A.
Kotak Mahindra Bank Ltd.
Indusind Bank Ltd.
Standard Chartered Bank
IDFC Bank Ltd.
Federal Bank Ltd.
Axis Bank Ltd.

Registered Office
G2 Farah Winsford
133, Infantry Road
Bangalore - 560 001

Shankara
Building Products Ltd.



ANNUAL REPORT 2018 - 2019

Chairman's Message

Dear Shareholders,

It gives me great pleasure in welcoming you to the 24th Annual General Meeting of your Company.

I am happy to report to you that in spite of an uncertain environment, and certain challenges arising from global raw material pressures and natural calamities, your Company remained on track with its vision of being India's first retail chain for building products.

These challenges notwithstanding, our company continues to follow high standards of corporate governance and views it as more of an ethical imperative than merely adhering to regulatory requirements. We are proud that our growth and transformation over the last few years has come from staying the course for long term sustainability without taking convenient short term decisions or compromising on our obligations to society at large.

The year gone by

There is no doubt that the business environment has been challenging in the last financial year. Let me share with you the operating environment and the headwinds the Company faced in a highly competitive market. Thereafter, I shall outline the actions the Company has taken to ensure strong profitable growth.

The year started off on a positive note. The first half of FY 2018-19 was in fact good. There was a revenue growth of 23% which is commendable. However, there were sudden and strong headwinds in the second half. The sharp increases in raw material prices, especially steel coupled with an inability to increase end user prices was a double whammy. This had impact on margins as well as inventory.

Overall, we delivered a revenue growth of 4%. We recorded EBITDA margin of 4.7% (vs 6.9% last fiscal) and PAT margin of 1.2%.

While the company is increasing its focus on diversifying into building products, there is still a large dependence on steel which hit us last fiscal. Further, our business has legacy elements which impact us in our journey to be a retail building products chain. That resulted in a y-o-y fall of 11.6% in sales vs last year in the second half of the year.

Focus on cash flow and financial strength

I must stress here that there were a number of important and good things that the company did to improve its overall financial position. For one, there was a huge focus on cash flow. The thrust on debtors saw a reduction in debtors from ₹424 cr in Q4 FY 18 to ₹334 cr in Q4 FY 19. I am happy to inform you that the company had an operating cash flow in fiscal 2019 of ₹171 crores (versus ₹40 crores in FY 18).

Our debt is down so finance costs too are decreasing. The debt equity ratio which was 0.70 in Q1 FY 19 came down to 0.38 in Q4. We have also reduced our operating costs, restructured some of the operations, and the results should be visible in the coming quarters. Our focus on building balance sheet strength and sales on cash as opposed to credit also impacted margins.

As you can appreciate, we moved swiftly to take corrective measures to keep the company on a sound financial footing for the forthcoming years.

Retail focus

Our retail focus is increasing. From 51% in Q1 it increased to 57% by Q4. You will recall that retail was just 40% merely 3 years back. As the company steps up its retail operations, and the number of items and complexity increases, it is facing some pressure on retail margin which are slightly down in the short term.

In a sense, as far as retail is concerned, your company in many ways is still a startup. It is an evolutionary process. Since there is no other comparable company in India, we are charting our own path.

Defocus on non-critical areas

We are open to considering divesting certain parts of our business that are not adding value to the overall growth strategy of the firm. To that end, the management has identified assets for sales in Chegunta unit of a subsidiary, Taurus, which is subject to shareholder approval.

The rationale for this - Taurus does not have substantial capacities to avail scale benefits nor does it make sense to increase capacity in these market conditions. This sale of assets will help release funds, both from fixed assets and working capital, and further strengthen the consolidated balance sheet of Shankara. With the residual capacities, our focus on value added, bespoke products will increase.

Growing product portfolio and customer engagement

The company is clear on its focus to be a **One Stop Shop** Solution for building products for our customers. To that end, it is constantly increasing product offerings and creating depth in the existing product categories to create an engaging shopping experience for customers. It is also expanding its retail presence through organic and inorganic routes.

The India growth story

The uncertainty in the environment has continued in the current financial year as well. The conclusion of the ongoing general elections and the installation of a new government should hopefully provide political stability. There have been certain path-breaking policies such as GST, RERA and ambitious programmes such as affordable housing that hold significant promise for healthy growth of the building products industry over the medium term.

Going forward, I am confident of your Company's abilities and competence to scout for opportunities amidst this volatility and drive the business forward with focus and determination.

Conclusion

The core and evolving consumer needs continue to be at the core of all our actions and initiatives. Last fiscal, your company's focus was on strengthening itself financially in the midst of strong headwinds. The focus was clearly on consolidation and financial prudence.

We believe that your company is in a reorientation phase before capitalizing on the growth opportunities. We are in it for the long term.

The last year was tough and truly tested us. We believe that we have taken the right measures to set the business back on the growth path. Our credit ratings are healthy and the focus on balance sheet strength will continue. As your Company enters its 25th year of operations, I look forward to very strong years of growth ahead of us.

I take confidence from the continued support provided by all our stakeholders as we forge ahead.

I convey my deepest appreciation for the effort of all our employees. My sincere thanks and appreciation to our fellow Directors on the Board for their guidance. My gratitude to our bankers, customers and suppliers. On behalf of the Shankara board, I also thank you all, our valued shareholders, for your continued support.

Warm Regards

V. Ravichandar
Chairman

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of Shankara Building Products Limited will be held on Tuesday, the 25th day of June, 2019 at 12.30 P.M. at "Radisson Blu Atria No. 1, Palace Road, Bengaluru- 560001" to transact the following businesses:

Ordinary Business

Item No.1- Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon.

To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2019 including the Audited Balance Sheet as at 31st March, 2019, the Audited Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the financial year ended on that date and the reports of the Board of Directors and the Auditors thereon.

Item No. 2- Declaration of Dividend.

To declare a dividend of ₹1.50 /- per equity share of ₹10/- each for the financial year 2018-2019.

Item No. 3 - Appointment of Mr. C. Ravikumar (DIN: 01247347) who retires by rotation and being eligible, offers himself for re-appointment as a Director.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. C. Ravikumar (DIN: 01247347), who retires by rotation, be and is hereby re-appointed as a Director of the Company.

RESOLVED FURTHER THAT Board of Directors be and is hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

Item No. 4 - Appointment of Statutory Auditor.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s Sundaram & Srinivasan, Chartered Accountants, Chennai (Firms Registration No. 004207S), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 24th Annual General Meeting to be held in the year 2019 till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2024 on such remuneration as may be fixed by the Board of Directors in consultation with the Auditors."

RESOLVED FURTHER THAT for the financial year 2019-20 a remuneration of ₹20,00,000/- (exclusive of applicable tax and out of pocket expenses and fees for certification work) as fixed by the Board of Directors be paid to the Auditors for conducting statuatory Audit, Tax Audit and Limited review of quarterly results.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Special Business

Item No. 5- To re-appoint Mr. V. Ravichandar (DIN: 00634180) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. V. Ravichandar (DIN:00634180), Independent, Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with

effect from 25th June, 2019."

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Item No. 6 - To appoint Mr. B. Jayaraman (DIN: 00022567) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification (s) or re-enactment thereof), the appointment of Mr. B. Jayaraman (DIN : 00022567), was appointed as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years, from 14th August, 2018 be and is hereby approved."

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board
For Shankara Building Products Limited

Place: Bengaluru
Date: 9th May, 2019

Ereena Vikram
Company Secretary
& Compliance Officer

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and a proxy need not be a member of the Company. Proxies in order to be effective must be duly filled, stamped, signed and should be deposited at the company's registered office not later than forty – eight hours before the commencement of the meeting. Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc., must be supported by appropriate resolution / authority as applicable, issued on behalf of the appointing organisation. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

   In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of special businesses under Item No. 4, Item No. 5 and Item No. 6 is annexed hereto.

3. Members / Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 22nd June, 2019 to Tuesday, 25th June, 2019 (both days inclusive) for the purpose of payment of dividend.

5. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid within thirty days to those Members whose names stand registered on the Company's Register of Members:

a. as Beneficial Owners as at the end of business hours on Friday, 21st June, 2019 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in dematerialized form

b. as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before, Friday, 21st June, 2019.

6. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

7. Members who have not yet encashed the dividend warrant (s) from the financial year ended 2017 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agent.

8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Fintech Pvt. Ltd ("Karvy") to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.

   The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository

participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to Karvy.

9. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Karvy for assistance in this regard. Pursuant to SEBI(Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated 8th June, 2018 the shareholders holding shares in physical form, in their own interest, are hereby requested to take necessary steps to dematerialize their shares as soon as possible to avoid any inconvenience in future for transferring those shares.

10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Karvy, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

12. As required by Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting are given in the annexure to the Notice of the Annual General Meeting.

13. Members, intending to require information about the Financial Accounts to be approved at the Meeting, are requested to inform the Company as least a week in advance of their intention to do so, so that the papers relating to thereto may be made available, if the Chairman permits such information to be furnished.

14. The members / investors may send their complaints / queries, if any to the Company's Registrar and Share Transfer Agents or to the Company's designated email id viz.,
cs@shankarabuildpro.com
compliance@shankarabuildpro.com

15. The Annual Report of the Company for the year ended 31st March, 2019 along with Notice, process and manner of Remote e-voting, Attendance Slip, Proxy form and Ballot form are being sent by e-mail to those Members who have registered their e-mail address with the Company or with their respective DP or Registrar and Share Transfer Agents of the Company.

    For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that Annual report along with Notice, process and manner of remote e-voting, Attendance Slip and Proxy form will also be available on the Company's website viz.
    www.shankarabuildpro.com

    Members who are desirous to have a physical copy of Annual Report should send a request to the Company's e-mail id viz.,
    cs@shankarabuildpro.com/
    compliance@shankarabuildpro.com
    clearly mentioning their Folio number / DP and Client ID.

16. Members are requested to attend the meeting along with the copy of the Annual Report, already sent to them.

17. The Annual report of the Company circulated to the Members of the Company will be made available on the Company's website at www.shankarabuildpro.com and also on the website of Stock Exchanges where the shares of the Company have been listed viz.,
    BSE Limited - www.bseindia.com and
    The National Stock Exchange of India Limited
    www.nseindia.com

18. All documents referred in the accompanying Notice and Statement setting out material facts are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon upto Tuesday, June 25, 2019 being the date of the Annual General Meeting.

19. Updation of Members' details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company /Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc.

    Members holding shares in physical form are requested to furnish the above details to the Company or its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

20. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Pvt. Ltd, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is / are deemed to have been passed as if they have been passed at the AGM.

21. The Board of Directors at its meeting held on 9th May, 2019 has appointed Mr. S. Kannan of S Kannan And Associate, Practicing Company Secretaries (Firm No. S2017KR473100, Membership No. 13016) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

22. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

23. The Company has engaged the services of Karvy Fintech Private Limited ("Karvy") as the Agency to provide E-Voting facility & Insta Voting facility.

24. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 14th June, 2019.

    A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 14th June, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through Insta Voting.

25. The instructions for e-voting are as under:

1. In case of Remote E-voting

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Karvy Fintech Private Limited (KFPL) on all resolutions set forth in the Notice.

A. In case a Member receives an email from Karvy (for Members whose email IDs are registered with the Company/DP(s))

i. Use the following URL for e-voting: http://evoting.karvy.com

ii. Enter the login credentials. (i.e user ID and password). In case of physical folio, user ID will be **EVENT number 4538** followed by folio number. In case of Demat account, user ID will be your DP ID and Client ID. However, if you are already registered with Karvy for remote e-voting, you can use your existing user ID and password for casting your vote.

iii. After entering these details, click on "LOGIN"

iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the EVENT i.e., Shankara Building Products Limited.

vii. On the voting page, enter the number of shares

(which represents the number of votes) as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folios / demat accounts.

ix. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.

x. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xi. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.,) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority letter etc. together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer at email cs.skannan@gmail.com with a copy marked to evoting@karvy.com.

B. In case of Members receiving physical copy of Notice (for Members whose email IDs are not registered with the Company/DP(s)):

i. Remote E-Voting **Event Number 4538** user ID and password is provided in the Attendance Slip

ii. Please follow all steps from Sl. No. (i) to (xi) above to cast your vote by electronic means.

2. In case of voting by using Ballot Forms:

i. In terms of Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Listing Regulations, the Company, in order to enable its Members, who do not have access to remote e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice, is enclosing a Ballot Form along with Annual report.

ii. A Member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Mr. S. Kannan, Practicing Company Secretary, duly appointed by the Board of Directors of the Company, in the enclosed postage prepaid self-addressed envelope. Ballot Forms deposited in person or sent by post or courier at the expense of the Members will also be accepted at the Registered Office of the Company.

iii. Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before Friday, 21st June, 2019 (5.00 p.m. IST). The Ballot Forms received after the said date /time shall be strictly treated as if the reply from the Member has not been received.

iv. A Member can opt for only single mood of voting i. e either through remote e-voting or by Ballot Form. If a Member casts vote by both modes then voting done through remote e-voting shall prevail and vote by Ballot shall be treated as invalid. Members who have cast their vote by remote e-voting prior to the meeting may also attend the annual general meeting, however those Members are not entitled to cast their vote again in the annual general meeting.

3. Voting at AGM

The Members who have not cast their vote either electronically or through Ballot Form, can exercise their voting at the AGM. The Company will make necessary arrangements in this regard at the AGM venue.

4. Other Instructions:

i. In case of any queries, you may Help/FAQ section of https://evoting.karvy.com or contact Karvy ("KFPL") on Toll Free No.1800 345 4001.

ii. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).

iii. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: From 9.00 a.m.(IST) Friday, 21st June, 2019

End of remote e-voting: Up to 5.00 p.m. (IST) Monday, 24th June, 2019

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

iv. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 14th June, 2019 may obtain the login ID and password by sending a request at evoting@karvy.com.

v. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 14th June, 2019.

vi. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, within a period of not exceeding 48 hours from the conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or person authorized by the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.shankarabuildpro.com and on the website of Karvy https://evoting.karvy.com. The results shall simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited.

Statement setting out Materials Facts under Section 102 of the Companies Act, 2013

Item No. 4

In terms of Section 139 (2) of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the present Statutory Auditors of the Company, M/s. Haribhakti & Co. LLP, Chartered Accountants, Chennai (Firms Registration No. 103523W/W100048), will hold office until the conclusion of the ensuing Annual General Meeting and are not eligible for reappointment. The Company is required to appoint another Auditor for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting. The Board of Directors at its meeting held on 9th May, 2019 after considering the recommendations of the Audit and Risk Management Committee had recommended the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) as the e Statutory auditors of the company for the approval of the members.

The Audit and Risk Management Committee recommended M/S Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) as the Statutory Auditors of the Company for approval of the members.

The Audit and Risk Management Committee recommended M/S Sundaram & Srinivasan, Chartered Accountants, Chennai based on its standing for 76 years.

The proposed Auditors shall hold office for a period of five consecutive years from the conclusion of the 24th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors.

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Act.

They have further confirmed that they are not disqualified to be appointed as the Statutory auditors in terms of the Act, and the Rules made thereunder. Pursuant to Section 139 of the Act, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai as the Statutory auditors of the Company on a proposed fee of Rs. 20,00,000 (Rupees Twenty Lakh only) for the financial year ending 31st March 2020.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item No. 5

Mr. V. Ravichandar (DIN: 00634180) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He holds office as Independent Director of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of

the Board of Directors has recommended reappointment of Mr. V. Ravichandar as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company not liable to retire by rotation.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. V. Ravichandar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has also received declarations from Mr. V. Ravichandar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Except Mr. V. Ravichandar, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6

Mr. B. Jayaraman (DIN: 00022567) was appointed as an Additional Director-Non-Executive, Independent Director of the Company on the Board of the Company pursuant to the provisions of 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force). He holds office till the conclusion of the next Annual General Meeting and subject to the approval of the members in 24th Annual General Meeting, for appointment as a Director (Independent Director) of the Company, not liable to retire by rotation, for a tenure of five years commencing from 14th August, 2018.

Details of Mr. B. Jayaraman are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except Mr. B. Jayaraman, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

By Order of the Board
For Shankara Building Products Limited

EREENA VIKRAM
Company Secretary & Compliance Officer

Place: Bengaluru
Date: 9th May, 2019

Annexure to AGM Notice

Details of the Directors seeking appointment at the 24th Annual General Meeting (Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Details	Mr. C. Ravikumar	Mr. B. Jayaraman	Mr. V. Ravichandar
Director Identification Number	01247347	00022567	00634180
Date of Birth/Age	01-05-1966	11-06-1954	22-02-1957
Date of Appointment on the Board	01-04-2018	14-08-2018	09-07-2014
Qualification	Bachelor Degree in Science from Bangalore University	Chartered Accountant	Bachelor degree in Mechanical Engineering from Birla Institute of Technology and Science, Pilani and a Post Graduate Diploma in Business Management from IIM, Ahmedabad
Brief Profile and nature of their expertise in specific functional area	He is an Executive Director of our Company. He has been associated with our Company since 1995, having joined as a senior manager. He was appointed as a director of the Company in 2001. He has 32 years of experience in the steel pipes and building products industry. He is currently a member of the Karnataka Pipe Dealers Association.	A Chartered Accountant, with 37 years of experience in various aspects of Finance and Business. He started his career in 1976 and worked in various leadership positions in Financial Management, Business Strategy and as a Profit Centre Head. Has wide experience in Merger & Acquisitions, Internal Financial Control and ERP System Implementation.	He has been associated with the Company since 2007 and has 36 years of experience in the consulting industry. He is currently the chairman and managing director of Feedback Business Consulting Services Private Limited which he joined in 1988. He was associated with Robert Bosch (India) Limited, Bengaluru as head, market research and pricing from 1981 - 1988 and with Shriram Refrigeration Industries, Hyderabad, as a R&D engineer from 1978-1979.
Directorship held in other companies	1. Vishal Precision Steel Tubes & Strips Pvt. Ltd 2. Centurywells Roofing India Pvt. Ltd 3. Shankara Meta-Steels India Pvt. Ltd 4. Shankara Holdings Pvt. Ltd	1. Texmex Cuisine India Private Limited 2. Texmex Cuisine and Carnival India Pvt. Ltd	1. Feedback Business Consulting Services Pvt. Ltd 2. Chennai International Centre

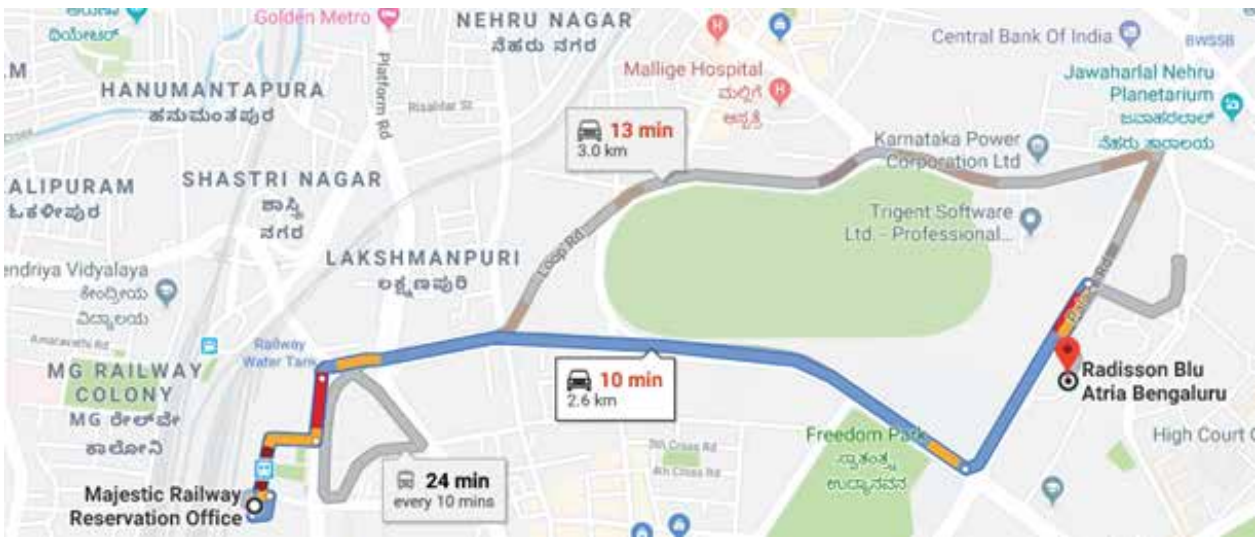
Memberships/Chairmanships of committees across all companies	Stakeholder Relationship Committee- Member	1. Audit & Risk Management Committee- Chairman 2. Nomination & Remuneration Committee- Member 3. Corporate Governance Committee- Member 4. Whistle Blower Committee- Member	1. Audit & Risk Management Committee- Member 2. Nomination & Remuneration Committee- Member 3. Whistle Blower Committee - Member 4. Stakeholder Relationship Committee - Member
Shareholding of the Director in the Company	72,500	Nil	Nil

As per amended Regulation 36 of the Listing Regulations, details of Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee are provided.

Directorships in foreign companies, membership in governing councils, chambers and other bodies, Partnership in firms etc., are not provided

The aforesaid Directors are not related to any other Director.

Route Map



Dear Members,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report on the business and operations of your Company together with the Standalone and Consolidated Audited Financial Statements for the year ended March 31st, 2019.

1. Results of our operations

(₹ in Crores, except as stated)

Particulars	Consolidated		Standalone	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from Operations	2,654.10	2,548.67	2,352.37	2,247.98
Other Income	4.43	0.64	3.93	0.64
Total Income	**2,658.53**	**2,549.31**	**2,356.30**	**2,248.62**
Other Expenditure	2,534.69	2,373.48	2,287.52	2,157.03
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	**123.85**	**175.83**	**68.78**	**91.59**
Depreciation and Amortization Expenses	18.62	13.59	9.02	4.98
Finance Cost	56.70	46.35	35.20	27.45
Profit before Tax (PBT)	**48.53**	**115.90**	**24.56**	**59.17**
Tax expense:				
Current Year	12.84	38.15	7.47	21.54
Earlier Year	(0.73)	1.10	(0.60)	(0.27)
Deferred Tax	3.68	2.84	1.26	(0.36)
Profit After Tax (PAT)	**32.74**	**73.80**	**16.43**	**38.25**
Add: Other Comprehensive Income	(0.35)	0.10	(0.39)	0.04
Total Comprehensive Income	**32.40**	**73.91**	**16.04**	**38.29**
EARNING PER EQUITY SHARE (Face Value of ₹10 each)				
i) Basic	14.33	32.30	7.19	16.74
ii) Diluted	14.33	32.30	7.19	16.74

The Company recorded consolidated revenues of ₹2,654.10 crores for the year ended 31st March, 2019 representing a growth of 4% over the previous year. The Company recorded a consolidated EBITDA of ₹123.85 crores and the EBITDA margins stood at 4.7%. We reported a PAT of ₹32.74 crores.

Our standalone revenues increased by 4.6% and stood at ₹2,352.37 crores for the year ended 31st March, 2019. The standalone PAT stood at ₹16.43 crores.

The first half of the previous financial year was very robust. However, the Company faced several headwinds in the second half including weak operating environment, natural calamities in South India and commodity price volatility. These impacted the performance of the Company for the year ended 31st March, 2019.

2. Dividend

The Board subject to the approval of the members of the Company at the ensuing Annual General Meeting, recommends a dividend of ₹1.50 per fully paid up equity share of ₹10 each of the Company for the year ended 31st March, 2019 as against ₹3.25 per share for the previous year.

3. Key consolidated balance sheet information

In compliance with the applicable provisions of the Companies Act, 2013 ("Act") and regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company has prepared consolidated financial statements and as per the applicable Accounting Standards issued by the Institute of Chartered Accountant of India.

The Audited Consolidated Financial Statements along with the Auditors' Report have been annexed to the Annual Report.

4. Capital Expenditure on tangible assets

This year, on a standalone basis, we undertook a capital expenditure of ₹32.55 Crores (Net) as against ₹15.14 Crores (Net) in the previous year. On a consolidated basis, our capital expenditure stood at ₹40.31 Crores (Net) for FY 2019 as against ₹40.33 Crores (Net) for the previous year.

5. Particulars of loans, guarantees or investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

6. Transfers to reserves

The Company transferred Rs. Nil from the Profit of the year towards reserve.

7. Nature of Business

There has been no change in the nature of business of the Company.

8. Particulars of contracts or arrangements made with related parties

During the financial year ended 31st March, 2019, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR), 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. In view of the above, disclosure in FORM AOC-2 is not applicable.

Transactions with related parties, as per requirements of Indian Accounting Standard 24 are disclosed in the notes to accounts annexed to the financial statements. Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website i.e www.shankarabuildpro.com.

9. Subsidiary Companies:

Shankara Building Products Limited has the following subsidiary companies

(i) Taurus Value Steel & Pipes Pvt. Ltd. - Having a tube & galvanized strip processing facility at Hyderabad.

(ii) Vishal Precision Steel Tubes & Strips Pvt. Ltd. Having a tube & cold rolled strip processing facility at Bengaluru.

(iii) Steel Network Holdings Pte. Ltd. – Wholly owned subsidiary, registered at Singapore, having an Indian colour coated roofing profiling subsidiary Centurywells Roofing India Pvt. Ltd.

(iv) Centurywells Roofing India Pvt. Ltd – Step-down, wholly owned subsidiary held through Steel Network Holdings Pte Limited primarily engaged in providing colour coated roofing products. It has processing facilities in Chennai, Bangalore, Coimbatore, Pune, Vijayawada and Hubli.

No new subsidiary was added and no company has ceased to be a Shankara Building Products Limited subsidiary during FY 2018-19

The details in Form AOC-1 for each subsidiary is as per **Annexure- I**

10. Information Technology

We have implemented a company-wide ERP system. This system is used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The ERP system helps in integration of different functional areas to ensure proper communication, productivity, quality and efficiency in decision making. It further helps in tracking customer demands and assisting in maintaining optimum inventory levels. We have a dedicated IT team which is involved in maintaining the ERP system.

11. Human Resource

As of March 31, 2019 we have 1,617 employees on the payroll of our Company and Subsidiaries. The following table sets forth the break-up as of March 31, 2019:

Sr. No	Departments	No.of Employees
1.	Sales and marketing	533
2.	Finance, Accounts and Administration	434
3.	Operations	441
4.	Supply Chain	229
	Total	**1,617**

In addition to the employees listed above, we also engage contract labour to facilitate our processing operations. As of March 31, 2019, we engaged 462 contract workers. Our Company is in compliance with the Contract Labour (Regulation and Abolition) Act, 1970, and the rules prescribed thereunder in this regard.

12. Directors' Responsibility Statement

To the best of knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Act, that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY.2018-19.



13. Directors & key managerial personnel

A. Composition and size of the Board:

The Board has an optimum combination of executive, non-executive and independent directors. The total strength of the Board as on the date of reporting is seven Directors, of which four are Independent Directors.

B. Director retiring by rotation:

Mr. C. Ravikumar (DIN : 01247347), is liable to retire by rotation in terms of provisions of the Act at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

As stipulated under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 brief resume of the director proposed to be re-appointed is given in the Notice of the Annual General Meeting.

The Board of Directors at its meeting held on 14th August, 2018 has approved the appointment of Mr. B. Jayaraman as Independent Director of the Company for a period of five years subject to the approval of the shareholders at the ensuing Annual General Meeting.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 9th May, 2019 has approved the re-appointment of Mr. V. Ravichandar as Independent Director of the Company for a period of five years subject to the approval of the shareholders at the ensuing Annual General Meeting.

Pursuant to the provisions of section 149 of the Act, Mr. V. Ravichandar, Mr. Chandu Nair, Ms. Jayashri Murali and Mr. B. Jayaraman were appointed as Independent Directors of the Company.

All Independent Directors of the Company have given declarations to the Company under Section 149(7) of the Act that, they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Act and also under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Mr. Sukumar Srinivas, Managing Director, Mr. Siddhartha Mundra, Chief Executive Officer, Mr. Alex Varghese, Chief Financial Officer and Ms. Ereena Vikram, Company Secretary.

14.Number of meetings of the Board

During the year, 4 meetings of the Board of Directors were held and one meeting of Independent Directors was also held. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

15. Policy on directors' appointment and remuneration and other details

The Nomination and Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company along with other related matters have been provided in Corporate Governance Report.

The Company has formulated and adopted a Nomination and Remuneration policy which is disclosed on our website at i.e., www.shankarabuildpro.com

A Statement of Disclosure of Remuneration pursuant to Section 197 of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure**-II forming part of this report.

16. Internal financial control systems and their adequacy

The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system during the year. The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

The Board has reappointed M/s GRSM & Associates, Chartered Accountants as Internal Auditor in the Board Meeting held on May 9, 2019.

17. Audit committee

The details pertaining to composition of the Audit Committee and terms of reference are included in the Corporate Governance Report, which forms part of this report.

18. Auditors

(i) **Statutory Auditor**: M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No.004207S), were appointed as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 29th Annual General Meeting to be held during calendar year 2024. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Statutory Auditors of the Company.

Accordingly consent of the members is being sought for their appointment as the statutory auditors of the Company.

(ii) Secretarial Auditor: Mr. K. Jayachandran, Practicing Company Secretary (ACS No. 11309 and Certificate of Practice No. 4031) was appointed as the Secretarial Auditor of the Company to conduct Secretarial Audit of the Company for the Financial Year 2018-19 as required under Section 204 of the Companies Act, 2013 and the Rules made there under. The Secretarial Audit Report for FY 2018-19 is appended as **Annexure - III** to the Directors' Report.

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report. The Annual Secretarial Compliance Report for FY 2018-19 signed by Mr. K. Jayachandran, Practicing Company Secretary is appended as **Annexure- I**V to the Directors' Report

19. Reporting of frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/ or Board under Section 143 (12) of the Act and Rules framed thereunder.

20. Unclaimed Dividend of the previous years

Section 124 of the Companies Act 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') mandates the Companies to transfer dividend that has remained unpaid/unclaimed for a period of seven years in the unpaid dividend account to the Investor Education and Protection Fund (IEPF).

The details of the unpaid/ unclaimed dividend lying with the Company are available on the website of the Company i.e., www.shankarabuildpro.com.

21. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made

(i) Statutory Auditor's report

The Auditors Report to the Shareholders for the year under review does not contain any reservation, qualification, or adverse remark. The comments in the Auditors' Report to the shareholders for the year under review to the shareholders for the year under review are self-explanatory and does not need further explanation.

(ii) Secretarial Auditor's Report

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

22. Risk Management

In terms of regulation 179(b) of the Listing Regulations, the Board of Directors adopted a Risk Management Policy. The main objective of Risk Management Policy is to enable long term sustainable growth by creating a robust risk management framework involving identification, evaluation & management of risks by partnering with businesses and its associate functions.

The details of Risk Management are provided as a part of Management's Discussion and Analysis which forms part of this report.

23. Corporate social responsibility

The Company has implemented various CSR projects directly and/or through implementing partners and the projects undertaken by the Company are in accordance with Schedule VII of the Act.

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure - V** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Reasons for not spending the amount earmarked for CSR Activities:

A sum of ₹8.81 lakhs has remained unspent since some of the projects undertaken by the Company are multiyear in nature and therefore, further expenditure would be done in stages / ensuing years.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this report. The policy is available on the website of the Company www.shankarabuildpro.com.

24. Board Evaluation

The Companies Act and Listing Regulations relating to Corporate Governance contain provisions on evaluation of the performance of the Board and its Committees as a whole and Directors including Independent Directors, Non-Independent Directors and Chairperson individually. In pursuant thereof, Annual Evaluation of performance of the Board, working of its Committees, contribution and impact of individual directors has been carried out through a questionnaire for peer evaluation on various parameters.

25. Dividend Distribution Policy

As required under the Regulation 43A of the Listing Regulations, the Company has a Policy on Dividend Distribution. This Policy can be accessed on the Company's website at www.shankarabuildpro.com

26. Extract of annual return

As per the provisions of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the extract of the Annual Return in the Form MGT-9 is given in **Annexure - VI** forming part of this report.

27. Corporate Governance

As required under Regulation 34(3) of the Listing Regulations read with Schedule V (c) of the Listing Regulations, a report on Corporate Governance and the certificate as required under schedule V (e) of the Listing Regulations from Mr. K. Jayachandran, Practicing Company Secretary, regarding compliance of conditions of Corporate Governance are given in **Annexure - VII & Annexure - VIII** forming part of this report.

28. Management Discussion and Analysis Report

In terms of regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report on your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable, are forming part of this report.

29. Particulars of employees

The details of remuneration to Employees, as required under Rule 5(2) read with Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are given in **Annexure-IX** and form part of this Report.

30. Disclosure requirements

As per SEBI Listing Regulations, Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis are attached, which form part of this report.

31. Deposits from public

The Company has not accepted any deposits covered under Chapter V of Companies Act, 2013 and also any other deposit which is not in compliance with the requirements of Chapter V of the Companies Act, 2013.

32. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Conservation of energy:

The particulars as prescribed under Section 134 of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are enclosed in the **Annexure X** to the Directors' report.

Technology absorption, adaptation and innovation:

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's operations do not require significant import of technology.

Foreign Exchange earnings and outgo

There was no Foreign Exchange inflow and outflow during the year.

33. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, your Company has framed a Policy on prevention, prohibition and redressal of sexual harassment at workplace and constituted Internal Complaints Committee having designated members to redress complaints regarding sexual harassment. During the year under review, no complaint of sexual harassment has been reported.

34. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;

No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

35. Other disclosures

(i) Details of equity shares with differential rights

The Company has not issued any equity shares with differential rights during the year.

(ii) Details of sweat equity shares issued

The Company has not issued any sweat equity shares during the year.

(iii) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

(iv) Bonus Shares

No Bonus Shares were issued during the year under review.

36. Whistle Blower Policy

The Company in compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations has established a Whistle Blower policy / Vigil Mechanism for the Directors and Employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy. The Company has a vigil mechanism process wherein the employees are free to report violations of laws, rules, regulations or unethical conduct.

The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. The whistle blower policy of the Company is disclosed on our website i.e., www.shankarabuildpro.com

Acknowledgement

Your Directors place on record their sincere appreciation for the significant contribution made and services rendered by employees of the Company with dedication and commitment at all levels which has been critical for the Company's success.

Your Directors take this opportunity to thank Clients, Bankers, Vendors, Shareholders and Investors at large for their valuable co-operation and continued support.

The directors appreciate and value the contributions made by every member of the Shankara family.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Sukumar Srinivas	**C. Ravikumar**
Managing Director	Whole-time Director
DIN: 01668064	DIN: 01247347

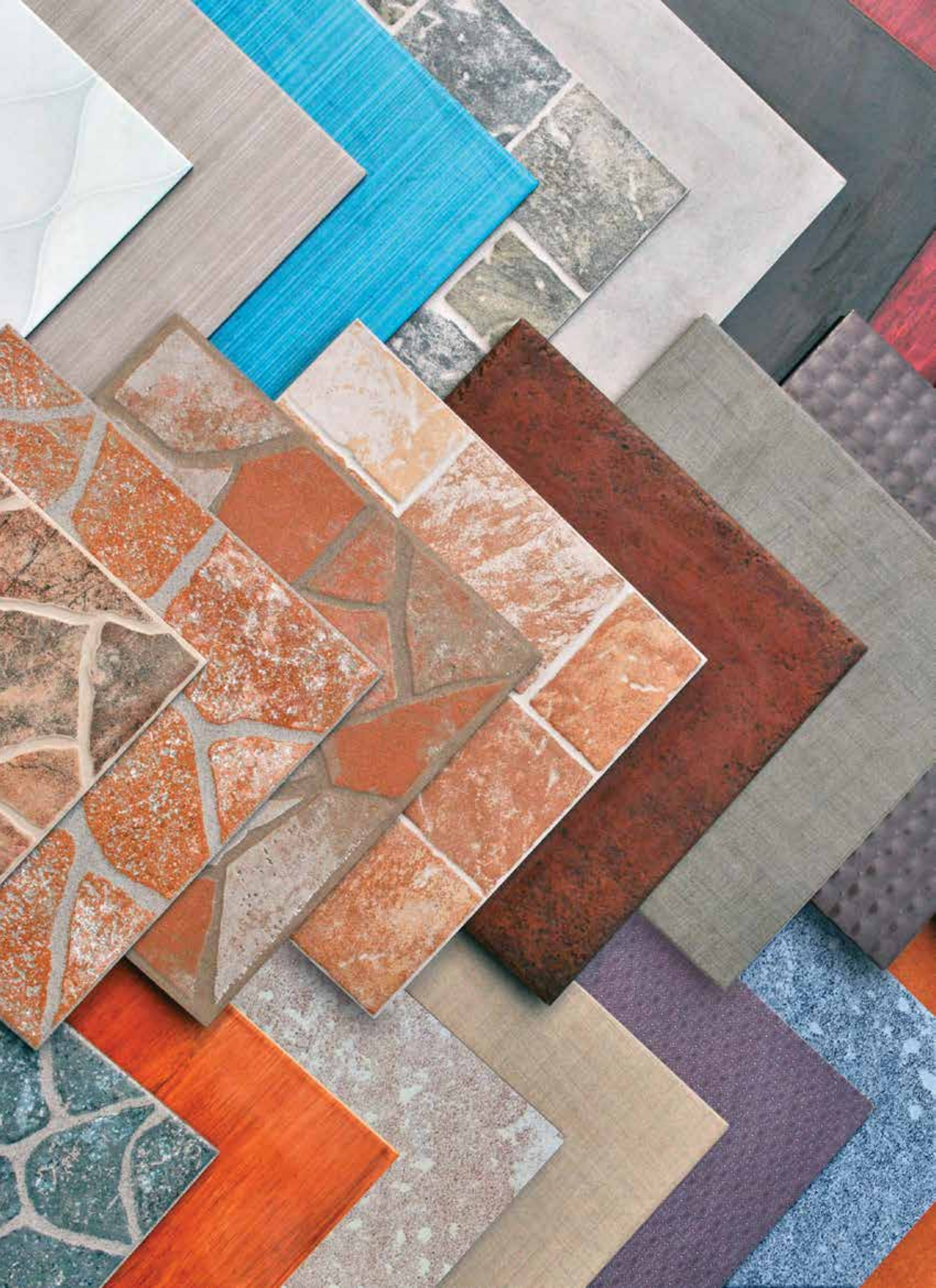
Date: Bengaluru
Place: May 9th, 2019

Annexure – I AOC-1

Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts), Rules, 2014-AOC-1, the Company is presenting summarized financial information about individual subsidiaries as at March 31, 2019

₹ in lakhs

Sr. No	Name of the Subsidiary	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	% of Holding	Sales & Other Income	Profit before Taxation	Provision for taxation	Profit after Tax	Proposed Dividend
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Taurus Value steel & Pipes Pvt. Ltd	Rupees	151.01	9,949.33	23,742.25	13,641.91	Nil	100%	74,533.31	1,025.07	357.91	667.16	Nil
2	Vishal Precision Steel Tubes & Strips Pvt. Ltd	Rupees	350.00	5,507.17	13,832.30	7,975.13	Nil	99.89%	57,453.65	830.83	306.82	524.01	Nil
3	Century Wells Roofing India Pvt. Ltd	Rupees	199.92	1,827.71	5,742.40	3,714.77	Nil	100%	20,888.99	478.77	125.07	353.70	Nil
4	Steel Network Holdings Pte Limited	USD	20	(0.56)	19.64	0.20	Nil	100%	Nil	Nil	Nil	Nil	Nil



Annexure- II

Statement of Disclosure of Remuneration

The information relating to remuneration of Directors / Key Managerial Personnel as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2019, the percentage increase in remuneration of Managing Director, Whole time Directors , Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2019.

Sl. No	Name of Director/Key Managerial Personnel	Designation	Ratio of remuneration of each Director /KMP to median remuneration of employees	Percentage increase in Remuneration
1.	Mr. Sukumar Srinivas	Managing Director	61.72x	Nil
2.	Mr. C. Ravikumar	Whole - time Director	28.85x	12%
3.	Mr. RSV. Siva Prasad	Whole - time Director	23.00x	12%
4.	Mr. Siddhartha Mundra	Chief Executive Officer	50.28x	Nil
5.	Mr. Alex Varghese	Chief Financial Officer	14.72x	15%
6.	Ms. Ereena Vikram	Company Secretary	3.79x	14%

Notes:

a. Percentage of increase in remuneration is effective 1st April 2018.

b. Independent Directors of the Company are entitled for sitting fees as per the Statutory Provisions.

c. As a Policy, the Non-Executive - Non-Independent Directors are neither paid sitting fee nor paid any commission. The details of remuneration of Non-executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-executive Directors Remuneration is therefore not considered for the above purpose.

2. Percentage increase in the median remuneration of employees for the financial year: 11.83%

3. Number of permanent employees on rolls of the Company as on March 31, 2019: 1,369

4. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and to point out if there are any exceptional circumstances for increase in the managerial remuneration: As per Company's increment guidelines.

5. Affirmation that the remuneration is as per remuneration policy of the Company: Yes

Annexure - III

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SHANKARA BUILDING PRODUCTS LIMITED
CIN: L26922KA1995PLC018990
G-2, Farah Winsford, No.133, Infantry Road,
Bangalore - 560001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHANKARA BUILDING PRODUCTS LIMITED** having **CIN: L26922KA1995PLC018990** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the Financial Year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made there under and the relevant provisions of The Companies Act, 1956;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Over seas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The SEBI (Listing Obligations and Disclosure Requirements)Regulations,2019

  (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(vi) There were no specific Laws, Norms and Directions applicable to the Company except Labour Laws.

I have also examined compliance with the applicable clauses of the following:

  (i) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange Limited;

  (ii) Secretarial Standard issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that:

Based on the information provided by the Company, its Officers and Authorized Representatives, during the conduct of the Audit and also on the review of the Details, Records, Documents and Papers provided, in my opinion, adequate systems and processes and control mechanism exists in the Company to monitor and to ensure compliance with applicable General Laws like Labour Laws, Competition Law and Environmental Law.

The compliance of applicable Financial Laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least Seven Days in advance and at least one Independent Director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried unanimously and there were no dissenting views.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. The Company has given guarantee to wholly owned subsidiary companies.
2. The Company has entered in to related party transaction during the Financial Year and the Board has considered all the related party transactions are on arm's length basis in the ordinary course of business.
3. The Company has obtained approval of the Board of Directors on 1 0th May, 2018 and Shareholders in the Annual General Meeting held on 12th June, 2018, to create, issue, offer and allot Equity shares of face value INR 10/- for cash, in one or more tranches, with or without green shoe option, for an aggregate amount up to INR 3,000 million by way of one or more Public and / or Private Placement and / or Preferential allotment basis including Qualified Institution Placement ("QIP") as per the applicable provisions of Companies Act, 2013 and the Securities and Exchange Board of India Regulations.
4. The Company has obtained consent of the Board of Directors on 14th August, 2018 to wind up Steel Network Holdings Pte. Ltd., Wholly Owned Subsidiary in Singapore.

Place: Bengaluru
Date: 9th May, 2019

K Jayachandran
ACS No.: 11309
CP No.: 4031

Annexure A

To,
The Members,
SHANKARA BUILDING PRODUCTS LIMITED
CIN: L26922KA1995PLC018990
G-2, Farah Winsford, No.133, Infantry Road,
Bangalore - 560001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date: 9th May, 2019

K Jayachandran
ACS No.: 11309
CP No.: 4031

Annexure-IV

SECRETARIAL COMPLIANCE REPORT
Of Shankara Building Products Limited
(CIN: L26922KA1995PLC018990)
for the year ended 31st March, 2019

I, K. Jayachandran, Practicing Company Secretary have examined:

(a) all the documents and records made available to us and explanation provided by SHANKARA BUILDING PRODUCTS LIMITED (CIN: L26922KA1995PLC018990) ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) the website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2019 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
and circulars/guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars, guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
	Nil	Nil	Nil

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars, guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	Nil	Nil	Nil	Nil

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the practicing company secretary in the previous report	Observations made in the Secretarial Compliance Report for the year ended……	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Place: Bengaluru
Date: 9th May, 2019

K Jayachandran
ACS No.: 11309
CP No.: 4031

Annexure - V

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

Our Company firmly believes in its contribution to society. Shankara Building Products Limited has a clear commitment to promote women's welfare and help destitute children and the elderly. Shankara has adopted a school in Bangalore as a part of its continued philosophy of giving back to society. To pursue this objective the Company partnered with NGOs like Concern India, Need Base India, Cry and HelpAge India. The main focal areas of Shankara CSR activities are:

- Sponsored a program 'Child rights through soccer' in Chennai. Soccer for Child Rights activates people from different walks of the society to collectively come together to support the cause of child rights. It works to empower children through sports and has paved the way for many children to play at the national and international arena.
- Medical assistance for Kerala Flood and Mobile Healthcare Unit with all the medical facilities for disadvantaged elderly people and the needy in rural areas.
- Sponsor cultural programs like classical dance and music in local communities in Bangalore.
- Adoption of a school in Bangalore with the entire team of Need Base India and setting up of new home for boys in Govt. primary school.
- Water is a critical resource and is rapidly depleting. Shankara has taken up water conservation as a theme and started an integrated watershed project - Jala Nela. The project aims at achieving sustainable agriculture patterns and community mobilized through the integrated watershed development and improving the livelihood of small and marginal farmers.
- Providing education, medical facilities and rehabilitation to the differently abled people.

Shankara Building Products Limited ("SBPL") on a standalone basis was expected to spend ₹104.35 Lakhs towards CSR in the year 2018-19 including carried forward from previous year. It has identified and allocated ₹96.16 lakhs out of which ₹95.54 Lakhs has been disbursed.

2. The composition of the CSR Committee: The Company has a CSR committee comprises of Ms. Jayashri Murali, Chairman of the Committee, Mr. Chandu Nair and Mr. Sukumar Srinivas, Member of the Committee.

3. Average net profit of the Company for last three year for the purpose of computation of CSR: ₹3656.81 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item no 3 above): ₹73.14 lakhs

5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year including carried forward from previous year: ₹104.35 lakhs

b. Amount unspent: ₹8.81 lakhs

Reason: The reason for not spending the amount of CSR is provided in the Board's Report.

c. Manner in which the amount spent during the financial year: Attached

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Please refer to item no. 5(b) above.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Sukumar Srinivas
Managing Director

Jayashri Murali
Chairman, Corporate
Social Responsibility

Place: Bengaluru
Date: 9th May, 2019

5(c) Manner in which amount spent during the financial year is detailed below:

₹ in Lakhs

Sr. No	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs & Area	Amount Outlay (budget) (₹)	Amount spent on the projects or programmes (₹)	Cumulative Expenditure upto the reporting period	Amount spent direct or through implementing agency
1.	Concern India Foundation	Health camp for Cancer in Rural and Urban areas & Education for Orphan Girls	Urban & Rural	21.38	21.38	21.38	Indirect
2	Amar Seva Sangh	Sponsorship for spinal cord & medical checkup	Urban & Rural	7.18	6.56	6.56	Indirect
3	CRY (Child Rights and You)	Sponsorship of Soccer for child Rights for slum kids	Urban	10.00	10.00	10.00	Indirect
4	Indian Institute of Management, Ahmedabad	Development of Building	Urban	5.00	5.00	5.00	Direct
5	Iskcon	Food for poor	Urban	15.70	15.70	15.70	Direct
6	Sree Satchidananda Jan seva	Sponsorship for dictionary for poor children	Urban	1.65	1.65	1.65	Direct
7	SGBS Trust	Musical Programme for Children	Urban	0.75	0.75	0.75	Direct
8	Chief Minister Distress Relief Fund	Kerala Flood Relief	Urban	5.00	5.00	5.00	Indirect
9	International Lingayat Youth Forum Charitable Trust (ILYF)	Golf Event for charitable activities	Urban	1.00	1.00	1.00	Direct
10	Need Base India	Empower street and vulnerable children through comprehensive education	Urban	20.00	20.00	20.00	Indirect
11	Others	Donation charges for literature festival, deserving poor student to improve the quality of education	Urban & Rural	8.50	8.50	8.50	Direct
	Total (₹)			**96.16**	**95.54**	**95.54**	

Annexure-VI
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN: L26922KA1995PLC018990

ii. Registration Date: October 13, 1995

iii. Name of the Company: Shankara Building Products Limited

iv. Category / Sub-Category of the Company: Company limited by Shares/ Non-Govt company/Public

v. Address of the registered office and contact details:

G2 Farah Winsford, No.133,
Infantry road, Bangalore – 560001
Tel: +91 80 4011 7777
Fax: +91 80 4111 9317
Email: cs@shankarabuildpro.com,
compliance@shankarabuildpro.com
Website: www.shankarabuildpro.com

vi. Whether listed company: Yes

Zand Transfer Agent, if any:

Karvy Fintech Private limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli, Financial District
Nanakramguda,
Hyderabad-500032
Tel: +91 4067162222
Fax: +91 4023431551
Email: ramdas.g@karvy.com
Investor Grievance Email:einward.ris@karvy.com
Website: www.karvyfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total consolidated turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% of total consolidated turnover of the Company
1.	Retail Sales	477	54%
2.	Enterprise Sales	466	31%
3.	Channel Sales	466	15%

III.PARTICULARS OF HOLDING, SUBSIDIARY COMPANIES

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary	% of Shares held
1	Vishal Precision Steel Tubes and Strips Pvt ltd	U00291KA1991PTC012581	Subsidiary	99.89%
2	Taurus Value Steel & Pipes Pvt ltd	U28112TG2009PTC064592	Subsidiary	100%
3	Steel Networks Holdings Pte ltd	201324866N	Subsidiary	100%
4	Century wells Roofing India Pvt ltd	U28112TN2002PTC049959	Subsidiary	100%



IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No.of Shares held at the begining of the year (As on 1-Apr-2018)				No.of Shares held at the end of the year (As on 31-Mar-2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. **Promoters**									
(1) Indian									
a) Individual/ HUF	1,26,80,548		1,26,80,548	55.50	1,26,82,984	-	1,26,82,984	55.51	0.01
b) Central Govt	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	1,61,200		1,61,200	0.71	1,61,200	-	1,61,200	0.71	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other-	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	
TOTAL (A)	**1,28,41,748**	**-**	**1,28,41,748**	**56.20**	**1,28,44,184**	**-**	**1,28,44,184**	**56.21**	0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	15,90,949	-	15,90,949	6.96	9,70,018	-	9,70,018	4.25	(2.71)
b) Banks / FI	35,446	-	35,446	0.16	10,865	-	10,865	0.05	(0.34)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No.of Shares held at the begining of the year (As on 1-Apr-2018)				No.of Shares held at the end of the year (As on 31-Mar-2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total	
i) Others (specify)									
Alternate Investments Fund	12,37,071	-	12,37,071	5.41	58,357	-	58,357	0.26	(5.15)
Foreign Portfolio Investors	33,55,811	-	33,55,811	14.69	51,99,869	-	51,99,869	22.76	9.07
Sub - total (B) (1):-	**62,19,277**	**-**	**62,19,277**	**27.22**	**62,39,109**	**-**	**62,39,109**	**27.31**	**0.09**
2. **Non-Institutions**									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	11,60,258	3,68,056	15,28,314	6.69	15,02,617	3,43,056	18,45,673	8.08	1.39
ii) Individual share holders holding nominal share capital in 2 lakh	6,09,556	2,37,670	8,47,226	3.17	5,22,306	1,96,120	7,18,426	3.14	(0.03)
c) Other (specify)	-	-	-	-	-	-	-	-	
NBFC with RBI	5,690	-	5,690	0.02	25,037	-	25,037	0.11	0.09
Clearing Members	15,990	-	15,990	0.07	54,455	-	54,455	0.24	0.17
Non Resident Indians	1,94,506	-	1,94,506	0.85	2,45,782	-	2,45,782	1.08	0.23
Non Resident Indian Non Repatriable	28,910	-	28,910	0.13	1,14,946	-	1,14,946	0.50	0.37
Overseas corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Trusts	2,194	-	2,194	0.01	2,000	-	2,000	0.01	-
Foreign Bodies-DR	-	-	-	-	-	-	-		
Bodies Corporate	11,65,471	-	11,65,471	5.10	7,59,714	-	7,59,714	3.32	(1.78)
Sub-total (B) (2):-	**31,82,575**	**6,06,726**	**37,88,301**	**16.58**	**32,26,857**	**5,39,176**	**37,66,033**	**16.48**	**(0.1)**
Total Public (B)	**94,01,852**	**6,05,726**	**1,00,07,578**	**43.80**	**94,65,966**	**5,39,176**	**1,00,05,142**	**43.79**	**(0.01)**
C.Shares held by Cutodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**2,22,43,600**	**6,05,726**	**2,28,49,326**	**100**	**2,23,10,150**	**5,39,176**	**2,28,49,326**	**100**	-

(ii) Shareholding of Promoter (incuding Promoter Group)

Sl. No	Name of the Shareholder	Shareholding at the begining of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	% change in share holding during the year
1.	Mr. Sukumar Srinivas	1,25,19,998	54.79%	-	1,25,22,434	54.80%	-	0.01%
2.	Mrs. Parwathi. S. Mirlay	1,00,000	0.44%	-	1,00,000	0.44%	-	-
3.	Mr. Dhananjay Mirlay Srinivas	60,550	0.26%	-	60,550	0.26%	-	-
4.	M/s. Shankara Holding Private Ltd	1,61,200	0.71%	-	1,61,200	0.71%	-	-

(iii) Change in Promoter's (including Promoter Group) Shareholding (please specify, if there is no change)

Sl. No	Name of the Shareholder	Shareholding at begining of the year 01.04.2018		Date	Reason	Increase/ Decrease in shareholding		Cumulative Shareholding	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Sukumar Srinivas	1,25,19,998	54.79%	28.02.2019	Purchase of Shares	2,436	0.07%	1,2522,434	54.80%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name of the Shareholder	Shareholding at begining of the year (1st April 2018)		Cumulative Shareholding during the year (1st April, 2018 to 31st March 19)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
(1)	**Amansa Holdings Private Limited**				
	At the beginning of the year	10,76,114	4.71%	10,76,114	4.71%
	Bought during the year	8,36,415	3.66%	19,12,529	8.37%
	Sold during the year	-	-	-	-
	At the end of the year	19,12,529	8.37%	19,12,529	8.37%
(2)	**Arjuna Fund Pte Limited**				
	At the beginning of the year	1,17,526	0.51%	1,17,526	0.51%
	Bought during the year	9,21,576	4.03%	10,39,102	4.54%
	Sold during the year	-	-	-	-
	At the end of the year	10,39,102	4.54%	10,39,102	4.54%

Sl. No	Name of the Shareholder	Shareholding at begining of the year (1st April 2018)		Cumulative Shareholding during the year (1st April, 2018 to 31st March 19)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
(3)	**Franklin India Smaller Companies Fund**				
	At the beginning of the year	7,97,182	3.48%	7,97,182	3.48%
	Bought during the year	1,72,830	0.76%	9,70,012	4.23%
	Sold during the year	-	-	-	
	At the end of the year	9,70,012	4.23%	9,70,012	4.23%
(4)	**Ashoka Pte Ltd**				
	At the beginning of the year	7,52,460	3.29%	7,52,460	3.29%
	Bought during the year	4,80,252	2.10%	12,32,712	5.39%
	Sold during the year	(3,94,693)	(1.72)%	8,38,019	3.67%
	At the end of the year	8,38,019	3.67%	8,38,019	3.67%
(5)	**Generation IM Fund PLC-Generation IM Asia Fund**				
	At the beginning of the year	1,78,653	0.78%	1,78,653	0.78%
	Bought during the year	2,99,875	1.31%	4,78,528	2.09%
	Sold during the year	-	-	-	-
	At the end of the year	4,78,528	2.09%	4,78,528	2.09%
(6)	**Saravana Stocks Pvt. Limited**				
	At the beginning of the year	-	-	-	-
	Bought during the year	2,21,500	0.97%	2,21,500	0.97%
	Sold during the year	-		-	-
	At the end of the year	2,21,500	0.97%	2,21,500	0.97%
(7)	**Generation IM Asia Fund LP**				
	At the beginning of the year	51,741	0.23%	51,741	0.23%
	Bought during the year	95,735	0.42%	1,47,476	0.65%
	Sold during the year	-	-	-	-
	At the end of the year	1,47,476	0.65%	1,47,476	0.65%
(8)	**Matthews Asia Small companies fund**				
	At the beginning of the year				
	Bought during the year	1,32,296	0.58%	1,32,296	0.58%
	Sold during the year	-	-	-	-
	At the end of the year	1,32,296	0.58%	1,32,296	0.58%
(9)	**Vanderbilt University - Flowering Tree Investment**				
	At the beginning of the year	-	-	-	-
	Bought during the year	1,30,731	0.57%	1,30,731	0.57%
	Sold during the year	-	-	-	-
	At the end of the year	1,30,731	0.57%	1,30,731	0.57%
(10)	**Bodhivriksha Advisors LLP**				
	At the beginning of the year	1,00,000	0.44%	1,00,000	0.44%
	Bought during the year	25,000	0.11%	1,25,000	0.55%
	Sold during the year	-	-	-	-
	At the end of the year	1,25,000	0.55%	1,25,000	0.55%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name	Shareholding during the year	
		No. of Shares	% of total shares of the company
(1)	**Mr. Sukumar Srinivas**		
	At the beginning of the year	1,25,19,998	54.79%
	Increase in no. of shares held during the year		
	At the end of the year	1,25,22,434	54.80%
(2)	**Mr. C. Ravikumar**		
	At the beginning of the year	72,400	0.31%
	Increase in no. of shares held during the year		
	At the end of the year	72,500	0.31%
(3)	**Mr. RSV. Siva Prasad**		
	At the beginning of the year	61,550	0.26%
	Increase in no. of shares held during the year		
	At the end of the year	61,650	0.26%
(4)	**Mr. Alex Varghese**		
	At the beginning of the year	20,620	0.09%
	Increase in no. of shares held during the year		
	At the end of the year	20,720	0.09%
(5)	**Mr. Siddhartha Mundra**		
	At the beginning of the year		
	Increase in no. of shares held during the year		
	At the end of the year	500	0.002%

V. INDEBTEDNESS

Indebtedness of the Company (consolidated) including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loan excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	24,786.33	Nil	Nil	24,786.33
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	31.69	Nil	Nil	31.90
Total (i+ii+iii)	**24,818.02**	**Nil**	**Nil**	**24,818.02**
Change in Indebtedness during the financial year				
• Addition	Nil	1,730.70	Nil	1,730.70
• Reduction	6,755.43	Nil	Nil	6,755.43
Net Change	**6,755.43**	**1,730.70**	**Nil**	**5,024.73**
Indebtedness at the end of the financial year				
i) Principal Amount	18,010.02	1,730.70	Nil	19,740.72
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	52.57	Nil	Nil	52.57
Total(i+ii+iii)	**18,062.59**	**1,730.70**	**Nil**	**19,793.29**

VI. Remuneration of directors and key managerial personnel

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager		
		Mr. Sukumar Srinivas Managing Director	Mr. C. Ravikumar WTD	Mr. RSV Siva Prasad WTD
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	125.66	58.79	46.86
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
	Stock Option	-	-	-
	Commission & other Allowance	-	-	-
	Total	**125.66**	**58.79**	**46.86**

B. Remuneration to other directors

Sl. No	Particulars of Remuneration	Fee for attending board Meetings (₹)	Total Amount Paid (₹)
	Independent Director		
1.	Mr. V. Ravichandar	50,000/-	1,75,000/-
2.	Mr. Chandu Nair	50,000/-	1,75,000/-
3.	Ms. Jayashri Murali	50,000/-	1,75,000/-
4.	Mr. B. Jayaraman	50,000/-	1,00,000/-
	Total		**6,25,000/-**

Note: Increase in sitting fee w.e.f 14th August, 2018 from ₹25,000 to ₹50,000

C. Remuneration to Key Managerial Personnel other than MD/ WTD/Manager

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Siddhartha Mundra CEO	Mr. Alex Varghese CFO	Ms. Ereena Vikram Company Secretary Compliance Officer
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	96.02	31.05	8.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
	Stock Option	-	-	-
	Commission & other Allowance	-	-	-
	Total	**96.02**	**31.05**	**8.00**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority (RD)/NCLT /COURT)	Appeal made if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding	Section 81(1A)	As per provisions of Unlisted Public Companies (Preferential Allotment) Rules, 2003 in the Explanatory Statement to the notice for the General Meeting as required by section 173 of the Companies Act, 1956 shall contain mandatory points in the Explanatory Statement. The Company inadvertently missed few of the particulars of explanatory Statement and hereby violation of section 81(1A)	Order Pending	NCLT	
Compounding	Section 187C	As per the provisions of Section 187C of the Companies Act, 1956,The Company has received applicable declaration from the nominee as well as from the beneficial owner of the shares (30th March, 1998) but the Company failed to file the applicable return in the prescribed fom with ROC with regard to such declaration, thereby violating the provisions of section 187C subsection(4) of the Companies Act, 1956	Order Pending	NCLT	
Compounding	Section 187C	As per the provisions of Section 187C of the Companies Act, 1956,The Company has received applicable declaration from the nominee as well as from the beneficial owner of the shares (31th March, 2000) but the Company failed to file the applicable return in the prescribed form with ROC with regard to such declaration, thereby violating the provisions of section 187C sub section (4) of the Companies Act, 1956.	Order Pending	NCLT	

B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE-VII

Corporate Governance Report for the year 2018-19

I. Shankara Philosophy on Corporate Governance

The Shankara Building Products Limited philosophy on Code of Governance is as follows. Corporate Governance is the framework of rules and practices by which a Board of Directors ensures accountability, fairness and transparency in a company's relationship with its all stakeholders. It encompasses every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

We believe in balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers & government. Your Company is committed to good Corporate Governance, based on an effective independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and customer satisfaction.

II Composition of the Board

i. As on March 31, 2019, the Company has Seven Directors. Of the seven Directors, three are Non-Independent Executive Directors and four are Independent Directors out of which one is a Women Director. The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Act. The Chairman of the Board is a Non-Executive and Independent Director.

ii. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors. None of the Directors are related to each other.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

iv. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2019 are given herein below.

Name of the Director	Category	Number of Board Meetings during the year 2018-19		Whether attended Last AGM held on 12th June, 2018	Number/Names of Directorship in other Public/ Listed Companies		Number of Committee positions held in listed entities including this listed entity	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. V. Ravichandar Chairman DIN: 0634180	NED(I)	4	4	No	-	-	-	2
Mr. Sukumar Srinivas Managing Director DIN: 1668064	MD	4	4	Yes	-	-	-	1
Mr. Chandu Nair DIN: 0259276	NED(I)	4	4	Yes	-	-	-	2
Ms. Jayashri Murali DIN: 00317201	NED(I)	4	4	Yes	-	-	1	2
Mr. B. Jayaraman* DIN: 00022567	NED(I)	4	2	N/A	-	-	1	1
Mr. C. Ravikumar DIN: 01247347	WTD	4	4	Yes	-	-	-	1
Mr. RSV Siva Prasad DIN: 01247339	WTD	4	2	Yes	-	-	-	0

*(*Appointed as Independent Director of the Board on 14th August, 2018.)*

a. Category: MD – Managing Director, NED (I) Non-executive Director and Independent, WTD Whole time Director

b. Includes directorships in private limited companies and Section 8 (Not for profit) companies. None of the Directors of the Company hold independent directorships in more than 7 listed companies.

c. Includes only Audit Committee and Stakeholders Relationship Committee of public limited companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all listed companies in which they are Directors.

d. In addition, one meeting of Independent Directors was held during the year.

NOTE: All Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

v. Four Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:
May 10, 2018; August 14, 2018; November 9, 2018; February 8, 2019

The necessary quorum was present for all the meetings.

vi. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

vii. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

viii. The details of the familiarization policy of the Independent Directors are available on the website of the Company i.e., www.shankarabuildpro.com

xi. Details of equity shares of the Company held by the Directors as on March 31, 2019

Name	Category	Number of Equity Shares
Mr. Sukumar Srinivas	Executive, Non-Independent	1,25,22,434
Mr. C. Ravikumar	Executive, Non-Independent	72,500
Mr. RSV. Siva Prasad	Executive, Non-Independent	61,650

The Company has not issued any convertible instruments.

x. The list of skills/expertise/competence identified by the Board of Directors as required in the context of its business (es) and sector(s)

Sl. No	Core Skills/Expertise/Competencies in context of its business (es) and sector(s)
1.	Strategy
2.	Sales , Operations & Marketing
3.	IT
4.	Finance
5.	Legal & Compliance
6.	Human Resource

III Committees of the Board

A. Audit & Risk Management Committee

i. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act. The Audit Committee was reconstituted on November 9, 2018. The Audit & Risk Management Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations.

ii. The terms of reference of the audit committee are broadly as under:

a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be stated in the Director's responsibility statement to be i ncluded in the Board's report in terms of Section 134(3) (c) of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Qualifications and modified opinions in the draft audit report.

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of our Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Approval or any subsequent modification of transactions of our Company with related parties;

k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

l) Approving or subsequently modifying transactions of our Company with related parties;

m) Evaluating undertakings or assets of our Company, wherever necessary;

n) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

o) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

p) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

q) Discussion with internal auditors on any significant findings and follow up thereon;

r) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

s) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

t) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

u) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

v) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

w) Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and

x) To formulate, review and make recommendations to the Board to amend the Audit and Risk Management Committee charter from time to time.

The powers of the Audit Committee include the following:

a) To investigate activity within its terms of reference;

b) To seek information from any employees;

c) To obtain outside legal or other professional advice; and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit and Risk Management Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and result of operations;

b) Statement of significant related party transactions (as defined by the Audit and Risk Management Committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor; and

f) Statement of deviations:

(i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and

(ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations

The Audit & Risk Management Committee is required to meet at least four times in a year, and not more than 120 days are permitted to elapse between two meetings in accordance with the terms of the Listing Regulations.

iii. The composition of the Audit & Risk Management Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the financial year 2018-19	
		Held	Attended
Mr. Chandu Nair	Independent, Non-Executive	4	4
Ms. Jayashri Murali	Independent, Non-Executive	4	4
Mr. V. Ravichandar	Independent, Non-Executive	4	4
Mr. B. Jayaraman*	Independent, Non-Executive	4	2
Mr. Sukumar Srinivas	Managing Director	4	4

**Only two Audit & Risk Management Committee meetings have been conducted in the last financial year subsequent to the appointment of Mr. B. Jayaraman on 14th August, 2018.*

Four Audit & Risk Management committee meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:

May 10, 2018; August 14, 2018; November 9, 2018; February 8, 2019

The necessary quorum was present for all the meetings.

The Audit & Risk Management Committee was reconstituted on 9th November, 2018 and consist of following members:

Name	Designation in relation to membership of the Committee	Category
Mr. B. Jayaraman	Chairman	Independent, Non-Executive
Mr. Chandu Nair	Member	Independent, Non-Executive
Mr. V. Ravichandar	Member	Independent, Non-Executive
Ms. Jayashri Murali	Member	Independent, Non-Executive
Mr. Sukumar Srinivas	Member	Managing Director

B. Nomination & Remuneration Committee

The Nomination and Remuneration Committee was reconstituted by our Board of Directors at their meeting held on 9th November, 2018. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Nomination and Remuneration Committee include:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of independent directors and the Board;

c) Devising a policy on Board diversity;

d) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

l) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the financial year 2018-19	
		Held	Attended
Mr. V. Ravichandar	Independent, Non-Executive	1	1
Ms. Jayashri Murali	Independent, Non-Executive	1	1
Mr. Chandu Nair	Independent, Non-Executive	1	1
Mr. B. Jayaraman*	Independent, Non-Executive	1	-

*No meeting of the Nomination and Remuneration Committee has been conducted in the last Financial Year subsequent to Mr. B. Jayaraman appointment on 14th August, 2018.

One meeting of the Nomination and Remuneration committee was held on 10th May, 2018

The Nomination and Remuneration Committee was reconstituted by the Board of Directors on 9th November, 2018 and consist of following members:

Name	Designation in relation to membership of the Committee	Category
Mr. Chandu Nair	Chairman	Independent, Non-Executive
Mr. V. Ravichandar	Member	Independent, Non-Executive
Ms. Jayashri Murali	Member	Independent, Non-Executive
Mr. B. Jayaraman	Member	Independent, Non-Executive

C. Stakeholder's relationship committee

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI (Listing Regulations. The terms of reference are as follows:

a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;

b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;

d) Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and

e) Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

One meeting of the Stakeholder Relationship Committee was held on 10th May, 2018

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the financial year 2018-19	
		Held	Attended
Ms. Jayashri Murali	Independent Non- Executive	1	1
Mr. Chandu Nair	Independent Non- Executive	1	1
Mr. V. Ravichandar	Independent Non- Executive	1	1
Mr. C. Ravikumar	Executive Director	1	1

f) Name, designation and address of Compliance Officer:

Ms. Ereena Vikram
Company Secretary & Compliance Officer
Shankara Building Products Limited
G-2, Farah Winsford, 133 Infantry Road
Bengaluru-560001
Tel:- 080-40117777

D. Corporate Social Responsibility ("CSR") Committee

The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper

implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

One meeting of the CSR Committee was held on 10th May, 2018

The composition of the CSR Committee and details of the meeting attended by its members are given below:

Name	Category	Number of Meetings during the financial year 2018-19	
		Held	Attended
Ms. Jayashri Murali	Independent Non- Executive	1	1
Mr. Chandu Nair	Independent Non- Executive	1	1
Mr. Sukumar Srinivas	Managing Director	1	1

The composition of the Committee consist of following members:

Name	Designation in relation to membership of the Committee	Category
Ms. Jayashri Murali	Chairman	Independent Non- Executive
Mr. Chandu Nair	Member	Independent, Non-Executive
Ms. Sukumar Srinivas	Member	Managing Director

E. Other Committee

1. Whistle Blower Committee

1.1 The Whistle Blower Committee was constituted by our Board of Directors on August 9, 2017 and the policy was revised to adhere to the current provisions of the Companies Act, 2013. Shankara Building Products Limited ("Company") believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company has formulated Shankara Code of Conduct for Board of Directors and Senior Management ("Code") which is attached to the policy as Annexure A, for the Company to keep a check on malpractices and unethical behavior by all such persons related with the management, administration and operations of the Company with the Company ("Senior Personnel"). The role of the employees/stakeholders in pointing out violations by the Company and keep check on the ethical practices are in place cannot be undermined. The pany is committed to developing a culture where it is safe for all employees without fear to raise concerns about any poor or unacceptable practice and any event of misconduct impacting the Company and any of its stakeholders.

1.2 Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with revised Clause 49 of the Listing Agreement between the Company and Stock Exchanges, interalia, requires all listed companies to establish a mechanism called "Vigil Mechanism/Whistleblower Policy" for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation by the Company of any statutory, legal, mandatory and other compliances of whatever nature and also to ensure that no fraudulent act is committed by the Company whether it impacts the stakeholders or not.

1.3 Accordingly, this Whistleblower Policy ("the Policy") has been formulated to provide a mechanism for directors, employees and other stakeholders of the Company to approach the Whistleblower Committee/Audit Committee of the Company for the purpose of raising genuine concerns relating to any kind of malpractice indulged by the Company and address the same effectively as required. This Policy will come into effect from the date of its adoption by the Board of Directors of the Company.

2. Objective of The Policy

2.1 The Company is committed to adhere to the highest standards of ethical, moral and legal parameters in the conduct of its business operations. To maintain these standards, the Company encourages its employees and others ("Stakeholders") who have concerns about suspected misconduct by any of the Senior Personnel to come forward and express these concerns without fear of punishment or unfair treatment. This Policy aims to provide an avenue for all the Stakeholders to raise concerns on and bring to the notice of the Whistleblower Committee/Audit Committee about any violations of legal or regulatory or legal requirements, incorrect or misrepresentation of any financial statements and reports, etc. generated by the Company.

2.2 The purpose of this Policy is to provide a framework to promote responsible and secure whistleblowing system. It protects all Stakeholders who bring to the notice of the Whistleblower Committee/Audit Committee raise any concern about serious irregularities within the Company and any of its Senior Personnel.

2.3 The Policy neither releases the Stakeholders from their duty of confidentiality in the course of their work/association with the Company nor is it a route for taking up any kind of grievance about a personal situation.

The details of the Whistle Blower Policy is available on the website of the Company i.e., www.shankarabuildpro.com

IV. General Body Meetings

a. Annual General Meeting ("AGM"):

Financial Year	Date	Time	Venue
2015 - 16	July 20, 2016	10.30 A.M	G-2,Farah Winsford, 133 Infantry Road, Bangalore-560001
2016-17	July 21, 2017	11.00 A.M	Radisson Blu Atria, No.1, Palace Road, Bengaluru-560001
2017-18	June 12, 2018	3.00 P.M	The Lalit Ashok (an enterprise of Bharat Hotels Limited), Kumara Krupa, High Grounds, Bengaluru-560001

a. Special Resolution passed in the previous three Annual General Meeting

No Special Resolution passed in 22nd Annual General Meeting held on 21st July, 2017.

The following Special Resolutions were passed at the 21st Annual General Meeting held on 20th July, 2016:

i. Re-appointment of Mr. Sukumar Srinivas (DIN: 01668064), Managing Director of the Company and revision in remuneration.

ii. Re-appointment of Mr. C. Ravikumar (DIN: 01247347) as Whole-time Director of the Company and revision in remuneration.

iii. Re-appointment of Mr. RSV. Siva Prasad (DIN: 01247339) as Whole-time Director of the Company and revision in remuneration.

The following Special Resolutions were passed at the 23rd Annual General Meeting held on 12th June, 2018:

i. Raising of funds by way of issue of Equity Shares, through a QIP, in accordance with the SEBI ICDR Regulations

ii. Re-appointment of Mr. Sukumar Srinivas (DIN: 01668064), Managing Director of the Company.

iii. Re-appointment of Mr. C. Ravikumar (DIN: 01247347) as Whole-time Director of the Company.

iv. Re-appointment of Mr. RSV. Siva Prasad (DIN: 01247339) as Whole-time Director of the Company.

b. Postal Ballot

During the year 2018, the Company has not carried out any Postal ballot

c. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, and in compliance with the provisions of Companies Act 2013, and the Companies (Management and Administration) Rules, 2014, Members were provided with the facility to cast their vote electronically through the e-voting services provided by Karvy Fintech Private Limited ("Karvy") on all resolutions set forth in the Notice. Members were also given an option to vote by Insta Poll.

d. The Company has appointed Mr. S. Kannan, proprietor of S Kannan And Associates, Practicing Company Secretary as scrutinizer to conduct the Insta Poll/e voting process in fair and transparent manner.

V. Means of Communication

The Company's equity shares were listed on April 5, 2017 and hence the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 pertaining to equity shares were applicable.

i. Publication of quarterly/half yearly/nine monthly/annual results

Quarterly and Annual Financial Results are normally published in Economic Times, Vijay Karnataka etc., and are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the website of the Company www.shankarabuildpro.com

ii. Press Release

To provide information to investor and other press release are send to the other stock exchanges as well as displayed on the Company's website i.e. www.shankarabuildpro.com

iii. Presentation to analysts

Six presentations were made to analysts/investors during the financial year 2018-19. The same are available on the Company's website. The presentations broadly covered operational and financial performance of the Company and industry outlook.

VI. Other Disclosures

i. Related party transactions

All material transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provision of Section 188 of the Companies Act, 2013.

There was no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the Financial Statements. The board has approved a policy for related party transactions which has been uploaded on the Company's website i.e., www.shankarabuildpro.com

ii. Management Discussion and Analysis Report

Management discussion and analysis report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 is presented in the separate section forming part of the Annual Report.

iii. Disclosure on accounting treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Financial Statements.

iv. The corporate governance report of the Company for the financial year ended March 31, 2019 are in compliance with the requirements of Corporate Governance under the listing regulations, as applicable.

v. During last two years, neither any penalty nor any stricture has been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets.

vi. Listing of equity shares & stock code

The equity shares of the company are listed at Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange Limited ("NSE")

Name and Address of the Stock Exchange

BSE Limited
1st Floor P.J Towers, Dalal Street
Mumbai-400001

NSE Limited
5th Floor, Exchange Plaza
Bandra (E)
Mumbai-400051

vii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2016-17,2017-18 and 2018-19 respectively: Nil

viii. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. The said policy has been also put up on the website of the Company i.e., www.shankarabuildpro.com

ix. The Company has also adopted Policy on Determination of Materiality of Events Information, Policy on Archival of Documents and Policy for Preservation of Documents.

x. During the year, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations. The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:

a. The Auditors' Report on Statutory Financial Statements of the Company are unqualified.

b. Mr. V. Ravichandar is the Chairman of the Company and Mr. Sukumar Srinivas is the Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.

c. M/s GRSM & Associates, Chartered Accountants, the Internal Auditors of the Company, make presentations to the Audit Committee on their reports.

xi. Reconciliation of share capital audit:

A qualified Practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

xii. The Company has received "A" Credit Rating (for Bank Loan Rating) from CRISIL Limited.

xiii. Code of Conduct

As required under Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on March 31, 2019.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) duly approved by the Board of Directors of the Company.

As per the above Code, Ms. Ereena Vikram is the Compliance Officer.

xiv. Company affirms that all the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

xv. Disclosure with respect to demat suspense account/ unclaimed suspense account

There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2018-19.

VII. Subsidiary companies

The Audit & Risk Management Committee reviews the Consolidated Financial Statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its i.e., www.shankarabuildpro.com

VIII. General shareholder information

i. Annual General Meeting for FY 2018-19

Date	:	Tuesday, 25th June, 2019
Time	:	12.30 P.M
Venue	:	Radisson Blu Atria No. 1, Palace Road, Bengaluru, Karnataka 560001

ii. Financial Calendar for the year 2018-19

Results for the Quarter ending June, 2018	Within 45 days from the end of quarter
Results for the Quarter ending September, 2018	Within 45 days from the end of quarter
Results for Quarter ending December, 2018	Within 45 days from the end of quarter
Results for Quarter ending March, 2019	Second week of May, 2019
Annual General Meeting	June, 2019

Year ending	:	31st March, 2019
Dividend Payment	:	The final dividend, if declared, shall be paid within thirty days to those members whose names stand registered on the Company's Register of Members

iii. Date of Book Closure / Record Date : Saturday, 22nd June, 2019 to Tuesday, 25th June, 2019

iv. Listing on Stock Exchanges :

Bombay Stock Exchange Limited
P.J Towers, Dalal Street
Mumbai- 400001

The National Stock Exchange of India Limited
5th Floor, Exchange Plaza, Bandra
Mumbai-400051

v. Stock Codes/Symbol

NSE	:	SHANKARA
BSE	:	540425
ISIN No.	:	INE274V01019
Listing Fees as applicable have been paid	:	Yes

vi. Corporate Identity Number (CIN) of the Company : L26922KA1995PLC018990

vii. Registrar and Transfer Agents address :

Karvy Fintech Private Limited
Karvy Selenium Tower B,
Plot Nos. 31 & 32 Financial District
Nanakramguda Serilingampally
Mandal, Hyderabad - 500032

Telephone	:	91- 40-67162222
Fax	:	91 -40- 23431551
E-mail	:	einward.ris@karvy.com
Website	:	www.karvyfintech.com
Address for Correspondence	:	Shankara Building Products Ltd G2, Farah Winsford, 133 Infantry Road Bengaluru-560001

viii. Profile of Directors seeking re-appointment

The profile of Directors retiring by rotation and seeking re-appointment at the 24th Annual General Meeting is given in the annexure to the Notice convening the said Annual General Meeting. The said Directors is not related to any other Directors on the Board of the Company and Promoters of the Company.

xi. Shareholding as on March 31, 2019:

a. Distribution of equity shareholding as on March 31, 2019:

Category(Amount)	No. of Shareholders	% of Holders	Amount (₹)	% of Equity
1-5000	24,791	97.60%	1,04,59,970	4.58%
5001- 10000	269	1.06%	20,60,260	0.90%
10001- 20000	120	0.47%	17,68,450	0.77%
20001- 30000	43	0.17%	10,82,450	0.47%
30001- 40000	34	0.13%	12,53,250	0.55%
40001- 50000	20	0.08%	9,48,790	0.42%
50001- 100000	57	0.22%	40,24,420	1.76%
100001& Above	66	0.26%	20,68,95,670	90.55%
Total	**25,400**	**100.00**	**22,84,93,260**	**100.00**

b. Categories of equity shareholders as on March 31, 2019:

Category	No of Holders	No of equity shares held	Percentage of Holding
Promoters	1	1,25,22,434	54.80%
Resident Individuals	23,924	25,68,115	11.24%
Bodies Corporate	420	7,59,714	3.32%
Mutual Funds	2	9,70,018	4.25%
Foreign Portfolio Investors	46	51,03,476	22.34%
Alternative Investment Fund	2	58,357	0.26%
Trusts	1	2,000	0.01%
Banks	1	4,781	0.02%
HUF	595	50,439	0.22%
Foreign Institutional Investors	1	96,393	0.42%
Promoters Companies	1	1,61,200	0.71%
Promoters Individual	2	1,60,550	0.70%
Indian Financial Institutions	1	6,084	0.03%
NBFC	6	25,037	0.11%
Non Resident Indian Non Repatriable	119	1,14,946	0.50%
Non Resident Indians	278	2,45,782	1.08%
Total	**25,400**	**2,28,49,326**	**100.00**

c. Top ten equity shareholders of the Company as on March 31, 2019:

Sr. No	Name of the shareholder	Number of Equity held	Percentage of holding
1.	Sukumar Srinivas	1,25,22,434	54.80%
2.	Amansa Holdings Private Limited	19,12,529	8.37%
3.	Arjuna Fund Pte. Ltd	10,39,102	4.55%
4.	Franklin India Smaller Companies Fund	9,70,012	4.25%
5.	Ashoka Pte Ltd	8,38,019	3.67%
6.	Generation IM Fund PLC-Generation IM Asia Fund	4,78,528	2.09%
7.	Saravana Stocks Pvt. Limited	2,21,500	0.97%
8.	Shankara Holdings Private Limited	1,61,200	0.71%
9.	Generation IM Asia Fund LP	1,47,476	0.65%
10.	Matthews Asia Small Companies Fund	1,32,296	0.58%
	Total	**1,84,23,096**	**80.63%**

d. Market Price Data

Months	BSE		NSE	
	High	Low	High	Low
April, 2018	2,095.30	1,753.75	2,090.15	1,756.00
May, 2018	2,024.80	1,427.10	2,030.00	1,428.45
June, 2018	1,776.10	1,456.25	1,780.00	1,452.60
July, 2018	1,650.95	1,477.50	1,658.00	1,475.30
August, 2018	1,695.00	1,537.40	1,699.00	1,540.05
September, 2018	1,594.95	1,010.00	1,607.70	1,000.00
October, 2018	1,267.90	985.45	1,270.00	988.10
November, 2018	1,178.00	638.60	1,199.00	636.00
December, 2018	679.00	487.10	664.80	490.00
January, 2019	558.00	375.10	558.05	385.00
February, 2019	492.35	315.65	492.60	316.60
March, 2019	487.00	390.00	487.30	397.00

(Source: www.bseindia.com and www.nseindia.com)

x. Dematerialization of shares and liquidity:
The equity shares of the Company are available under dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are compulsorily traded in the dematerialised form.

Equity shares of the Company representing 97.64% of the Company's equity share capital are dematerialized as on March 31, 2019.

Your Company confirms that the promoters' holdings were converted into electronic form and the same is in line with the circulars issued by SEBI.

Shareholders who are still holding shares in physical form are requested to dematerialize their shares at the earliest, this will be more advantageous to deal in securities. For queries / clarification/ assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.

xi. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity.

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

xii. Share Transfer System
Share transfer and related operations for Shankara Building Products are conducted by M/s Karvy Fintech Private limited.

xiii. Discretionary Requirements

a.The position of the Chairman and Managing Director are separate.

b.The Company does not maintain a separate office for the Non–Executive Chairman.

c. The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders. Further the financial results are available on the website of the Company and of Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and The National Stock Exchange of India Limited.

d. The Auditors' opinion on the financial statements is unmodified.

e. Internal Auditor reports directly to the Audit Committee.

xiv. Total fees paid to the Statutory Auditor (excluding GST)

Particulars	For the Year ended March 31, 2019
a. For Statutory Audit	26,90,000
b. For Tax Audit	5,70,000
c. For other services	7,00,000
d. Out of Pocket Expenses	8,79,442
Total	**48,39,442**

Annexure-VIII

Corporate Governance Report

To,
The Members of SHANKARA BUILDING PRODUCTS LIMITED
CIN: L26922KA1995PLC018990
G-2, Farah Winsford, No.133, Infantry Road,
Bangalore - 560001

I have examined all the relevant records of "SHANKARA BUILDING PRODUCTS LIMITED" ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the Financial Year 31st March, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has complied with items C, D and E.

Date: 9th May, 2019
Place: Bengaluru

K Jayachandran
Company Secretary
ACS No.: 11309
CP. No. : 4031

Annexure-IX

Particulars of Employees

As prescribed in Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of the remuneration of each Director to the median employee's remuneration is required to be disclosed in the Director's Report. The tables below specify the details of remuneration of the Directors and key managerial personnel, in compliance with the above stated provisions.

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the directors	Ratio to median remuneration
Mr. Sukumar Srinivas	61.72x
Mr. C. Ravikumar	28.85x
Mr. RSV Siva Prasad	23.00x

b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Sukumar Srinivas	Nil
Mr. C Ravikumar	12%
Mr. RSV Siva Prasad	12%
Mr. Alex Varghese	15%
Mr. Siddhartha Mundra	Nil
Ms. Ereena Vikram	14%

Annexure - X

Energy conservation, technology absorption, R&D cell and foreign exchange earnings and outgo

(Pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014)

Subsidiary Companies:

Taurus Value Steel & Pipes Pvt. Ltd.	Units	Amount (₹) in lakhs	Rate/Unit
Total Energy purchased	88,85,832	760.26	8.56

Vishal Precision Steel Tubes & Strips Pvt. Ltd.	Units	Amount (₹) in lakhs	Rate/Unit
Total Energy purchased	61,32,955	523.30	8.53

Centurywells Roofing India Pvt. Ltd.	Units	Amount (₹) in lakhs	Rate/Unit
Total Energy purchased	1,23,037	14.68	11.93

Certificate from Practicing Company Secretary
(Pursuant to Regulation 34 Schedule V of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015)

I hereby certify that none of the Directors on the Board of Shankara Building Products Limited (CIN L26922KA1995PLC018990) have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority.

Place: Bengaluru
Dated: 9th May, 2019

K JAYACHANDRAN
ACS No. 11309
CP No. 4031

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2019 received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Bengaluru
Date: 9th May, 2019

Sukumar Srinivas
Managing Director

Certification by Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") in terms of Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) ,Regulations, 2015

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Shankara Building Products Limited ("the Company") to the best of our knowledge and belief, hereby certify that:

A. We have reviewed the financial statements for the year ended 31st March, 2019 and that to the best of our knowledge and belief, we state that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, no transactions were entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee

1. there has been no significant change in internal control over financial reporting during the year;

2. there has been no significant change in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. there has been no instance of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control systems over financial reporting

Place: Bengaluru	**Siddhartha Mundra**	**Alex Varghese**
Date: 9th May, 2019	CEO	CFO

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure & Developments

India's economy is estimated to have grown at 7% for FY 2018-19. It is now the fastest growing large economy in the world. Global economy growth has been slowing in the last few quarters. Large economies as well as major emerging economies have shown signs of weakness. India's growth has also been lower over the last few quarters on slowing consumption. Gross capital formation though continues to be strong aided in part by growth in the affordable housing sector.

Government has instituted a number of measures that should help the building material industry. Government support for housing through fiscal incentives and interest subvention are key enablers. Increasing availability of finance and reduction in interest rates also help the segment. In addition, measures like GST and e-way bill help address some of the malpractices prevalent in this industry.

Building material retail industry

The building material industry is a very large industry in India. It is a very large employer and directly impacts all families for their fundamental need of a dwelling unit. Increasing trend of nuclear families, rising aspirations and increasing affordability coupled with availability of finance are driving the growth in the housing industry. As per estimates, there is still a large unmet need for housing of ~100 million units. This provides significant growth opportunities for the building material industry.

The retailing of building materials is extremely fragmented. Each city/town has a large number of independent shops dealing with select building product categories. Within these categories also there would be limited brands that they would be selling. Customers look for a wide range and availability of products at a place of their convenience. Authenticity in terms of quality and pricing is very important. In addition, customers demand great service in terms of timely delivery of products to their doorstep.

Experienced sales staff are a key ingredient for a building material retail store. Knowledgeable sales staff can guide end customers through their purchase decisions. They also build relationships with end customers, especially the professional customers, as well as suppliers. With a significantly fragmented industry, there is an opportunity for a large organized player to become an employer of choice.

Building material brands spend a lot of money on advertising and promotional activities. They are constantly looking to align with end retailers who can position their brands well. They also want to reach out to professional customers to ensure they understand the key technical differentiators of their products. An organized setup helps building material brands scale their presence.

Institutional segment

While retailing contributes a third of the overall building material industry, institutional segment contributes to the larger share. A lot of the sales in the segment may get categorized as relatively lower margin and higher working capital requirement businesses. However, there are customer segments and products segments which can provide some niches. Bespoke products integrate the customers more tightly with the suppliers. Further quality and timely availability of products becomes a key differentiator. Increasing availability of supply chain finance options for these customers helps release monies invested in working capital.

Outlook

The growth prospects for the economy look strong. India's GDP is projected to grow at a pace of 7.2% for FY 2019-20. As per RBI, business expectations are optimistic and disposable household income is set to rise with tax benefits. We continue to have a very positive and a buoyant outlook for the next financial year for the building material industry.

b. Opportunities & Threats

Opportunities

- **The go-to brand for building products:**

The retailing of building products is a fragmented industry with largely standalone stores operating in single locations in limited product categories. Shankara Buildpro is scaling up as a multi-product, multi-brand, multi-location retail chain with 134 stores. The growth opportunity is substantial in the geographies we operate. We see similar such opportunities in other parts of the country. We can build multiple levels of differentiators on top of this large store network.

• **Consolidation:** Consolidation is a significant opportunity for us. We believe that the industry is rightly poised for consolidation. The Company has executed a few takeovers and believe that there are more such opportunities for us to accelerate our growth plans.

Threats

• **Competition:** We could face competition from large players with deep pockets entering the domain. We believe that this industry is a very operations intensive business with thin margin structures. Volumes are spread across multiple brands, product categories and geographies. The ability of a large player to operate at fine cost structures may be a challenge. Our business is layered and built over three decades. There are a lot of insights that the team has built over a period of time which are critical for execution. These strengths will stand us in good stead to tackle competition.

• **Technology disruption:** Newer ways of doing business could pose challenges. These may be more cost efficient or integrate better with the customers. We are looking at technology interventions and building on these capabilities. We have our ecommerce website www.buildpro.store through which we service customer orders across India. It also serves as an important product discovery tool for our customers. We are also looking at building capabilities to make our sales teams and inventory management more effective.

c. Segment wise or Product wise performance

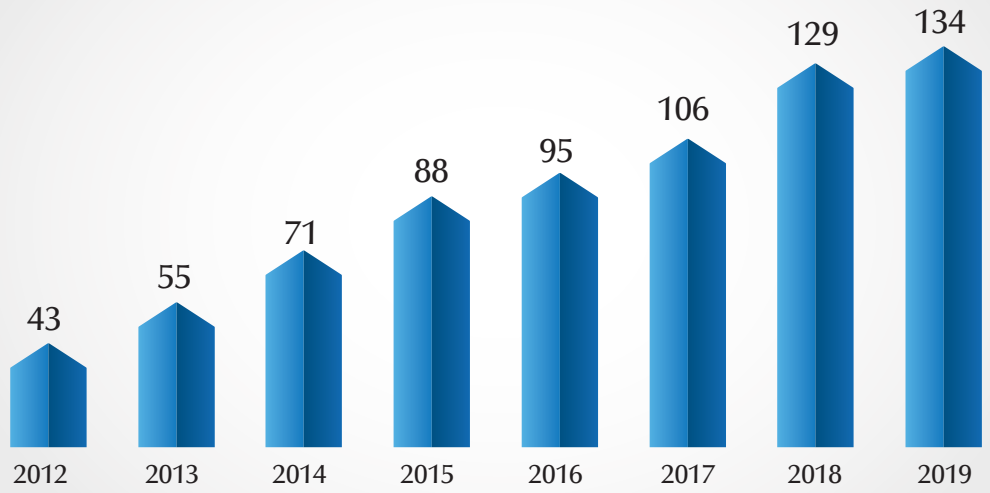
We have three business segments – retail, enterprise and channel. The retail business constitutes ~54% of overall revenues and grew by ~17% over the previous year. The enterprise business contributed ~31% of overall revenues and channel segment ~15%. The share of enterprise business has largely been stable over the last few years. The share of channel business has been moderated substantially over the last few years.

Our focus in the last financial year has been on strengthening the balance sheet. This has resulted in sharp reduction in working capital requirement with substantial reductions in debtors and inventory. We have also reduced dependence on some of our in-house products which were not very competitively priced. Volatility in steel prices has also resulted in inventory losses. All of this has resulted in our profitability growth parameters lagging the revenue parameters in the last financial year. We believe that the remedial measures that we have taken will help address these developments.

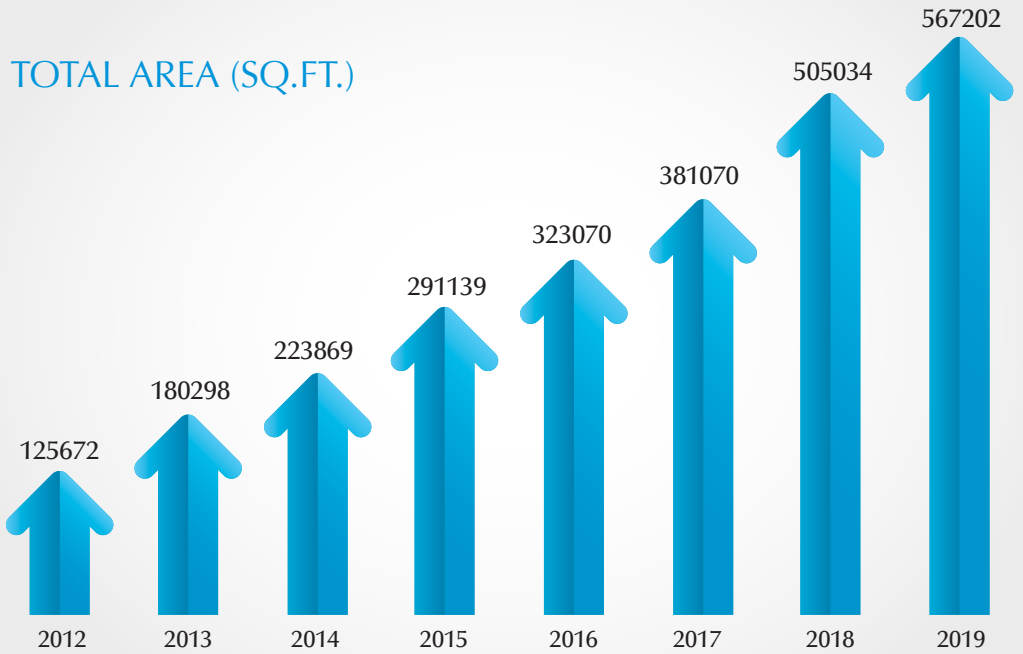
I. RETAIL SEGMENT

We are one of the largest retailers for home improvement and building materials products in India based on the number of stores. We run a chain of 134 stores (as on 31st March 2019) operating under the brand name "Shankara Buildpro" across 9 states and 1 union territory. Our retail operations are spread across South, West & East India. We carry 30,000+ SKUs across the entire home construction and renovation lifecycle spread across categories of construction materials, plumbing and sanitaryware, flooring, electrical items and interior-exterior finishing. In certain semi-urban locations, we also carry building products catering to the needs of the farmer. Our retail revenue grew at a CAGR of 25% over the last 7 years and now contributes ~54% of our overall revenues. We recorded a retail revenue of ₹1,431 crores in FY19 as compared to ₹1,220 crores in FY18, representing a growth of 17 %.

NUMBER OF STORES



TOTAL AREA (SQ.FT.)



Our retail footprint spans ~5.7 lac sqft. We now have our presence in 68 unique towns / cities across Tier 1, 2 and 3 locations. Our average store size is ~4,233 sqft. As of now we continue to focus on South India for our new category expansion in the retail network. We are working on the following aspects to strengthen the retail presence.

Consolidating product portfolio

Over the last few years we have increased the number of products we carry by over ten times. In the last financial year, we have largely focused our efforts on consolidating our product portfolio, reworking central warehousing and strengthening local supply chain networks. While we continue to deal in all the six categories, we are sequencing our product portfolio push with higher energies currently on the plumbing and sanitaryware category. We have also been working on enhancing the product knowledge of our store employees.

Upgrading retail stores

After many years of fast paced store additions and inorganic store takeovers in FY 2018, we tempered the pace in the second half of FY 2019. We added 5 new stores to our network in the last financial year. The larger focus has been on upgrading the existing stores. A number of our stores are being upgraded for the ambience required for the end customers. We have also partnered with a number of key brands to display their products in our stores. We are approaching the upgrades on a cluster based manner to ensure we retain centralized warehousing benefits. Cost consciousness continues to be key in these efforts.

Expanding customer reach

We have undertaken a number of measures to reach out to our existing customers and new customers to make them aware of the range of products we carry. This has been done through in-store customer meets, participation in local industry events & exhibitions and advertising in relevant industry journals. We also launched our Build With Buildpro loyalty program. A number of hyper local activities like newspaper inserts, pamphlets, vehicle and store branding have been done in association with our partner brands. We are communicating our key differentiators of trust, convenience and best price. We are further building on our presence in the online domain and are doing a number of activities in the backend to build domain authority for our ecommerce website www.buildpro.store.

Operating performance

We recorded retail revenues of ₹1,431 crores for FY 19. Our retail revenues have grown at a CAGR of 25% over the last 7 years. Our comparable sales growth stood at 5% for FY 19. Our EBITDA margins stood at 8.8% in FY 19. The following table captures the key operating metrics of our retail operations.

(Figures in Rs. Cr)

	2012	2013	2014	2015	2016	2017	2018	2019	CAGR
NUMBER OF STORES	43	55	71	88	95	106	129	134	18%
TOTAL AREA (SQ.FT.)	1,25,672	1,80,298	2,23,869	2,91,138	3,23,070	3,81,070	5,05,034	5,67,202	24%
REVENUE	294.7	383.6	464.7	619.3	807.8	980.7	1,219.7	1,431.1	25%
EBITDA	6.9	12.9	21.8	46.1	77.5	96.2	130.3	126.5	52%
EBITDA MARGINS	2.3%	3.4%	4.7%	7.4%	9.6%	9.9%	10.7%	8.8%	
EBITDA/ STORE	0.16	0.23	0.31	0.52	0.82	0.92	1.01	0.94	29%

II. ENTERPRISE SEGMENT

Enterprise segment grew by ~2% in FY 2019 with revenues of ₹822 crores. In this segment, we cater to the requirements of large end users, contractors and OEMs. The requirements of our enterprise customers are more crisply defined in terms of specifications, quality and timelines. We continue to focus on a diverse range of industries in this segment like auto, construction, storage and material handling solutions, PEB structures etc. As we have reduced some of our processing capacities, we will now cater to more specific customized requirements from the remaining capacities. Given our small size, we will continue to be flexible and provide a large mix of specific size, shape and quality of products to our customers. This is also inline with our plans to increase the share of bespoke products.

Customers in this segment have a higher need for credit given the longer working capital cycles they work with. The financing facilities will be of great use in this segment. This should help us reduce the capital deployed in the business.

III. CHANNEL SEGMENT

In this segment we cater to dealers and other retailers for their steel and steel linked product requirements through our branch network. We generated revenues of ₹401 crores in FY 2019. We have been consolidating this segment over the last few years. The share of revenues in the channel segment was 43% in FY 2013 and was a volume driven business when we were largely selling third party products. The revenue share of the channel business has now fallen to 15%. It is a strategic part of the overall Company as it provides support for our other business segments. It helps optimize costs and helps us in securing scale benefits.

Other Support function

Processing

With the sale of the unit in Chegunta, Hyderabad, we have substantially restructured our processing business. With this, we will largely exit processing of some of the steel pipe categories where we were facing substantial pricing challenges. We will however continue to focus on some of the value added, niche segments. Our overall capacities for the various segments will now stand at ~2.5 lac tonnes across pipes, colour coated sheets and other value added products.

Supply chain management

Supply chain is a key component for the delivery of our services. Warehousing and logistics are critical infrastructure requirements for us. We have built a warehousing network of ~7 lac sqft. Own warehousing helps us deliver our cluster based retail strategy in a more efficient manner. We also have our own fleet of trucks, largely for intra-city delivery of goods. We currently have 75 owned trucks and many more which are not owned but dedicated entirely towards movement of our goods. We also undertake branding on these vehicles to build visibility. We will continue to invest and fortify these critical backbones.

d. Outlook

Our focus in the last financial year has been on building a strong balance sheet. On the revenue front we have been focused on growth in our capital efficient segments. In this context, while overall revenues grew by ~4%, the retail revenues grew by ~17%. The overall working capital employed in the business has reduced sharply between the first half and the second half of the financial year.

To further reduce the overall asset intensity, we have plans to sell one of our processing facilities in Chegunta, Hyderabad. This will helped us reduce capacities in some of the product segments where our volumes were not large enough to provide scale benefits. This also enables us to reduce our working capital investments in raw material. We can now operate at working capital cycles which are closer to general periodic pricing adjustments in the steel pipes part of the business. With these measures we have now built a strong base for ourselves for growth in the coming financial year.

e. Risks and concerns

• Place – Location selection is very important to ensure volume pickup in the retail stores. Availability of retail spaces relevant for our format and cost structure is important. We have been in the retail business for over 10 years and have had a good track record of location identification. Our experience in the geographies we operate in also helps us in appropriate location identification.

• Product – Selecting the right products in the stores is important to ensure healthy sales and continued movement of stocks. We do not carry a lot of inventory in our stores or warehouses. The inventory that we carry is also for select products which, to our

understanding, are fast moving. We try to ensure that we supply material on a back to back order basis. Further our products do not have as much of an obsolescence risk. We also have the ability to move the products within our own wide network.

• People – Trained manpower is important for retailing of building products as there is an element of consultative selling required for this category. We are training our own manpower as well as recruiting from the industry. We conduct regular training sessions for our staff. Our takeovers have also helped us acquire trained people.

• Pricing – Some of our product categories like steel could witness price volatility. In addition, competition could make our pricing less competitive forcing us to operate at lower profitability levels. We try to ensure that the inventory level of such products is kept at low levels. Further, price fluctuations take time to reach the retail segment as well as Tier 2 / 3 locations. This provides us some buffer against such price volatility.

f. Internal control systems and their adequacy

Shankara has a robust system of internal controls in place which is commensurate with the size and nature of business. It forms an integral part of the Company's corporate governance and plays a critical role in managing operational risks. Both operational and systems audits govern the part of audit conducted by the Company.

The report is also presented to the Audit Committee for feedback and further strategy development. Extensive and systematic program of risk and transaction based internal audits cover all divisions, plants, branches and different areas of operations. Based on the inputs received through internal audits, compliance with accounting standards, risk management and different control systems, major objectives of the Audit Committee of the Board is updated at regular intervals.

g. Discussion on financial performance with respect to operation performance

We have consolidated our operations in the previous financial year. We opened 5 new retail outlets. Our retail chain network stood at 134 stores at the end of 31st March, 2019. We have upgraded a number of our retail stores to carry a larger bouquet of products. Our retails stores are now spread over an area of 5.67 lac sqft and the average size of our stores has increased from ~2,900 in FY 12 to ~4,200 in FY 19. We conducted a number of events across our various stores to build a stronger customer connect. We also encouraged cash sales as against credit sales which led to a margin tradeoff. We have also started providing finance options to our customers to facilitate cash purchases.

We rationalized our processing output in the second half of the year. We have also taken a number of cost control measures to ensure that our reduced scale of processing volumes continues to be profitable. We have increased share of third party purchases to stem this shortfall of own products.

h. Material Development in Human Resource/ Industrial Relations front

Shankara considers its employees as an integral part of their family. The goal of the HR Team is to ensure that all the employees are engaged, motivated and working towards achieving the Company's strategic objectives. All HR policies and processes are in place which covers complete organisation life-cycle of employees. Key HR initiatives also include activities around employee safety, training and development as well as employee engagement.

The total number of employees of the Shankara group stood at ~1,617 employees as on end of financial year 2019.

i. Key financial ratios:

	FY 19	FY 18
Debtor Days	46	61
Inventory Days	53	60
Interest Coverage Ratio	1.93	3.79
Current Ratio	1.89	1.91
Debt Equity Ratio	0.38	0.53
Operating Profit Margin (%)	4.67%	6.90%
Net Profit Margin (%)	1.22%	2.90%
Return on Net Worth	6.93%	17.48%

Debtor days: The debtor days have improved significantly from 61 days in FY 18 to 46 days in FY 19 on account of the Company's conscious effort to focus more on cash sales, reduce overall credit outstanding and faster collections from the customers.

Inventory days: The inventory days have reduced from 60 days in FY 18 to 53 days in FY 19 on account of a greater focus on liquidation of inventory and also reduced inventory holdings in the processing units.

Interest coverage ratio: The interest coverage ratio has declined from 3.79 in FY 18 to 1.93 in FY 19. This is on account of reduced profitability margins as well as a build up in debt and attendant interest costs in FY 19.

Current ratio: The current ratio has largely been stable at 1.89 in FY 19 as compared to 1.91 in FY 18.

Debt: Equity ratio: The debt: equity ratio has seen a significant decline from 0.53 in FY 18 to 0.38 in FY 19. This is on account of the strong consolidated operating cash flow of ₹171 crores generated during the year.

Operating profit margin: the operating profit margin has declined from 6.90% in FY 18 to 4.67% in FY 19 on account of the tough operating environment in H2 FY 19, natural calamities in South India and volatility in commodity prices.

Net profit margin: The net profit margin declined from 2.90% in FY 18 to 1.22% in FY 19 on account of the decline in operating profit margin as well as higher interest costs during FY 19.

Return on Net Worth: The return on net worth declined from 17.48% in FY 18 to 6.93% in FY 19. This decline was due to the decline in net profit from ₹73.80 crores in FY 18 to ₹32.74 crores in FY 19.

j. Disclosure of Accounting Treatment

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, Shankara has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from April 1, 2017.



Shankara
Building Products Ltd.



CONSOLIDATED AUDIT REPORT & FINANCIALS 2018 - 2019

To the Members of Shankara Building Products Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated

Ind AS financial statements of Shankara Building Products Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. In determining the key audit matters and procedures performed as described below, we have considered reports of other auditors on separate Ind AS financial statements including deliverables given by them as part of group audit instructions sent to them.

1. Discount from supplier

Description of Key audit matter

The Group avails discount from its suppliers which are either based on MoU with the supplier ('MoU based discounts') or oral negotiations with the supplier considering prevailing steel prices ('Non-MoU based discounts'). The calculation of discount is dependent on an estimation of whether amounts due as discount receivable have been earned at the balance sheet date. In relation to calculation of Non-MoU based discount, significant judgment is involved with respect to the realization of discount in the absence of any formal agreement/correspondence. We focused on this area since such discounts represent a material reduction in cost of materials consumed.

Description of Auditor's Response

We have performed the following procedures:

- Comparative analysis of movement of discount receivable during current year with that of previous year

- Tested the accuracy of calculation of discount receivable by verifying inventory purchased from invoicing done by the supplier during the year and in case of MoU based discount, tested the rate of discount from MoU and in case of Non-MoU based discount we confirmed its reasonableness by comparing rate of discount availed with invoice rate.
- Verified credit notes on sample basis issued by the supplier for discounts previously recognized that provides an empirical evidence for the realization of discounts.
- Review of ageing analysis of discount receivable at year end and discussion with management regarding the realization of discount receivable.

2. Inventory Existence and Valuation

Description of Key audit matter

Inventory is held in various locations by the Group. There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse & numerous inventory products, multiple storage locations and price fluctuations of products. Accordingly inventory quantities and valuation is identified as a key audit Matter.

Description of Auditor's Response

We have performed the following procedures:

- We have attended inventory counts at certain locations, which we selected based on financial significance and risk, observed management's inventory count procedures to assess the effectiveness, selected a sample of inventory products and compared the quantities counted to the quantities recorded and ensured inventory adjustments, if any, are recorded in the books of accounts.
- Reviewed the internal audit report regarding physical verification of inventories and traced adjustments on sample basis made on basis of such report to the books of accounts.
- Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.
- We assessed whether the management's controls relating to inventory's valuation are appropriately designed and implemented.
- Verification of the correctness of valuation made by the management on a sample basis, with regard to the cost and net realizable value of inventory.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements 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 influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. 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 consolidated Ind AS financial statements, 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 Holding Company and its subsidiaries, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 ability of the Group 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 consolidated Ind AS financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the

Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the Ind AS financial statements of 2 subsidiaries (including one step down subsidiary), whose Ind AS financial statements reflects total assets of ₹19,574.70 Lacs and net assets of ₹7,884.80 Lacs as at March 31, 2019, total revenues of ₹78,288.68 Lacs and net cash inflows amounting to ₹5.52 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b)We did not audit the financial information of 1 subsidiary, whose financial information reflects total assets of ₹1,203.00 Lacs and net assets of ₹1,186.44 Lacs as at March 31, 2019, total revenues of ₹ Nil and net cash inflows amounting to ₹0.16 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports o f the other auditors and the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies in India is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, we give our separate report in the "Annexure".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 37 to the consolidated Ind AS financial statements;

(ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;

(iii) There were no amounts which were required to be transferred to the I nvestor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

Gaurav Poddar
Partner
Membership No.063847

Bengaluru
May 09, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shankara Building Products Limited on the consolidated Ind AS financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Shankara Building Products Limited ("Company" or "Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls with reference to financial statements of Holding Company and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Group's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control with reference to financial statements includes those

policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of respective companies in the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 2 subsidiary companies (including one step down subsidiary), which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Gaurav Poddar
Partner
Membership No.063847

Bengaluru
May 09, 2019



Consolidated Balance Sheet As at 31st March 2019

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	Note No.	As at 31-03-2019	As at 31-03-2018
I ASSETS			
(a) Property, plant and equipment	4	22,520.70	27,257.57
(b) Investment property	5	705.69	13.66
(c) Intangible assets	6	661.33	1,035.18
(c) Capital Work in Progress		425.18	-
(d) Goodwill on Consolidation	7	1,404.03	1,404.03
(e) Financial Assets			
i) Trade receivables	8	395.09	314.54
ii) Loans	9	1,482.43	1,795.60
(f) Other non-current assets	10	139.11	261.55
Total Non current assets		**27,733.56**	**32,082.13**
Current Assets			
(a) Inventories	11	38,294.57	41,570.90
(b) Financial Assets			
i) Trade receivables	12	33,358.95	42,405.27
ii) Cash and cash equivalents	13	916.28	123.41
ii) Bank balances other than (ii) above	14	830.88	476.89
iv) Other financial assets	15	128.06	116.30
(c) Other current assets	16	2,955.37	4,500.45
(d) Current tax Asset (Net)		69.04	-
Total current assets		**76,553.15**	**89,193.22**
Non current assets held for Sale	28	6,908.78	-
Total Assets		**1,11,195.49**	**1,21,275.35**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	2,284.93	2,284.93
(b) Other equity	18	45,619.21	43,285.34
Equity attributable to owners of the Company		47,904.14	45,570.27
Non-Controlling Interest	18	6.71	6.12
Total Equity		**47,910.85**	**45,576.39**
Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	19	243.82	85.12
ii) Other financial liabilities	20	2.25	1.50
(b) Provisions	21	34.86	30.61
(c) Deferred tax liabilities (Net)	22	2,064.97	1,694.32
Total Non-current liabilities		**2,345.90**	**1,811.55**
Current liabilities			
(a) Financial liabilities			
i) Borrowings	23	19,269.59	24,196.95
ii) Trade payables	24		
i) Dues to Micro and Small Enterprises		94.69	27.04
ii) Dues to creditors other than Micro and Small Enterprises		38,049.88	46,019.30
iii) Other financial liabilities	25	1,670.05	1,890.49
(b) Provisions	26	196.52	95.59
(c) Current tax liabilities(Net)	22	230.96	808.96
(d) Other current liabilities	27	1,427.05	849.08
Total current liabilities		**60,938.74**	**73,887.41**
Total Equity and Liabilities		**1,11,195.49**	**1,21,275.35**

See accompaning notes to the consolidated financial statements

As per our report attached of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

B.Jayaraman
Director
DIN: 00022567

Siddhartha Mundra
Chief Executive Officer

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

Consolidated Statement of Profit & Loss for the year ended 31st March 2019

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

	Particulars	Note No.	For the Year ended March31, 2019	For the Year ended March 31, 2018
I	Revenue from operations	29	2,65,410.45	2,54,866.56
II	Other Income	30	442.82	64.43
III	**Total Income (I+II)**		**2,65,853.27**	**2,54,930.99**
IV	**Expenses**			
	Cost of Materials Consumed	31	1,36,823.95	1,27,644.98
	Purchase of Stock-in-Trade		98,782.99	1,01,041.33
	Changes in inventories of finished goods & stock in trade	32	328.66	(8,828.25)
	Employee benefits expense	33	6,426.95	5,594.80
	Finance costs	34	5,669.78	4,634.69
	Depreciation and amortization expenses	4, 5, 6	1,862.11	1,359.07
	Other expenses	35	11,106.02	11,894.70
	Total expenses (IV)		**2,61,000.46**	**2,43,341.32**
V	**Profit before tax (III-IV)**		**4,852.81**	**11,589.67**
VI	Tax expense:	22		
	Current tax		1,284.08	3,814.80
	for earlier years		(73.29)	109.85
	Deferred tax		367.82	284.62
	Total Tax Expenses		**1,578.61**	**4,209.27**
VII	**Profit for the year (V - VI)**		**3,274.20**	**7,380.40**
VIII	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to Profit or loss		(67.20)	13.10
	(ii) Income tax relating to items that will not be reclassified to Profit or loss		23.75	(4.53)
	Total A		**(43.45)**	**8.57**
B	(i) Items that will be reclassified to Profit or loss		8.90	1.59
	(ii) Income tax relating to items that will be reclassified to Profit or loss		-	-
	Total B		**8.90**	**1.59**
	Total Other Comprehensive Income/(loss) (A+B)		**(34.55)**	**10.16**
IX	**Total Comprehensive Income (VII +VIII)**		**3,239.65**	**7,390.56**
	Total Profit for the year attributable to:			
	- Owners of the Company		3,273.61	7,378.96
	- Non-controlling interest		0.59	1.44
			3,274.20	**7,380.40**
	Other comprehensive income/(loss) for the year attributable to:			
	- Owners of the Company		(34.55)	10.16
	- Non-controlling interest		(0.00)	0.00
			(34.55)	**10.16**
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		3,239.06	7,389.11
	- Non-controlling interest		0.59	1.45
			3,239.65	**7,390.56**
X	**Earning per equity share: [Face value Rs.10 per share]**	36		
	Basic & Diluted		14.33	32.30

See accompaning notes to the consolidated financial statements

As per our report attached of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

B.Jayaraman
Director
DIN: 00022567

Siddhartha Mundra
Chief Executive Officer

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

Consolidated Statement of Changes in Equity for the year ended 31st March 2019

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

A. Equity Share Capital (Refer Note 17)

As at 01-04-2017	Movement during the year	As at 31-03-2018	Movement during the year	As at 31-03-2019
22,84,93,260	-	22,84,93,260	-	22,84,93,260

B. Other Equity (Refer Note 18)

	Reserve and Surplus				Items of other comprehensive income		Attributable to		Total
Particulars	**Capital Reserve**	**Securities Premium reserve**	**General Reserve**	**Retained Earnings**	**Foreign currency translation**	**Remeasurements of the net defined benefit plans**	**Owners of the Parent**	**Non-controlling interest**	
Opening Balance as at April 01, 2017	**18.62**	**11,169.74**	**123.58**	**25,403.70**	**(7.60)**	**(14.15)**	**36,693.89**	**4.67**	**36,698.56**
Profit for the year	-	-	-	7,378.96	-	-	7,378.96	1.44	7,380.40
Other comprehensive income for the year, net of income tax	-	-	-	-	1.59	8.57	10.16	-	10.16
Dividend including DDT (Refer Note 17 f)	-	-	-	(756.28)	-	-	(756.28)	-	(756.28)
Utilisation of securities premium (Refer Note 41)	-	(41.40)	-	-	-	-	(41.40)	-	(41.40)
Closing balance as at March 31, 2018	**18.62**	**11,128.34**	**123.58**	**32,026.39**	**(6.01)**	**(5.58)**	**43,285.34**	**6.12**	**43,291.46**
Profit for the year	-	-	-	3,273.61	-	-	3,273.61	0.59	3,274.20
Other comprehensive income for the year, net of income tax	-	-	-	-	8.90	(43.45)	(34.55)	(0.00)	(34.55)
Dividend including DDT (Refer Note 17 f)	-	-	-	(895.25)	-	-	(895.25)	-	(895.25)
Others	-	-	-	(9.95)	-	-	(9.95)	-	(9.95)
Closing balance as at March 31, 2019	**18.62**	**11,128.34**	**123.58**	**34,394.81**	**2.89**	**(49.03)**	**45,619.21**	**6.71**	**45,625.92**

See accompaning notes to the consolidated financial statements

As per our report attached of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

B.Jayaraman
Director
DIN: 00022567

Siddhartha Mundra
Chief Executive Officer

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

Consolidated Statement of Cash Flows for the year ended 31-3-2019

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Cash flow from operating activities		
Profit before tax	4,852.81	11,589.67
Adjustments for :		
Depreciation and amortization expenses	1,862.11	1,359.07
Net Loss on disposal of Property, Plant & Equipment	-	0.12
Net gain on disposal of Property, Plant & Equipment	(106.00)	(4.45)
Interest income on deposits	(53.58)	(24.68)
Provision for doubtful advances	11.68	-
Unwinding of interest income on rental deposits	(69.17)	(20.27)
Interest expense on borrowings	5,614.51	4,472.88
Bad Debts written off	6.19	6.65
Loss Allowance for doubtful trade receivables	(237.38)	218.28
Foreign Currency Translation Reserve	8.90	1.59
Operating profit before working capital changes	**11,890.07**	**17,598.85**
Adjustments for :		
(Increase) / Decrease in inventories	3,396.42	(12,139.28)
(Increase) / Decrease in trade receivable	9,196.97	(10,652.95)
Decrease/ (Increase) in Other Assets	1,822.61	(3,764.36)
(Decrease)/ Increase in trade payables	(7,901.77)	19,231.38
(Decrease)/ Increase in other liabilities	516.22	(1,363.71)
Increase in provisions	37.99	13.61
Cash flow from operations	**18,958.51**	**8,923.54**
Income taxes paid	(1,857.84)	(4,933.22)
Net cash generated from operating activities (A)	**17,100.67**	**3,990.32**
Cash flow from investing activities		
Payment for Purchase of Property, Plant & Equipment, Intangible assets including Capital Advances	(5,098.21)	(3,888.64)
Proceeds from sale of Property, Plant & Equipment	543.51	15.38
Consideration for Business combination (Refer Note 48)	-	(3,222.33)
Bank deposits not considered as cash and cash equivalents (net)	(353.99)	(338.21)
Interest received	132.93	29.42
Net cash generated from/(used in) investing activities (B)	**(4,775.76)**	**(7,404.38)**
Cash flow from financing activities		
Share Issue Expenses (Refer Note No 41)	-	(41.40)
Amount in escrow account	-	6,299.05
Repayment of term loans	(118.22)	(747.61)
Proceeds from/ (Repayment of) Current borrowings (net)	(4,927.35)	3,186.54
Interest paid	(5,593.62)	(4,586.39)
Dividend paid (including Dividend Distribution tax)	(892.85)	(756.28)
Net cash from/(used in) financing activities (C)	**(11,532.04)**	**3,353.92**
Net increase/(decrease) in cash and cash equivalents(A+B+C)	**792.87**	**(60.14)**
Cash and cash equivalents - opening balances	**123.41**	**183.55**
Cash and cash equivalents - closing balances	**916.28**	**123.41**
Note: Cash and Cash equivalents in the Cash Flow Statement comprise of the following (Refer Note No.13) :-		
i) Cash on Hand	73.05	111.99
ii) Balance with Banks :		
- In Current Accounts	843.23	11.42
	916.28	**123.41**

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

As per our report attached of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

Siddhartha Mundra
Chief Executive Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

B.Jayaraman
Director
DIN: 00022567

Alex Varghese
Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Shankara Building Products Limited ("the Company" or "the Parent") is one of the India's leading organized retailer of home improvement and building products in India. The Parent and its subsidiaries (together referred to as "the Group") caters to a large customer base spread across various end-user segments in urban and semi-urban markets through a retail led, multi-channel sales approach complemented by processing facilities, supply chain and logistics facilities. It deals with a number of product categories including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. The Company has operations spread across ten states and one union territory in India.

The company's shares are listed with BSE & NSE.

2 SIGNIFICANT ACCOUNTING POLICIES

A. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 9th May 2019. These financial statements are prepared and presented in Indian Rupees and all amounts have been presented in Lakhs with two decimals, unless otherwise indicated.

B. BASIS OF PREPARATION AND PRESENTATION

These financial statements have been prepared and presented on the accrual basis of accounting under historical cost convention or fair values as per the requirements of Ind AS prescribed under section 133 of the Companies Act, 2013.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle or 12 months or other criteria as set out in the Schedule III to the

Companies Act, 2013. Based on the nature of its business, the group has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

C. BASIS OF CONSOLIDATION

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when such voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

D. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. The Group recognizes revenues on sale of products, net of discounts, rebates, returns, taxes and duties on sales when the products are delivered to a carrier for sale, which is when significant risks and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding

and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.Interest income is recognised on time proportion basis.

Other income is recognised on accrual basis provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

E. PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

An item of property, plant and equipment is derecognised upon disposal or on retirement, when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of Property,Plant & Equipment (other than capital work in progress) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives used by management, as above, are indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment depreciation has been charged on pro rata basis. Individual assets costing less than ₹0.05 lakhs are depreciated fully during the year of purchase.

Capital Work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date. Advances paid towards the acquisition of property,plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

The Company reviews the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

F. INVESTMENT PROPERTIES

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, the borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties (except freehold land) are depreciated using straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation by management.

G. INTANGIBLE ASSETS

"Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on a straight-line basis over their estimated useful lives of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.
The estimated useful life are as follows:
Software - 3 years
Brand - 3 years

The amortisation period and amortisation method for intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

H. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment atleast annually, and whenever there is an indication that the asset may be impaired."

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

I. BUSINESS COMBINATIONS

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

J. LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where the company is lessor

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

Where the company is lessee

Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

K. INVENTORIES

Inventories are stated at lower of cost and net realizable value. Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First in First out ('FIFO') basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares which does not meet the definition of Property, plant and equipment are accounted as inventories

All items of inventories which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

L. EMPLOYEE BENEFITS

In respect of defined contribution plan the company makes the stipulated contributions to provident fund, Employee state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs."

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

M. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

"Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Indian Income Tax Act, 1961."

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each annual reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in the statement of profit and loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

N. FOREIGN CURRENCIES

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried

at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

O. PROVISIONS,CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.

P. EARNING PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

Q. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

R. GOVERNMENT GRANTS AND SUBSIDIES

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to Property, plant and equipment are treated as deferred income and released to the Statement of profit and loss over the expected useful lives of the assets concerned.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

S. NON-CURRENT ASSETS HELD FOR SALE/ DISTRIBUTION TO OWNERS AND DISCONTINUED OPERATIONS

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management is committed to the sale/distribution and it is expected to be completed within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded as met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group);
- An active programme to locate a buyer and complete the plan has been initiated;
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

Non-current assets held for sale qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

T. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

a) Financial Assets

(i) Initial recognition and measurement

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Statement of Profit or Loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that a re solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial liabilities and equity instruments

(i) Initial recognition and measurement
All financial liabilities are recognized initially at fair value plus transaction cost (if any) that is attributable to the acquisition of the financial liabilities which is also adjusted.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings:
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Trade and other payables:
These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances (under trade payables).

Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

Derecognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Impairment of Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance.

The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

U. FAIR VALUE MEASUREMENT:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability which are accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

V. CASH & CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

W. DIVIDENDS ON ORDINARY SHARES

The Group recognises a liability to make cash or non-cash distributions to equity holders of the company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

X. SEGMENT REPORTING

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is vailable. The operating segments are based on the Company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM). Refer Note 33 for Segment disclosure

Y. STANDARDS/AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 - Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The company is currently evaluating the impact of this new standard on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement - On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.



3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

(i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

(ii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(iii) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the identifiable intangible assets and contingent consideration to be measured at fair value in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the business. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

(iv) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(v) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.



4. PROPERTY, PLANT AND EQUIPMENT

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total Tangible assets
Gross carrying amount as at April 1, 2017	**5,795.41**	**9,284.24**	**8,341.72**	**1,245.62**	**694.13**	**173.93**	**89.06**	**25,624.10**
Additions	34.10	1,011.03	2,123.01	598.88	120.70	95.39	73.22	4,056.32
Disposals	-	-	10.00	-	13.35	-	-	23.35
Gross carrying amount as at March 31, 2018	**5,829.51**	**10,295.26**	**10,454.73**	**1,844.49**	**801.48**	**269.32**	**162.27**	**29,657.08**
Additions	826.57	1,054.99	1,201.74	1,188.03	428.07	68.08	57.06	4,824.54
Disposals/Adjustment	40.96	17.56	595.74	0.22	134.51	34.18	55.64	878.79
Transferred to assets held for Sale	711.16	3,790.77	2,527.59	72.55	96.67	13.70	3.53	7,215.98
Transferred to Investment property	607.44	-	-	-	-	-	-	607.44
Gross carrying amount as at March 31, 2019	**5,296.53**	**7,541.92**	**8,533.15**	**2,959.75**	**998.37**	**289.52**	**160.17**	**25,779.40**
Accumulated depreciation / amortisation and impairment								
Balance as at April 1, 2017	**-**	**240.46**	**543.35**	**141.29**	**108.36**	**76.09**	**30.86**	**1,140.41**
Depreciation for the year	-	256.08	649.10	184.53	126.38	21.88	33.42	1,271.39
Depreciation on disposals	-	-	-	-	12.30	-	-	12.30
Balance as at March 31, 2018	**-**	**496.54**	**1,192.45**	**325.82**	**222.45**	**97.97**	**64.28**	**2,399.50**
Depreciation for the year	-	271.97	740.51	232.00	138.60	58.00	46.50	1,487.58
Depreciation on disposals/Adjustment	-	0.85	118.57	0.22	117.05	31.62	52.88	321.18
Transferred to assets held for Sale	-	131.39	148.74	8.32	14.03	3.38	1.34	307.20
Balance as at March 31, 2019	**-**	**636.28**	**1,665.64**	**549.28**	**229.97**	**120.98**	**56.56**	**3,258.70**
Net Carrying amount								
As at March 31, 2019	**5,296.53**	**6,905.64**	**6,867.51**	**2,410.48**	**768.40**	**168.54**	**103.61**	**22,520.70**
As at March 31, 2018	**5,829.51**	**9,798.72**	**9,262.28**	**1,518.68**	**579.03**	**171.35**	**98.00**	**27,257.57**
Useful Life of the asset (In Years)	N/A	Refer note (b)	15 Years	10 Years	8 - 10 Years	5 Years	3 Years	
Method of depreciation	N/A	Straight Line Method						

Note

(a) Property, plant & equipment have been pledged as security against certain long term borrowings of the group as at 31 March 2019 (Refer Note 19).

(b) 30 years for Factory buildings and 60 years for other buildings.

(c) During the year one of the subsidiary company has transferred certain assets having net book value of ₹222.71 lakhs to inventory. Consequently, accumulated depreciation amounting to ₹52.50 lakhs recognised on the said assets have been credited to depreciation expense for the year. Both these amount has been disclosed under the head 'adjustemnt' in the above schedule.

5. INVESTMENT PROPERTIES

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	Freehold Land	Buildings	Total
Gross carrying amount as at April 1, 2017	**3.96**	**10.11**	**14.07**
Additions	**-**	**-**	-
Disposals	-	-	-
Gross carrying amount as at March 31, 2018	**3.96**	**10.11**	**14.07**
Additions	-	85.28	85.28
Disposals	-	-	-
Transferred from Property, Plant & Equipment	607.44	-	607.44
Gross carrying amount as at March 31, 2019	**611.40**	**95.39**	**706.79**
Accumulated depreciation and impairment			
Balance as at April 1, 2017	**-**	**0.20**	**0.20**
Depreciation for the year	**-**	0.20	0.20
Depreciation on disposals	**-**	-	-
Balance as at March 31, 2018	**-**	**0.41**	**0.41**
Depreciation for the year	**-**	0.68	0.68
Depreciation on disposals	**-**	**-**	**-**
Balance as at March 31, 2019	**-**	**1.09**	**1.09**
Net Carrying amount			
As at March 31, 2019	**611.40**	**94.30**	**705.69**
As at March 31, 2018	**3.96**	**9.70**	**13.66**
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	Straight Line Method	

INCOME EARNED AND EXPENSE INCURRED FOR INVESTMENT PROPERTY

Particulars	For the year ended	
	31-03-2019	31-03-2018
Rental income from investment property	2.65	1.93
Direct operating expenses (including repairs and maintenance)	0.44	0.37
Profit from investment properties before depreciation	2.22	1.56
Depreciation	0.68	0.20
Profit from investment property	1.53	1.36

Fair Value

Particulars	31-03-2019	31-03-2018
Investment properties	995.30	87.00

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Since investment properties are leased out by the Group, the market rate for sale/purchase of such premises are representative of fair values. Group's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

For Assets given on Lease , refer note no. 39(a).

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

6. Intangible Assets

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	Brand	Software	Total
Gross carrying amount as at April 1, 2017	**-**	**-**	**-**
Additions	**1,077.65**	**45.00**	**1,122.65**
Disposals	-	-	**-**
Gross carrying amount as at March 31, 2018	**1,077.65**	**45.00**	**1,122.65**
Additions	-	-	**-**
Disposals	-	-	**-**
Gross carrying amount as at March 31, 2019	**1,077.65**	**45.00**	**1,122.65**
Accumulated depreciation and impairment			
Balance as at April 1, 2017	-	-	**-**
Depreciation for the year	**81.39**	**6.08**	**87.48**
Depreciation on disposals	-	-	**-**
Balance as at March 31, 2018	**81.39**	**6.08**	**87.48**
Depreciation for the year	**358.86**	**14.98**	**373.85**
Depreciation on disposals	-	-	**-**
Balance as at March 31, 2019	**440.25**	**21.07**	**461.32**
Net Carrying amount			
As at March 31, 2019	**637.40**	**23.93**	**661.33**
As at March 31, 2018	**996.26**	**38.92**	**1,035.18**
Useful Life of the asset (In Years)	3 Years		
Method of depreciation	Straight Line Method		

7. Goodwill On Consolidation

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
As per Last Balance Sheet	1,404.03	1,404.03
Total	**1,404.03**	**1,404.03**

8. Trade Receivable (Non-current)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured:		
Credit Impaired	790.18	629.08
	790.18	629.08
Less: Allowance for doubtful debts (Expected credit loss allowance)	(395.09)	(314.54)
Total	**395.09**	**314.54**

9. Loans (Non-current)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured considered good:		
Security Deposit	1,347.32	1,687.76
Dealers deposit	131.01	100.74
Gratuity advance to staff	4.10	7.10
Total	**1,482.43**	**1,795.60**

10. Other Non Current Assets

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured, Considered good:		
Capital advances	111.01	252.08
Deposits with Government authorities under protest	28.10	9.47
Total	**139.11**	**261.55**

11. Inventories

Particulars	As at 31-03-2019	As at 31-03-2018
Inventories:(at lower of cost and Net realisable value)		
Raw Materials	7,681.24	10,634.12
Finished goods	3,589.92	4,615.27
Stock-in-trade	26,205.22	25,508.54
Stores and spares	818.19	812.97
Total	**38,294.57**	**41,570.90**

Inventories have been pledged as security against certain bank borrowings of the group as at 31 March 2019 (Refer note 19 and note 23)

During the year one of the subsidiary has transferred certain assets having net book value of ₹222.71 lakhs to inventory out of which ₹102.61 lakhs has been consumed during the year and balance value of ₹120.10 lakhs have been shown under inventory.

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

12. Trade Receivable (Current)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured:		
Trade receivables Considered Good	32,501.31	40,793.86
Less: Allowance for doubtful debts (Expected credit loss allowance)	(5.97)	(4.73)
Total A	32,495.34	40,789.13
Trade receivables with signficant increase in credit risk	1,109.35	2,185.27
Less: Allowance for doubtful debts (Expected credit loss allowance)	(245.74)	(569.13)
Total B	863.61	1,616.14
Total (A+B)	**33,358.95**	**42,405.27**

The credit period on sales of goods ranges from 30 to 45 days without security. No interest is charged on trade receivables.The group classifies trade receivable due for more than one year as trade receivable with significant increase in credit risk. Trade receivable with credit impairment is identified on case to case basis.

In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk is managed at the respective entity level. Before accepting any new customer, the group evaluates the financial position, past performance, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Group does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the group to the counterparty.

Trade receivables have been given as collateral towards borrowings (refer security note below Note 19 and Note 23).

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

13. Cash And Cash Equivalents

Particulars	As at 31-03-2019	As at 31-03-2018
Balances with banks :		
In current account *	843.23	11.42
Cash on hand	73.05	111.99
Total	**916.28**	**123.41**

* Includes Unclaimed Dividend accounts ₹2.50 lakhs (Previous year ₹0.10 lakhs).

The Group has entered into cash management service agreement with certain banks for the collection of cheques at various branches and transfer of the funds to certain cash credit accounts by way of standing instructions. Pending such credits in the account, the cash credit accounts are disclosed as net of such collections. The above mentioned cash and cash equivalents does not contain any amount that are not available for use by the Group.

14. Bank Balance Other Than Cash And Cash Equivalents

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Earmarked balances:		
Fixed Deposits held as margin money	830.88	476.89
Total	**830.88**	**476.89**

15. Other Financial Assets (Current)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Rent receivable	11.58	15.12
Staff Advance *	102.70	77.22
Interest accrued on others	13.78	23.96
Total	**128.06**	**116.30**

*For Staff advances to related parties refer Note no 44.

16. Other Current Assets

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Advances for purchases	1,802.59	1,839.21
Prepayments and others	219.01	226.91
Balances with government authorities	933.77	2,434.33
Total	**2,955.37**	**4,500.45**

17. Equity Share Capital

Particulars	As at 31-03-2019		As at 31-03-2018	
	No.of Shares	Amount (₹) in lakhs	No.of Shares	Amount (₹) in lakhs
Authorised Share Capital:				
Equity shares of ₹10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued, subscribed and paid up capital:				
Equity shares of ₹10/- each, fully paid	2,28,49,326	2,284.93	2,28,49,326	2,284.93

a) Reconciliation of number of equity shares and equity share capital

Particulars	As at 31-03-2019		As at 31-03-2018	
	Number	Amount (₹) in lakhs	Number	Amount (₹) in lakhs
Balance as at the beginning of the year	2,28,49,326	2,284.93	2,28,49,326	2,284.93
Movement during the year	-	-	-	-
Balance as at the end of the year	2,28,49,326	2,284.93	2,28,49,326	2,284.93

b) Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity.

The company has one class of equity shares having par value of ₹10 each. Each share holder is eligible for one vote per share held and carry a right to dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Name of Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sukumar Srinivas	1,25,22,434	54.80%	1,25,19,998	54.79%
Amansa Holdings Prviate Limted	19,12,529	8.37%	-	0.00%

d) In the period of five years immediately preceding March 31, 2019:

i) The Company has not allotted any equity shares as fully paid up without payment being received in cash.
ii) The Company has not allotted any equity shares by way of bonus issue.
iii) The Company has not bought back any equity shares.

e) The Board of Directors of the company in its meeting on May 09, 2019, has proposed a final dividend of ₹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 ₹413.19 lakhs including Dividend Distribution Tax.

f) During the year the Company has paid the dividend of ₹3.25 (Previous year ₹2.75) per equity share which resulted in a cash outflow of ₹895.25 lakhs (Previous year ₹756.28 lakhs) including Dividend Distribution Tax.

18. Other Equity

Particulars	As at 31-03-2019	As at 31-03-2018
General Reserve	123.58	123.58
Retained earnings	34,394.81	32,026.39
OTHER COMPREHENSIVE INCOME:		
Remeasurements of the net defined benefit plans	(49.03)	(5.58)
Foreign currency translation Reserve	2.89	(6.01)
OTHER RESERVES		
Capital Reserve	18.62	18.62
Securities Premium Account	11,128.34	11,128.34
Total	**45,619.21**	**43,285.34**

General Reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was required to be created through an annual transfer of 10% of net profit in case dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn.

Capital Reserve

Reserve is primarily created on amalgamation as per statutory requirement.

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

Non-controlling Interest

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Opening Balance	6.12	4.67
Add: Current period profits	0.59	1.45
Less:Other Comprehensive loss	(0.00)	-
Total	**6.71**	**6.12**

19. Borrowings (Non - Current)

Particulars	As at 31-03-2019	As at 31-03-2018
TERM LOANS:		
Secured loan from bank	243.82	85.12
Total	**243.82**	**85.12**

Terms and security	Current	Non-current	Total
Repayable in 3 monthly installments till June 10, 2019; Rate of interest 9.77% p.a. floating; Security - First pari passu floating charges on certain existing fixed asset, existing and future current assets belonging to the company and corporate guarantee of subsidiary companies	83.22	-	83.22
Vehicle loan repayable in 2 monthly installments till May 15, 2019; Rate of interest 9.65% p.a.; Security - First charge on the vehicle.	5.80	-	5.80
Vehicle loan repayable in 32 monthly installments till November, 2021; Rate of interest 9.7 % p.a. and loan repayable in 30 monthly installments till Sepember, 2021; rate of interest 9.5% p.a; Security - First charge on the vehicle.	116.99	208.19	325.18
Vehicle loan repayable in 30 monthly installments till September, 2021; Rate of interest 9.21% p.a.; Security - First charge on the vehicle.	21.31	35.63	56.94

20. Other Financial Liabilities (Non-current)

Particulars	As at 31-03-2019	As at 31-03-2018
Rent advance received	2.25	1.50
Total	**2.25**	**1.50**

21. Provisions (Non-current)

Particulars	As at 31-03-2019	As at 31-03-2018
Provision for Employee benefits		
Provision for Gratuity * (Refer Note 43)	34.86	30.61
Total	**34.86**	**30.61**

* Not covered by the gratuity fund ₹20 lakhs (Previous year ₹20 lakhs).

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

22. Income Taxes

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs.

a) Income tax expenses

Particulars	For the year ended	
	31-03-2019	31-03-2018
Current tax:		
Current tax	1,284.08	3,814.80
Tax pertaining to earlier years	(73.29)	109.85
Deferred tax	367.82	284.62
Total	**1,578.61**	**4,209.27**

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is indicated below:

Particulars	For the year ended	
	31-03-2019	31-03-2018
Profit before tax	4,852.81	11,589.67
Enacted tax rate in India	34.944%	34.608%
Expected income tax expense at statutory tax rate	1,695.77	4,010.95
Tax impact on account of		
Expenses not deductible in determining taxable profits	73.25	133.30
Deductions allowable under tax laws	(117.12)	(44.83)
Total	**1,651.90**	**4,099.42**
Effective income tax rate	**34.04%**	**35.37%**
Tax expenses		
- Current tax	1,284.08	3,814.80
- Deferred tax	367.82	284.62
Total tax	1,651.90	4,099.42
Add: Tax for earlier years	(73.29)	109.85
Total tax expenses reported for the year	1,578.61	4,209.27

b) Current Tax Liabilities

Particulars	As at 31-03-2019	As at 31-03-2018
Current tax liabilities(Net)*	230.96	808.96

* The above includes ₹35.57 lakhs (Previous year ₹35.57 lakhs)paid/adjusted towards disputed tax demands. The disputes are pending disposal before appellate authorities and the management, based on nature of dispute and the opinion of the legal counsel, is of the view that the no provision is necessary as at present.

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

c) Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2019	As at 31-03-2018
Deferred Tax Liability:		
On account of accelerated depreciation for tax purpose	2,331.05	2,061.73
Deferred Tax Asset:		
Expenses allowed on payment basis	(16.26)	(77.10)
Allowance for doubtful receivables and advances	(208.57)	(275.93)
Others	(41.25)	(14.38)
Deferred Tax Asset/Liabilities (Net)	**2,064.97**	**1,694.32**

Deferred tax balance (Asset)/Liability in relation to	As at 31-03-2018	Recognised/ (reversed) through profit and loss	Recognised in/ reclassifie from other comprehensive income	As at 31-03-2019
Depreciation under income tax act	2,061.73	269.32	-	2,331.05
Provision for employee benefit	(77.10)	60.84	-	(16.26)
Allowance for doubtful receivables and advances	(275.93)	43.61	23.75	(208.57)
Others	(14.38)	(26.87)	-	(41.25)
Total	**1,694.32**	**346.90**	**23.75**	**2,064.97**

Deferred tax balance (Asset)/Liability in relation to	As at 31-03-2017	Recognised/ (reversed) through profit and loss	Recognised in/ reclassifie from other comprehensive income	As at 31-03-2018
Depreciation under income tax act	1,674.14	387.58	-	2,061.73
Provision for employee benefit	(62.41)	(19.23)	4.53	(77.10)
Allowance for doubtful receivables and advances	(200.39)	(75.54)	-	(275.93)
Others	(6.17)	(8.20)	-	(14.38)
Total	**1,405.17**	**284.62**	**4.53**	**1,694.32**

23. Borrowings (Current)

Particulars	As at 31-03-2019	As at 31-03-2018
SECURED LOAN		
Working Capital Loans repayable on demand from Banks*	17,538.89	24,196.95
UNSECURED LOAN		
Working Capital loan from finance Company	1,730.70	-
Total Borrowings	**19,269.59**	**24,196.95**

*Working capital loans are repayable on demand and carries interest @ 9.35% to 12.3% and secured by:

a) First pari passu floating charge on the existing and future current assets and existing fixed assets belonging to the company.

b) Guarantee by Managing Director.

c)Working capital loan from finance company carries interest at 11%.

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

24. Trade Payables

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Due to Micro and Small Enterprises [Refer note 40]	94.69	27.04
Due to Others		
- Acceptances	18,772.78	21,893.29
- Other than acceptances	19,277.10	24,126.01
Total Trade Payables	**38,144.57**	**46,046.34**

Acceptances include credit availed by the group from banks for payment to suppliers for goods purchased by the Group. The arrangements are interest-bearing and are payable within 90 days.
Payables Other than acceptances are normally settled within 30 to 90 days.

25. Other Financial Liabilities (Current)

Particulars	As at 31-03-2019	As at 31-03-2018
Current maturities of long term debt (Refer note 19)	227.32	504.26
Interest payable	52.57	31.69
Employee Benefits payable	602.23	651.92
Other expense payable	614.04	626.85
Unpaid Dividend	2.50	0.10
Creditors for Capital purchases	171.39	75.67
Total Other Financial Liabilities	**1,670.05**	**1,890.49**

26. Provisions (Current)

Particulars	As at 31-03-2019	As at 31-03-2018
Provision for Employee benefits		
Provision for Gratuity (Refer note 43)	153.79	63.61
Provision for compensated absences	42.73	31.98
Total Provisions	**196.52**	**95.59**

27. Other Current Liabilities

Particulars	As at 31-03-2019	As at 31-03-2018
Advances from customer	792.37	713.33
Statutory dues payable	634.68	135.75
Total Other Current liabilities	**1,427.05**	**849.08**

28. Non-current Assets Held For Sale

"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 ₹6,908.78 lakhs, 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.

29. Revenue From Operations

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Sale of Building Products	2,62,604.53	2,52,773.28
Other Operating Revenues		
Sale of scrap	2,790.61	2,073.26
Conversion Charges	15.31	20.02
Total	**2,65,410.45**	**2,54,866.56**

30. Other Income

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Interest Income on deposits	53.58	24.68
Rent received	19.04	1.93
Net gain on disposal of Property, plant & equipment	106.00	4.45
Unwinding of interest income on rental deposits	69.17	20.27
Miscellaneous income	195.03	13.10
Total	**442.82**	**64.43**

31. Cost Of Materials Consumed

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Opening stock of raw materials	10,634.12	5,825.09
Add: Purchases	1,33,750.97	1,32,454.01
Less: Closing Stock	(7,561.14)	(10,634.12)
Total	**1,36,823.95**	**1,27,644.98**

32. Changes In Inventories Of Finished Goods And Stock-in-trade

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Closing stock of Finished goods	(3,589.92)	(4,615.27)
Opening stock of Finished goods	4,615.27	5,253.23
	1,025.35	637.96
Closing stock of Stock in trade	(26,205.22)	(25,508.54)
Opening stock of Stock in trade	25,508.53	16,042.33
	(696.69)	(9,466.21)
Total	**328.66**	**(8,828.25)**

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

33. Employee Benefits Expenses

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Salaries and Wages	5,722.81	4,984.45
Contribution for:		
Provident fund **	328.17	266.76
Employee state insurance	99.50	79.87
Gratuity [Refer Note No.43] *	90.84	93.75
Employee Welfare Expenses	185.63	169.97
Total	**6,426.95**	**5,594.80**

* Including ₹ Nil (Previous Year ₹10 lakhs)for employee not covered under gratuity fund.

** The Hon'ble Supreme court of India ("SC") by their order dated February 28, 2019,in the case of Surya Roshani Limited & other v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Providend Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the impact, if any,is not ascertainable and consequently no effect has been given in the consolidated financial statements.

34. Finance Costs

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Interest Expense on borrowings	5,438.35	4,279.66
Other borrowing costs	176.15	193.21
Interest on Income Tax	55.28	161.82
Total	**5,669.78**	**4,634.69**

35. Other Expenses

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Power, Fuel & Water	1,493.27	1,554.55
Stores & Spares consumed	2,229.77	2,081.90
Rent	1,807.76	1,259.11
Repairs and Maintenance		
Buildings	100.56	6.92
Others	839.57	529.26
Insurance	118.29	76.38
Rates & Taxes	172.57	214.52
Travelling and Conveyance	273.61	286.46
Payment to Auditors (Refer note below)	48.39	41.81
Legal & Professional fees	247.52	232.24
Directors sitting fees	8.87	8.03
Communication Expenses	165.44	149.71
Advertisement & Publicity Expenses	165.25	111.69
Loss Allowance for doubtful trade receivables	(237.38)	218.28
Labour Charges	1,134.01	967.74
Freight Charges	1,175.09	2,722.27
Commission Charges	94.34	62.05
Bad Debts written off	6.19	6.65
Net Loss on disposal of Property, plant & equipment	-	0.12
Sub contracting Charges	383.86	571.37
Miscellaneous Expenses	867.36	793.64
Provision for doubtful advances	11.68	-
Total	**11,106.02**	**11,894.70**

Note : Breakup for Payment to Auditors is as under (Excluding GST):

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
a) For Statutory Audit	26.90	27.23
b) For Tax Audit	5.70	4.70
c) For Limited Review Fees	7.00	4.50
d) Out of Pocket Expenses	8.79	5.38
Total	**48.39**	**41.81**

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

36. Earnings Per Share

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Basic & Diluted		
A. Profit attributable to equity shareholders (in lakhs)	3,274.20	7,380.40
B. Weighted average number of equity shares (in lakhs)	228.49	228.49
C. Basic and Diluted EPS (₹) [A/B]	14.33	32.30
Face value per share (₹)	10	10

37. Contingent liabilities:

Particulars	As at 31-03-2019	As at 31-03-2018
To the extent not provided for:		
Disputed Income tax demand*	36.20	36.20
Total	**36.20**	**36.20**

* These cases are pending at various forums in the respective departments. Outflows, if any, arising out of these claims would depend upon the outcome of the decision of the appellate authorities and the Group's rights for future appeals before the judiciary. No reimbursements are expected.

38. Commitments

Particulars	As at 31-03-2019	As at 31-03-2018
Estimated value of capital commitments towards buildings (Net of advances)	-	118.14
Estimated value of capital commitments towards purchase of machinery. (Net of advance)	-	115.88
Total	**-**	**234.02**

39. Operating lease

a) As lessor:

The company has entered into leasing arrangements for renting:
Land and Building admeasuring approximately 1,000 Square feet at the rate of 16.10 per square feet for a period of 11 months, which is cancellable.

Disclosure in respect of assets given on operating lease :

Particulars	As at 31-03-2019	As at 31-03-2018
Gross carrying amount of assets	99.35	14.07
Accumulated Depreciation	1.09	0.41
Depreciation for the year	0.68	0.20

b) As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 60 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties. All the operating leases are cancellable by either parties for any reason by giving a prior notice before 1 to 3 months. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Lease payments recognized under rent expenses is as follows:

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Minimum lease payment made on operating lease	1,807.76	1,259.11

40. Additional Information

Disclosure pertaining to micro and small enterprises as required under MSMED Act, 2006 (as per information available with the Group):

Particulars	As at 31-03-2019	As at 31-03-2018
i) Principal amount due outstanding as at end of year	94.69	27.04
Interest due on above and unpaid as at end of year	-	-
Balances pertaining to Micro and Small Enterprises	94.69	27.04
ii) The amount of interest paid by the Company in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year ended March 31, 2019.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
"iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

41. a) Pursuant to Initial Public Offering ('IPO'), 75,00,029 equity shares of ₹10 each which were allotted on 31st March 2017 at a premium of ₹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 lakhs
Gross Proceeds from IPO (Including Securities premium of ₹4,402.30 lakhs)	4,500.13
Less: Share Issue Expenses during the financial year 2016 -17	269.85
Net Proceeds from IPO	4,230.28
Less: Utilisation towards repayment of short term borrowings	4,230.28
Amount kept unutilised	-

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

b) 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 ₹311.25 lakhs (including ₹41.40 lakhs during the financial year 2017-18) have been adjusted against the Securities Premium Account and expenses aggregating to ₹1,823.60 lakhs 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.

42. Segment Reporting

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. The group does not have any material operations outside India and hence disclosure of geographic segments is not applicable. Non-controlling interest is not part of segment liabilities.

Particulars	31st March 2019			31st March 2018		
	Retail	Channel & Enterprise *	Total	Retail	Channel & Enterprise *	Total
Income						
External Sale	1,43,107.63	1,22,302.82	2,65,410.45	1,21,969.68	1,32,896.88	2,54,866.56
Segment Revenue	**1,43,107.63**	**1,22,302.82**	**2,65,410.45**	**1,21,969.68**	**1,32,896.88**	**2,54,866.56**
Segment Result	**12,653.35**	**2,870.14**	**15,523.49**	**13,031.46**	**7,547.19**	**20,578.65**
Other Unallocated Items						
Finance Cost			5,669.78			4,634.69
Unallocable Corporate Expenses (Net)			5,000.88			4,354.28
Profit before tax			**4,852.82**			**11,589.67**

Other Information

Segment assets	27,769.09	46,026.67	73,795.76	29,603.41	56,375.82	85,979.23
Unallocated assets			37,399.73			35,296.12
Total Assets			**1,11,195.49**			**1,21,275.35**
Segment Liabilities	7,778.12	30,366.44	38,144.56	7,592.90	38,529.10	46,122.00
Unallocated liabilities			25,140.10			29,576.96
Total Liabilities			**63,284.64**			**75,698.96**
Capital Expenditure			4,909.82			5,178.97
Depreciation			1,862.11			1,359.07
Non-cash expenses other than depreciation			6.19			6.65

*** Revenue from Channel & Enterprise segment are as follows:**

Particulars	For the periods ended	
	31-Mar-19	31-Mar-18
Channel	40,102.97	52,401.14
Enterprise	82,199.85	80,495.74
Total	**1,22,302.82**	**1,32,896.88**

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

43. Employee benefits

a) Defined contribution plan
Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Employer's Contribution to Provident Fund (includes pension fund)	328.17	266.76
Employer's Contribution to Employee State Insurance	99.50	79.87

b) Defined benefit plans

The Group has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of ₹20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.
The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019 by M/s Ankolekar & Co., Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	532.63	464.13
Current Service Cost	85.78	64.87
Past Service Cost	-	12.41
Interest Cost	39.69	32.49
Actuarial Loss/(Gain) on obligation	72.26	(20.99)
Benefits paid	(47.19)	(20.28)
Closing Balance	**683.17**	**532.63**
Less: Fair Value of Plan Assets		
Opening Balance	453.75	373.86
Expected Return on Plan assets less loss on investments	34.63	26.02
Actuarial (Loss)/Gain on Plan Assets	5.06	(7.89)
Employers' Contribution	68.27	82.04
Benefits paid	(47.19)	(20.28)
Closing Balance	**514.52**	**453.75**
Amount recognized in Balance Sheet	**168.65**	**78.88**
Expenses during the year		
Current Service cost	85.78	64.87
Past Service cost	-	12.41
Interest cost	39.69	32.49
Expected Return on Plan assets	(34.63)	(26.02)
Component of defined benefit cost recognized in statement of profit & loss	**90.84**	**83.75**
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	72.26	(20.99)
- Actuarial Loss/(Gain) on Plan Assets	(5.06)	7.89
Component of defined benefit cost recognized in other comprehensive income	**67.20**	**(13.10)**
Total		
Actual Return on plan assets	39.69	18.13
Break up of Plan Assets:		
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	100%	100%
Of which, Traditional/ Non-Unit Linked	-	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

"Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity."

Principal actuarial assumptions

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-19	As at 31-03-18
Discount Rate	7.00%	7% - 7.6%
Expected rate(s) of salary increase	7.00%	7% - 7.5%
Expected return on plan assets	7.00%	7.00%
Attrition rate	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2006-2008 Ult.	

Experience adjustments

Particulars	As at 31-03-2019	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016	As at 31-03-2015
Defined Benefit Obligation	683.17	532.63	464.13	363.52	339.71
Plan Assets	514.52	453.75	373.86	319.73	248.20
Surplus / (Deficit)	(168.65)	(78.88)	(90.27)	(43.79)	(91.51)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	(49.19)	5.43	(13.17)	39.75	(43.93)
Experience Adjustments on Plan Assets – (Loss)/Gain	5.06	(10.13)	9.34	(2.84)	11.67

The Group expects to contribute ₹168.65 lakhs (previous year ₹78.88 lakhs) to its gratuity plan for the next year. In assessing the Group's post retirement liabilities, the Group monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

"The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations."

Effective March 29, 2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to ₹20 lacs from ₹10 lacs. Accordingly the amended and improved benefits, if any, are recognised as current years expense as provided under paragraph 103, Ind AS 19.

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Sensitivity Analysis:

"Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant."

Particulars	Impact on Defined benefit obligation			
	31-03-2019		31-03-2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)	47.02	-	35.61	-
Discount rate (1% decrease)	-	43.80	-	34.66
Future salary growth (1% increase)	47.63	-	37.02	-
Future salary growth (1% decrease)	-	43.13	-	33.48
Attrition rate (1% increase)	1.83	-	0.49	-
Attrition rate (1% decrease)	-	1.82	-	0.55

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 6 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The Group had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets or own funds. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

44. Related party disclosures

A. Names of Related parties with whom transactions have taken place during the year/previous year and nature of relationship:

Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. C.Ravikumar (Whole time Director)
	Mr. R.S.V.Sivaprasad (Whole time Director)
	Mr. Siddhartha Mundra (Chief Executive Officer)
	Mr. Alex Varghese (Chief Finance Officer)
	Ms. Ereena Vikram (Company Secretary)

B.

Transactions with Related Parties	For the Year ended March 31,2019	For the Year ended March 31,2018
Remuneration paid to Key Managerial Personnel (Refer note 1 below)		
Short term benefits	366.38	336.06
Managing Director	125.66	125.66
Whole time director	105.65	97.94
Chief Executive Officer	96.02	79.21
Chief Financial Officer	31.05	26.60
Company Secretary	8.00	6.65

Notes

1 As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

C.

Amount due to/ from related parties	As at 31-03-2019	As at 31-03-2018
Due from Director	6.67	6.55
Due from Chief Financial Officer	2.44	3.00

45. Details of Subsidiaries

Details of the Group's subsidiaries at the end of reporting period are as follows:

Name of the Subsidiary	Place of incorporation	Proportion of ownership		Principal activity
Direct Subsidiary		31-03-2019	31-03-2018	
Vishal Precision Steel Tubes & Strips Private Limited	India	99.89%	99.89%	Manufacturing of steel products
Taurus Value Steel & Pipes Private Limited	India	100%	100%	Manufacturing of steel products
Steel Networks Holdings Pte Limited	Singapore	100%	100%	Investment holding company
Indirect Subsidiary				
Centurywells Roofing India Private Limited	India	100%	100%	Manufacturing of roofing sheets

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

46. Financial Instruments

A. Capital risk management

The Group's capital requirements are mainly to fund its expansion, working capital and strategic acquisitions. The principal source of funding of the group has been, and is expected to continue to be, cash generated from its operations supplemented by borrowing from bank and the funds from capital markets. The Group is not subject to any externally imposed capital requirements.

The group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	As at 31-03-2019	As at 31-03-2018
Long term borrowings	243.82	85.12
Current maturities of long term debt	227.32	504.26
Short term borrowings	19,269.59	24,196.95
Less: Cash and cash equivalents	(916.28)	(123.41)
Less: Bank balances other than cash and cash equivalents	(830.88)	(476.89)
Net Debt	17,993.57	24,186.03
Total Equity (Excluding Non controlling Interest)	47,910.85	45,576.39
Gearing Ratio	0.38	0.53

i) Equity includes all capital and reserves of the group that are managed as capital.

ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 19 and 23.

B. Categories of financial instruments

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019		As at 31-03-2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Loans	1,482.44	1,482.44	1,795.60	1,795.60
Other financial assets	128.06	128.06	116.30	116.30
Trade receivables	33,754.03	33,754.03	42,719.81	42,719.81
Cash and cash equivalents	916.28	916.28	123.41	123.41
Bank balances other than cash and cash equivalents	830.88	830.88	476.89	476.89
Total financial assets at amortised cost (A)	**37,111.69**	**37,111.69**	**45,232.01**	**45,232.01**
Measured at fair value through other comprehensive income (B)	-	-	-	-
Measured at fair value through profit and loss (C)	-	-	-	-
Total financial assets (A+B+C)	**37,111.68**	**37,111.68**	**45,232.01**	**45,232.01**
Financial liabilities				
Measured at amortised cost				
Long term Borrowings *	471.14	471.14	589.37	589.37
Short term Borrowings	19,269.59	19,269.59	24,196.95	24,196.95
Trade payables	38,144.56	38,144.56	46,046.33	46,046.33
Other financial liabilities	1,444.98	1,444.98	1,387.73	1,387.73
Total financial liabilities carried at amortised cost	**59,330.27**	**59,330.27**	**72,220.38**	**72,220.38**

* including current maturities of long term debt

The Company has certain Investment Properties whose fair value have been disclosed in Note no 5.

C. Financial risk management

The Company has an Audit & Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

D. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

E. Commodity price risk:

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the group earns from the sale of its steel products.

The group purchases the steel and other building products in the open market from third parties as well as from subsidiaries in prevailing market price. The group is therefore subject to fluctuations in the prices of Steel coil, Steel pipes, zinc, Sanitary wares etc.

The group aims to sell the products at prevailing market prices. Similarly the group procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.

Inventory Sensitivity Analysis(Raw materials, Finished goods & Stock in trade)

A reasonably possible changes of 1% in prices of inventory at the reporting date, would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1% increase in prices of Inventory	(374.76)	(407.58)	(243.81)	(266.52)
1% decrease in prices of Inventory	374.76	407.58	243.81	266.52

F. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group is exposed to interest rate risk since funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the group are principally denominated in rupees. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	As at 31-03-2019	As at 31-03-2018
Fixed rate borrowings	387.92	41.51
Floating rate borrowings	19,352.92	24,748.83
Total borrowings	**19,740.84**	**24,790.34**
Total Net borrowings as per financial statements	**19,740.72**	**24,786.32**
Add: Upfront fees	0.12	4.02
Total borrowings	**19,740.84**	**24,790.34**

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Sensitivity analysis for variable-rate instruments
This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit or loss		Impact on Equity, net of tax	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
100 basis points increase in interest rates	(193.53)	(247.49)	(125.90)	(161.84)
100 basis points decrease in interest rates	193.53	247.49	125.90	161.84

G. Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Group's credit risk arises principally from the trade receivables and advances.

Trade receivables:

Customer credit risk is managed centrally by each entities in the group and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

H. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for strategic acquisitions. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and borrowings provide liquidity. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

With respect to floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

Liquidity exposure as at 31 March 2019

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	-	-	1,482.44	1,482.44
Other financial assets	128.06	-	-	128.06
Trade receivables	33,358.95	395.09	-	33,754.03
Cash and cash equivalents	916.28	-	-	916.28
Bank balances other than cash and cash equivalent	830.88	-	-	830.88
Total financial assets	**35,234.17**	**395.09**	**1,482.44**	**37,111.69**
Financial liabilities				
Long term Borrowings *	227.32	243.82	-	471.14
Short term Borrowings	19,269.59	-	-	19,269.59
Trade payables	38,144.56	-	-	38,144.56
Other financial liabilities	1,442.73	-	2.25	1,444.98
Total financial liabilities	**59,084.20**	**243.82**	**2.25**	**59,330.27**

* including current maturities of long term debt.

Liquidity exposure as at 31 March 2018

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	-	-	1,795.60	1,795.60
Other financial assets	116.30	-	-	116.30
Trade receivables	42,405.27	314.54	-	42,719.81
Cash and cash equivalents	123.41	-	-	123.41
Bank balances other than cash and cash equivalen	476.89	-	-	476.89
Total financial assets	**43,121.87**	**314.54**	**1,795.60**	**45,232.01**
Financial liabilities				
Long term Borrowings *	504.26	85.12	-	589.37
Short term Borrowings	24,196.95	-	-	24,196.95
Trade payables	46,046.33	-	-	46,046.33
Other financial liabilities	1,386.23	-	1.50	1,387.73
Total financial liabilities	**72,133.77**	**85.12**	**1.50**	**72,220.38**

* including current maturities of long term debt.

Collateral

The group has pledged part of its financial assets in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is an obligation to return the securities to the Group once these banking facilities are surrendered. (Refer note 19 and 23).

I. Level wise disclosure of financial instruments

Particulars	As at 31-03-2019	As at 31-03-2018	Level	Valuation techniques and key inputs
Long term borrowings (including current maturities)				
- Carrying value - Fair Value	471.14 471.14	589.37 589.37	2	Discounted cash flow –observable future cash flows are based on terms discounted at a rate that reflects market risks.
Security Deposit	1,347.32	1,687.76	3	The fair values for security deposits (Assets and Liabilities) were calculated based on cashflows discounted using the current lending rate for liabilities and current borrowing rate for assets.They are classifed as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.
Asset for which fair value has been disclosed (Investment Property)	995.30	87.00	2	Fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer.

The carrying amounts of short-term borrowings, trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.



Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

47. Corporate Social Responsibility

a) Gross amount required to be spent by Company during the year - ₹173.47 lakhs
(Previous year: ₹115.98 lakhs)

b) Amount spent during the year:

Particulars	Amount required to be spent for the year ended 31 March, 2019	Amount Paid	Amount Yet to be paid
a) Construction / acquisition of any assets	-	-	-
b) On purpose other than (a) above	173.47	123.21	-

Particulars	Amount required to be spent for the year ended 31 March, 2018	Amount Paid	Amount Yet to be paid
a) Construction / acquisition of any assets	-	-	-
b) On purpose other than (a) above	115.98	69.60	-

Amount paid is included in Miscellaneous expenses in Note no 35.



(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

48. Business Combinations

a) On 27th October, 2017, the group acquired the identified assets and liabilities of business of Vaigai Sanitation Private Limited including the brand for a total consideration of ₹1,000.00 lakhs, subject to stipulated conditions. The results of the acquired business have been accounted by the group from the effective date of 1st November, 2017.

b) On 28th January, 2018, the group acquired the identified assets and liabilities of business of JP Sanitation India Private Limited for a total consideration of ₹2,222.33 lakhs, subject to stipulated conditions. The results of the acquired business have been accounted by the group from the effective date of 1st February, 2018.

c) The summary of Fair values of the identifiable assets and liabilities acquired on account of the above mentioned business combination is as follows:

Particulars	Amount (₹) in lakhs
Property, plant and equipment (net) [Refer Note 1]	162.48
Inventories	1,486.26
Long term loans and advances	198.98
Trade receivable	1,221.92
Short term loans and advances	6.47
Brand [Refer Note 1]	1,077.65
Total assets (A)	**4,153.76**
Trade payable	789.83
Other current liabilities	141.60
Total liabilities (B)	**931.43**
Acquisition date fair value of net assets (C) = [A-B]	**3,222.33**
Total consideration on business combination	**3,222.33**

Note:

1 Tangible and Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date, which is regarded as their cost. [Refer Note 4 & 6].

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

49. Previous year figures have been regrouped wherever considered necessary.

As per our report attached of even date

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

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

Siddhartha Mundra
Chief Executive Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

B.Jayaraman
Director
DIN: 00022567

Alex Varghese
Chief Financial Officer

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Notes to the Consolidated Financial Statements for the year ended 31st March 2019 (Contd.,)

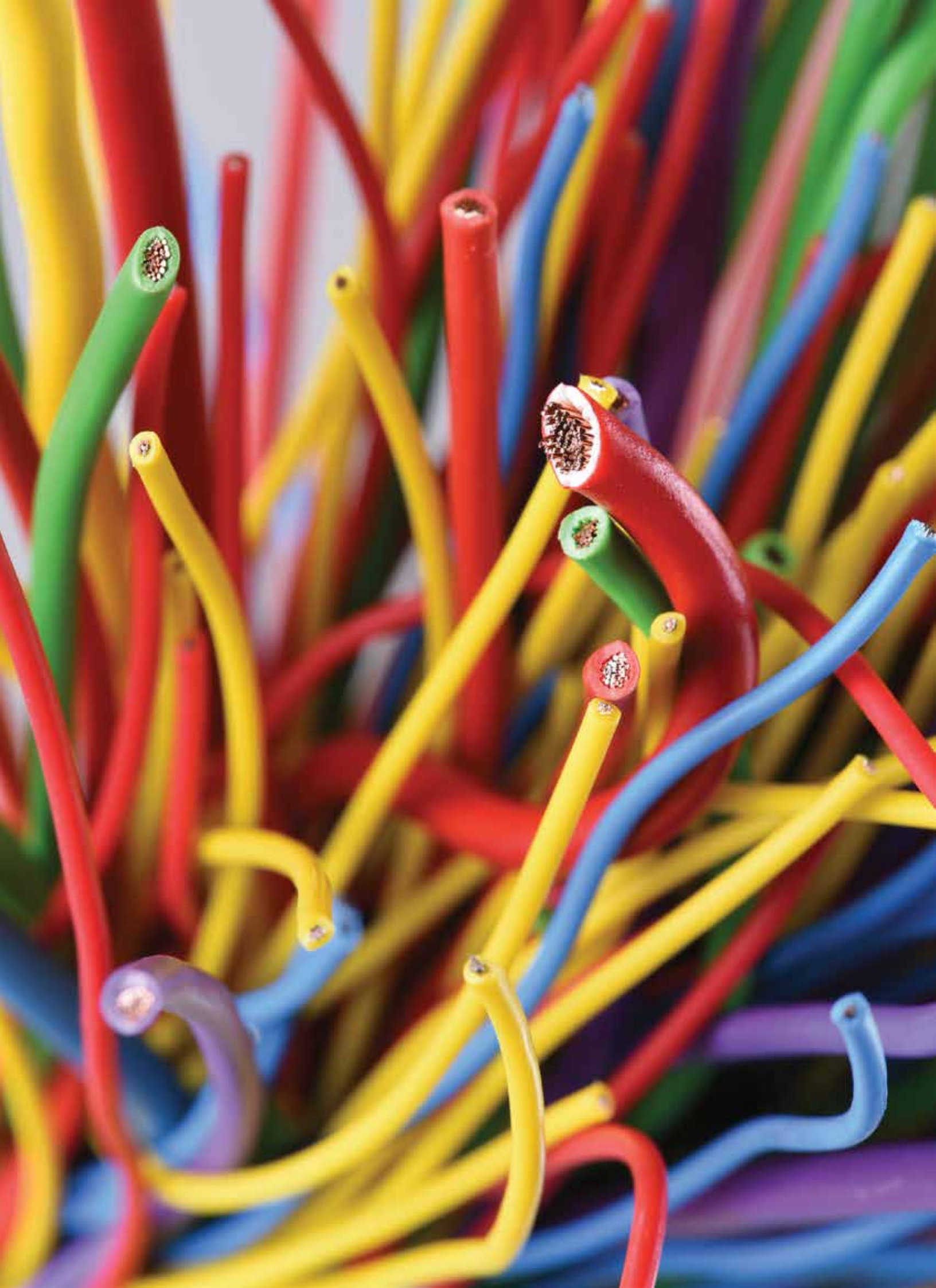
50. Additional information, as required under Schedule III to the Companies Act, 2013

Name of the entity	2018-19							
	Net Assets, i.e., total assets		Share in profit		Share in OCI		Share in TCI	
	As % of consolidated Net assets	Amount (₹) in lakhs	As % of consolidated Profit	Amount (₹) in lakhs	As % of consolidated OCI	Amount (₹) in lakhs	As % of consolidated TCI	Amount (₹) in lakhs
Parent:								
Shankara Building Products Limited	67.57%	32,374.65	50.17%	1,642.54	112.06%	(38.71)	49.51%	1,603.83
Subsidiaries- Indian :								
Taurus Value Steel & Pipes Private Limited	21.08%	10,100.34	20.37%	667.16	5.79%	(2.00)	20.54%	665.16
Vishal Precision Steel Tubes & Strips Private Limited	12.23%	5,857.17	16.00%	524.01	6.82%	(2.36)	16.11%	521.65
Subsidiaries- Foreign:								
Steel Networks Holdings Pte Limited	2.48%	1,186.44	0.01%	0.17	(25.79%)	8.90	0.28%	9.08
Step down subsidiary- Indian:								
Centurywells Roofing India Private Limited (Subsidiary of Steel Networks Holdings Pte Limited)	4.23%	2,027.63	10.80%	353.70	1.10%	(0.38)	10.91%	353.32
Non-controlling interest	0.00%	6.71	(0.00%)	(0.59)	(0.00%)	0.00	(0.02%)	(0.59)
Inter-company Elimination & Consolidation Adjustments	(7.59%)	(3,642.09)	2.65%	86.63	0.00%	-	2.67%	86.63
Total	**100.00%**	**47,910.85**	**100.00%**	**3,273.61**	**100.00%**	**(34.55)**	**100.00%**	**3,239.06**

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Additional information, as required under Schedule III to the Companies Act, 2013 - Continued

Name of the entity	2017-18							
	Net Assets, i.e., total assets		Share in profit		Share in OCI		Share in TCI	
	As % of consolidated Net assets	Amount (₹) in lakhs	As % of consolidated Profit	Amount (₹) in lakhs	As % of consolidated OCI	Amount (₹) in lakhs	As % of consolidated TCI	Amount (₹) in lakhs
Parent:								
Shankara Building Products Limited	69.47%	31,666.06	51.83%	3,824.86	42.19%	4.29	51.83%	3,829.14
Subsidiaries- Indian :								
Taurus Value Steel & Pipes Private Limited	20.71%	9,439.00	24.19%	1,784.71	21.45%	2.18	24.18%	1,786.89
Vishal Precision Steel Tubes & Strips Private Limited	11.72%	5,339.34	17.10%	1,261.59	17.78%	1.80	17.10%	1,263.40
Subsidiaries- Foreign:								
Steel Networks Holdings Pte Limited	2.61%	1,187.31	(0.06%)	(4.10)	0.00%	-	(0.06%)	(4.10)
Step down subsidiary- Indian:								
Centurywells Roofing India Private Limited (Subsidiary of Steel Networks Holdings Pte Limited)	3.68%	1,678.13	6.70%	494.37	2.96%	0.30	6.69%	494.68
Non-controlling interest	(0.01%)	(6.12)	(0.02%)	(1.45)	(0.02%)	(0.00)	(0.02%)	(1.45)
Inter-company Elimination & Consolidation Adjustments	(8.18%)	(3,727.33)	0.26%	18.98	15.65%	1.59	0.28%	20.55
Total	**100.00%**	**45,576.39**	**100.00%**	**7,378.96**	**100.00%**	**10.16**	**100.00%**	**7,389.11**



Shankara
Building Products Ltd.



STANDALONE AUDIT REPORT & FINANCIALS 2018 - 2019

To The Members of Shankara Building Products Limited

Report on The Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Shankara Building Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

1. Discount from supplier

Description of Key audit matter

The company avails discount from its suppliers which are either based on MoU with the supplier ('MoU based discounts') or oral negotiations with the supplier considering prevailing steel prices ('Non-MoU based discounts'). The calculation of discount is dependent on an estimation of whether amounts due as discount receivable have been earned at the balance sheet date. In relation to calculation of Non-MoU based discount, significant judgment is involved with respect to the realization of discount in the absence of any formal agreement/correspondence. We focused on this area since such discounts represent a material reduction in cost of materials consumed.

Description of Auditor's Response

We have performed the following procedures:

- Comparative analysis of movement of discount receivable during current year with that of previous year
- Tested the accuracy of calculation of discount receivable by verifying inventory purchased from invoicing done by the supplier during the year and in case of MoU based discount, tested the rate of discount from MoU and in case of Non-MoU based discount we confirmed its reasonableness by comparing rate of discount availed with invoice rate
- Verified credit notes on sample basis issued by the supplier for discounts previously recognized that provides an empirical evidence for the realization of discounts
- Review of ageing analysis of discount receivable at year end and discussion with management regarding the realization of discount receivable

2.Inventory Existence and Valuation

Description of Key audit Matter

Inventory is held in various locations by the Group. There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse & numerous inventory products, multiple storage locations and price fluctuations of products. Accordingly inventory quantities and valuation is identified as a key audit Matter.

Description of Auditor's Response
We have performed the following procedures:

- We have attended inventory counts at certain locations, which we selected based on financial significance and risk, observed management's inventory count procedures to assess the effectiveness, selected a sample of inventory products and compared the quantities counted to the quantities recorded and ensured inventory adjustments, if any, are recorded in the books of accounts.
- Reviewed the internal audit report regarding physical verification of inventories and traced adjustments on sample basis made on basis of such report to the books of accounts.
- Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.
- we assessed whether the management's controls relating to inventory's valuation are appropriately designed and implemented.
- Verification of the correctness of valuation made by the management on a sample basis, with regard to the cost and net realizable value of inventory.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.
Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued there under. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements 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 influence the economic decisions of users taken on the basis of this Standalone Ind AS financial statements. 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 Ind AS financial statements, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Standalone Ind AS financial statements 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 auditor's 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 Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued there under;

e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 36, on Contingent Liabilities, to the Standalone Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Gaurav Poddar
Partner
Membership No.063847

Bengaluru
May 09, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shankara Building Products Limited on the Standalone Ind AS financial statements for the year ended March 31, 2019]

(i)

(a) The Company is in the process of updating its fixed asset register showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, fixed assets of the company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature if its assets.

(c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, goods and service tax, income tax, customs duty, cess and any other material statutory dues applicable to it,though there have been slight delays in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forumwhere dispute is pending
Income tax Act, 1961	Income tax	36,20,030*	AY 2008-09	High Court

* Out of it, Rs.35,57,270 has been paid by the company under protest

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institution, government or dues to debenture holder during the year.

(ix) The Company has not raised money by way of public issue offer and hence the question of utilization of money raised by way of initial public offer does not arise. In our opinion and according to the information and explanations given to us, the Company has utilized the term loans for the purposes for which they were obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements etc., as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Gaurav Poddar
Partner
Membership No.063847

Bengaluru
May 09, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shankara Building Products Limited on the Standalone Ind AS financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Shankara Building Products Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financia Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Gaurav Poddar
Partner
Membership No.063847

Bengaluru
May 09, 2019

Standalone Balance Sheet as at 31st March 2019

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	Note No	As at 31-03-2019	As at 31-03-2018
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	13,185.72	10,892.38
(b) Investment property	5	878.74	243.20
(c) Intangible Assets	6	661.33	1,035.18
(d) Capital Work-in-progress		116.30	-
(e) Financial Assets			
i) Investments	7	3,846.37	3,848.31
ii) Trade receivables	8	385.43	306.02
iii) Loans	9	2,608.14	4,507.98
(e) Other non-current assets	10	91.80	171.97
Total Non current assets		**21,773.83**	**21,005.04**
Current Assets			
(a) Inventories	11	26,288.42	25,659.45
(b) Financial Assets			
i) Trade receivables	12	28,370.00	37,806.40
ii) Cash and cash equivalents	13	839.46	112.18
iii) Bank balances other than (ii) above	14	106.39	48.22
iv) Loans	15	41.11	2,432.01
v) Other financial assets	16	1,757.12	1,738.26
(c) Other current assets	17	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			
Equity			
(a) Equity Share capital	18	2,284.93	2,284.93
(b) Other equity	19	30,089.72	29,381.13
Total Equity		**32,374.65**	**31,666.06**
Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	20	243.82	85.12
ii) Other financial liabilities	21	2.25	1.50
(b) Provisions	22	57.18	59.12
(c) Deferred tax liabilities (Net)	23	203.00	76.61
Total Non-current liabilities		**506.25**	**222.35**
Current liabilities			
(a) Financial liabilities			
i) Borrowings	24	15,924.82	22,427.60
ii) Trade payables	25		
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
iii) Other financial liabilities	26	1,211.24	1,149.60
(b) Provisions	27	135.47	55.84
(c) Current tax liabilities(Net)	23	220.89	375.12
(d) Other current liabilities	28	850.04	727.50
Total current liabilities		**47,497.70**	**59,474.85**
Total Equity and Liabilities		**80,378.60**	**91,363.26**

See accompaning notes to the standalone financial statements

As per our report attached of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

B.Jayaraman
Director
DIN: 00022567

Siddhartha Mundra
Chief Executive Officer

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

Standalone Statement of Profit and Loss for the year ended 31st March 2019

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars		No.	For the Year ended 31-3-2019	For the Year ended 31-3-2018
I	Revenue from operations	29	2,35,236.55	2,24,797.71
II	Other Income	30	393.07	64.44
III	**Total Income (I+II)**		**2,35,629.62**	**2,24,862.15**
IV	**Expenses**			
	Purchases of Stock-in-trade		2,19,658.61	2,16,998.42
	Change in inventories of stock in trade	31	(633.47)	(9,447.64)
	Employee benefits expense	32	4,035.93	3,305.18
	Finance costs	33	3,520.17	2,744.64
	Depreciation and amortization expenses	4, 5, 6	901.61	497.82
	Other expenses	34	5,690.94	4,846.88
	Total expenses (IV)		**2,33,173.79**	**2,18,945.30**
V	Profit before tax (III-IV)		2,455.83	5,916.85
VI	Tax expense:	23		
	Current tax		746.84	2,154.50
	for earlier years		(59.94)	(26.87)
	Deferred tax		126.39	(35.63)
			813.29	**2,092.00**
VII	**Profit for the period**		**1,642.54**	**3,824.85**
VIII	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to Profit or loss		(59.50)	6.55
	(ii) Income tax relating to items will not be reclassified to Profit or loss		20.79	(2.27)
	Total A		**(38.71)**	**4.28**
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)		**(38.71)**	**4.28**
IX	**Total Comprehensive Income**		**1,603.83**	**3,829.13**
X	**Earning per equity share: [Face value Rs.10 per share]**	35		
	Basic & Diluted		7.19	16.74

See accompaning notes to the standalone financial statements

As per our report attached of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

B.Jayaraman
Director
DIN: 00022567

Siddhartha Mundra
Chief Executive Officer

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

Statement of Changes in Equity for the year ended 31st March 2019

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

A. Equity Share Capital (Refer Note 18)

As at 01-04-2017	Movement during the year	As at 31-03-2018	Movement during the year	As at 31-03-2019
2,284.93	-	2,284.93	-	2,284.93

B. Other Equity (Refer Note 19)

Particulars	Reserve and Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium reserve	General Reserve	Retained Earnings	Remeasurements of the net defined benefit plans	
Opening Balance as at April 01, 2017	**18.62**	**11,169.74**	**123.58**	**15,037.79**	**(0.06)**	**26,349.67**
Profit for the year	-	-	-	3,824.85	-	3,824.85
Other comprehensive income for the year, net of income tax	-	-	-	-	4.28	4.28
Dividend including DDT (Refer Note 18 f)	-		-	(756.28)	-	(756.28)
Utilisation of securities premium(Refer Note 41)	-	(41.40)	-	-	-	(41.40)
Closing balance as at March 31, 2018	**18.62**	**11,128.34**	**123.58**	**18,106.37**	**4.22**	**29,381.13**
Profit for the year	-	-	-	1,642.54	-	1,642.54
Other comprehensive income for the year, net of income tax	-	-	-		(38.71)	(38.71)
Dividend including DDT (Refer Note 18 f)	-		-	(895.25)	-	(895.25)
Closing balance as at March 31, 2019	**18.62**	**11,128.34**	**123.58**	**18,853.67**	**(34.49)**	**30,089.72**

See accompaning notes to the consolidated financial statements

As per our report attached of even date

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

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

Siddhartha Mundra
Chief Executive Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

B.Jayaraman
Director
DIN: 00022567

Alex Varghese
Chief Financial Officer

Statement of Cash Flows for the year ended 31st March 2019

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Cash flow from operating activities		
Profit before tax	2,455.83	5,916.85
Adjustments for :		
Depreciation and amortization expenses	901.61	497.82
Net Loss on disposal of Property, Plant & Equipment	-	0.12
Net gain on disposal of Property, Plant & Equipment	(105.73)	(4.45)
Commission on Guarantee given to subsidiaries		(2.66)
Unwinding of interest income on rental deposits	(48.25)	(13.35)
Interest income on deposits	(8.56)	(1.20)
Interest expense on Borrowings	3,496.80	2,628.39
Bad Debts written off	6.12	6.58
Loss Allowance for doubtful trade receivables	(162.35)	199.69
Operating profit before working capital changes	**6,535.47**	**9,227.79**
Adjustments for :		
Increase in inventories	(628.97)	(7,961.38)
(Increase) / Decrease in trade receivable	9,513.22	(11,073.89)
Decrease/ (Increase) in Other Assets	5,603.19	(4,940.48)
(Decrease)/ Increase in trade payables	(5,583.99)	12,374.91
(Decrease)/ Increase in other liabilities	189.41	(89.77)
Increase in provisions	20.13	31.03
Cash flow from/(used in) operations	**15,648.47**	**(2,431.79)**
Income taxes paid	(820.34)	(2,709.18)
Net cash generated from/(used in) operating activities (A)	**14,828.13**	**(5,140.97)**
Cash flow from investing activities		
Payment for Purchases of Property, Plant & Equipment, Intangible assets including capital Advances	(3,411.94)	(1,528.35)
Proceeds from sale of Property, Plant & Equipment	174.52	5.38
Consideration for Business combination (Refer Note 46)	-	(3,222.33)
Bank deposits not considered as cash and cash equivalents (net)	(58.17)	(48.12)
Interest received	56.81	13.58
Net cash generated from/(used in) investing activities (B)	**(3,238.77)**	**(4,779.84)**
Cash flow from financing activities		
Share Issue expenses (Refer Note 41)	-	(41.40)
Amount in escrow account	-	6,299.05
Proceeds from term loans	16.98	-
Repayment of term loans	-	(356.44)
Proceeds from/ (Repayment of) Current borrowings (net)	(6,502.78)	7,448.95
Interest paid	(3,483.43)	(2,719.79)
Dividend paid (including Dividend Distribution Tax)	(892.84)	(756.28)
Net cash generated from/(used in) financing activities (C)	**(10,862.08)**	**9,874.09**
Net increase/(decrease) in cash and cash equivalents(A+B+C)	**727.28**	**(46.72)**
Cash and cash equivalents - opening balances	**112.18**	**158.90**
Cash and cash equivalents - closing balances	**839.46**	**112.18**
Note: Cash and Cash equivalents in the Cash Flow Statement comprise of the following (Refer Note No. 13) :-		
i) Cash on Hand	66.12	104.18
ii) Balance with Banks :		
- In Current Accounts	773.34	8.00
	839.46	**112.18**

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

See accompaning notes to the standalone financial statements

As per our report attached of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

Siddhartha Mundra
Chief Executive Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

B.Jayaraman
Director
DIN: 00022567

Alex Varghese
Chief Financial Officer

1. GENERAL INFORMATION

Shankara Building Products Limited is one of the India's leading organized retailer of home improvement and building products in India. It caters to a large customer base spread across various end-user segments in urban and semi-urban markets through a retail led, multi-channel sales approach complemented by processing facilities, supply chain and logistics facilities. It deals with a number of product categories including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. The Company has operations spread across ten states and one union territory in India.

The company's shares are listed with BSE & NSE.

2. SIGNIFICANT ACCOUNTING POLICIES

A. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 9th May 2019. These financial statements are prepared and presented in Indian Rupees and all amounts have been presented in lakhs with two decimals, unless otherwise stated.

B. BASIS OF PREPARATION AND PRESENTATION

These financial statements have been prepared and presented on the accrual basis of accounting under historical cost convention or fair values as per the requirements of Ind AS prescribed under section 133 of the Companies Act, 2013.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

"In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability."

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle or 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

C. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, rebates, returns, taxes and duties on sales when the products are delivered to a carrier for sale, which is when control of goods are transferred to the customer.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected

life of the financial asset to that asset's net carrying amount on initial recognition.Interest income is recognised on time proportion basis.

Other income is recognised on accrual basis provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

D. PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

An item of property, plant and equipment is derecognised upon disposal or on retirement, when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of Property,Plant & Equipment (other than capital work in progress) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives used by management, as above, are indicative of the estimated economic useful lives of the Property, plant and equipment.

In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than Rs.5,000/- are depreciated fully during the year of purchase.

Capital Work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date. Advances paid towards the acquisition of property,plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

The Company reviews the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

E. INVESTMENT PROPERTIES

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, the borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognised

Investment properties (except freehold land) are depreciated using straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation by management.

F. INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on a straight-line basis over their estimated useful lives of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful life are as follows:
Software - 3 years
Brand - 3 years

The amortisation period and amortisation method for intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

G. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

H. BUSINESS COMBINATIONS

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

I. LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where the company is lessor

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

Where the company is lessee

Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

J. INVENTORIES

Inventories are stated at lower of cost and net realizable value. Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First in First out ('FIFO') basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Stores and spares which does not meet the definition of Property, plant and equipment are accounted as inventories

All items of inventories which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

K. EMPLOYEE BENEFITS

In respect of defined contribution plan the company makes the stipulated contributions to provident fund, Employee state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

L. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Indian Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each annual reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in the statement of profit and loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

M. FOREIGN CURRENCIES

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).
The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.

O. EARNING PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

P. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Q. GOVERNMENT GRANTS AND SUBSIDIES

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to Property, plant and equipment are treated as deferred income and released to the Statement of profit and loss over the expected useful lives of the assets concerned. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

R. NON-CURRENT ASSETS HELD FOR SALE/ DISTRIBUTION TO OWNERS AND DISCONTINUED OPERATIONS

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/distribution and it is expected to be completed within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded as met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

· The appropriate level of management is committed to a plan to sell the asset (or disposal group);

· An active programme to locate a buyer and complete the plan has been initiated;

· The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value;

· The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and

· Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortisd.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

• Represents a separate major line of business or geographical area of operations,

• Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

• Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

S. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

a) Financial Assets

(i) Initial recognition and measurement

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Statement of Profit or Loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

• Debt instruments at amortized cost

• Debt instruments at fair value through other comprehensive income (FVTOCI);

• Debt instruments and equity instruments at fair value through profit or loss (FVTPL);

• Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding."

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

"A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

• The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

• The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(iv) Investment in Subsidiaries:

The Company's investment in equity instruments of Subsidiaries are accounted for at cost as per Ind AS 27, including adjustment for fair value of obligations, if any, in relation to such subsidiaries.

b) Financial liabilities and equity instruments

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value plus transaction cost (if any) that is attributable to the acquisition of the financial liabilities which is also adjusted.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Trade and other payables:

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances (under trade payables).

Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

Derecognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Impairment of Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

e) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability which are accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

T. CASH & CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

U. DIVIDENDS ON ORDINARY SHARES

The Company recognises a liability to make cash or non-cash distributions to equity holders of the company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

V. STANDARDS/AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 - Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The company is currently evaluating the impact of this new standard on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

(i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

(ii) Impairment of investments in subsidiaries

Determining whether the investments in subsidiaries are impaired, requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilization of plants, operating margins, discount rates and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

(iii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(iv) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the identifiable intangible assets and contingent consideration to be measured at fair value in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the business. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

(v) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(vi) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.



Notes to the Standalone Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	equipment	Computers	Total Tangible asset
Gross carrying amount as at April 1, 2017	**4,520.82**	**3,462.25**	**257.96**	**1,093.08**	**612.59**	**151.07**	**77.26**	**10,175.03**
Additions	34.10	648.17	54.09	565.79	68.46	87.04	70.14	1,527.79
Disposals	-	-	-	-	13.35	-	-	13.35
31, 2018	**4,554.92**	**4,110.42**	**312.05**	**1,658.87**	**667.70**	**238.11**	**147.40**	**11,689.47**
Additions	745.83	793.96	190.65	1,168.09	427.39	**61.02**	53.19	3,440.14
Disposals	40.96	-	5.30	0.22	134.51	34.18	55.64	270.81
Transferred to Investment property	552.47	-	-	-	-	-	-	552.47
Gross carrying amount as at March 31, 2019	**4,707.32**	**4,904.38**	**497.40**	**2,826.74**	**960.58**	**264.95**	**144.95**	**14,306.32**
Accumulated depreciation / amortisation and impairment								
Balance as at April 1, 2017	**-**	**64.38**	**18.21**	**129.66**	**97.16**	**64.87**	**26.46**	**400.74**
Depreciation for the year	-	61.01	20.43	160.17	114.36	19.81	32.84	408.62
Depreciation on disposals	-	-	-	-	12.30	-	-	12.30
Balance as at March 31 2018	**-**	**125.39**	**38.64**	**289.83**	**199.22**	**84.68**	**59.30**	**797.07**
Depreciation for the year	-	70.49	28.38	210.59	122.08	51.46	42.55	525.55
Depreciation on disposals	-	-	0.25	0.22	117.05	31.62	52.88	202.02
Balance as at March 31 2019	**-**	**195.88**	**66.77**	**500.20**	**204.25**	**104.52**	**48.97**	**1,120.59**
Net Carrying amount								
As at March 31, 2019	**4,707.32**	**4,708.50**	**430.63**	**2,326.54**	**756.33**	**160.42**	**95.98**	**13,185.72**
As at March 31, 2018	**4,554.92**	**3,985.03**	**273.41**	**1,369.04**	**468.48**	**153.43**	**88.10**	**10,892.39**
Useful Life of the asset (In Years)	N/A	60 Years	15 Years	10 Years	8 - 10 Years	5 Years	3 Years	
Method of depreciation	N/A			Straight Line Method				

Note

a) Property, plant & equipment have been pledged as security against certain long term borrowings of the company as at 31st March 2019 (Refer note 20).

5. INVESTMENT PROPERTIES

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	Freehold Land	Buildings	Total
Gross carrying amount as at April 1, 2017	**144.93**	**101.73**	**246.66**
Additions	-	-	**-**
Disposals	-	-	**-**
Gross carrying amount as at March 31, 2018	**144.93**	**101.73**	**246.66**
Additions	-	85.28	**85.28**
Disposals	-	-	**-**
Transferred from property plant and equipment	552.47	-	**552.47**
Gross carrying amount as at March 31, 2019	**697.40**	**187.01**	**884.41**
Balance as at April 1, 2017	**-**	**1.73**	**1.73**
Depreciation for the year	**-**	1.73	1.73
Depreciation on disposals	**-**	**-**	**-**
Balance as at March 31, 2018	**-**	**3.46**	**3.46**
Depreciation for the year	**-**	2.21	2.21
Depreciation on disposals	**-**	**-**	**-**
Balance as at March 31, 2019	**-**	**5.67**	**5.67**
Net Carrying amount			
As at March 31, 2019	**697.40**	**181.34**	**878.74**
As at March 31, 2018	**144.93**	**98.27**	**243.20**
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	Straight Line Method	

Income earned and expenses incurred for Investment Property

Particulars	For the year ended	
	31-03-2019	**31-03-2018**
Rental income from investment property	18.94	32.74
Direct operating expenses (including repairs and maintenance)	0.74	4.11
Profit from investment properties before depreciation	18.20	28.63
Depreciation	2.21	1.73
Profit from investment property	16.00	26.90

Fair Value

Particulars	31-Mar-19	31-03-2018
Investment properties	1,280.49	445.40

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Since For Assets given on Lease , refer note no. 38(a).

Notes to the Standalone Financial Statements

6. INTANGIBLE ASSETS

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	Brand	Software	Total
Gross carrying amount as at April 1, 2017	**-**	**-**	**-**
Additions	**1,077.65**	**45.00**	**1,122.65**
Disposals	-	-	**-**
Gross carrying amount as at March 31, 2018	**1,077.65**	**45.00**	**1,122.65**
Additions	**-**	-	**-**
Disposals	-	-	**-**
Gross carrying amount as at March 31, 2019	**1,077.65**	**45.00**	**1,122.65**
Accumulated Amortization and impairment			
Balance as at April 1, 2017	**-**	**-**	**-**
Amortization for the year	**81.39**	**6.08**	87.47
Amortization on disposals	**-**	**-**	**-**
Balance as at March 31, 2018	**81.39**	**6.08**	**87.47**
Amortization for the year	**358.87**	14.98	373.85
Amortization on disposals	**-**	**-**	**-**
Balance as at March 31, 2019	**440.26**	**21.06**	**461.32**
Net Carrying amount			
As at March 31, 2019	**637.39**	**23.94**	**661.33**
As at March 31, 2018	**996.26**	**38.92**	**1,035.18**
Useful Life of the asset (In Years)	3 Years	3 Years	
Method of depreciation	Straight Line Method		

7. INVESTMENTS (Non-current)

Particulars	Face Value	As at 31-03-2019		As at 31-03-2018	
		No.of Shares / units	Amount in lakhs	No.of Shares / units	Amount in lakhs
Investment in Equity Instrument:					
Unquoted (At cost or deemed cost):					
Subsidiaries:					
Vishal Precision Steel Tubes and Strips Private Limited	Rs. 100 each	3,49,600	1,349.17	3,49,600	1,346.76
Taurus Value Steel & Pipes Private Limited	Rs. 10 each	15,10,100	1,517.25	15,10,100	1,523.61
Steel Network (Holdings) Pte ltd	USD 1 each	20,00,000	979.95	20,00,000	977.94
Total			**3,846.37**		**3,848.31**

Particulars	As at 31-03-2019	As at 31-03-2018
Aggregate amount of unquoted investment	**3,846.37**	**3,848.31**



Notes to the Standalone Financial Statements

8. TRADE RECEIVABLE (NON-CURRENT)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured:		
Considered Good	-	-
Credit Impaired	770.86	612.03
	770.86	612.03
Less: Allowance for doubtful debts (Expected credit loss allowance)	(385.43)	(306.01)
Total	**385.43**	**306.02**

9. LOANS (NON-CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured considered good:		
Loan to related party * (Non-current portion) (Also refer Note 16)	1,666.67	3,333.33
Security Deposit	822.70	1,083.16
Dealers deposit	114.67	84.39
Gratuity advance to staff	4.10	7.10
Total	**2,608.14**	**4,507.98**

*** Part of consideration pertaining to past business combination (Non-interest bearing)**

Details of loans and advances in the nature of loans to subsidiaries:

Name of the company	As at 31-03-2019	As at 31-03-2018
Taurus Value Steel & Pipes Private Limited		
- Amount outstanding (including current portion)	3,333.34	5,000.00
- Maximum amount outstanding during the year	5,000.00	5,000.00

10. OTHER NON CURRENT ASSETS

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured, Considered good:		
Capital advances	63.69	171.97
Deposits with Government authorities under protest	28.11	-
Total	**91.80**	**171.97**

11. INVENTORIES

Particulars	As at 31-03-2019	As at 31-03-2018
Inventories:(at lower of cost and Net realisable value)		
Stock-in-trade	26,275.27	25,641.80
Stores and spares	13.15	17.65
Total	**26,288.42**	**25,659.45**

Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2019 (Refer note 20 and note 24)

Details of Goods in Transit

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Stock-in-trade	378.39	1,267.39
Total	378.39	1,267.39

12.TRADE RECEIVABLE (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured:		
Trade receivables Considered Good	27,615.17	36,380.79
Less: Allowance for doubtful debts (Expected credit loss allowance)	(5.48)	(3.64)
Total A	27,609.69	36,377.15
Trade receivables with signficant increase in credit risk	979.89	1,892.44
Less: Allowance for doubtful debts (Expected credit loss allowance)	(219.58)	(463.19)
Total B	760.31	1,429.26
Total (A+B)	**28,370.00**	**37,806.40**

The credit period on sales of goods ranges from 30 to 45 days without security. No interest is charged on trade receivables.The group classifies trade receivable due for more than one year as trade receivable with significant increase in credit risk. Trade receivable with credit impairment is identified on case to case basis.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Before accepting any new customer, the company evaluates the financial position, past performance, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been given as collateral towards borrowings (refer security note below Note 20 and Note 24).

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

13. CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2019	As at 31-03-2018
Balances with banks :		
In current account *	773.34	8.00
Cash on hand	66.12	104.18
Total	**839.46**	**112.18**

* Includes Unclaimed Dividend accounts ₹2.50 lakhs (Previous year ₹0.10 lakhs)

Notes to the Standalone Financial Statements

The company has entered into cash management service agreement with certain banks for the collection of cheques at various branches and transfer of the funds to certain cash credit accounts by way of standing instructions. Pending such credits in the account, the cash credit accounts are disclosed as net of such collections. The above mentioned cash and cash equivalents does not contain any amount that are not available for use by the company.

14. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Earmarked balances:		
Fixed Deposits held as margin money	106.39	48.22
Total	**106.39**	**48.22**

15. LOANS (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Advances to Subsidiaries *	52.79	2,432.01
Less:Provision for doubtful advances	(11.68)	-
Total	**41.11**	**2,432.01**

* Short term advances for business purposes (non-interest bearing).

16. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Rent receivable**	1.25	1.96
Other Receivable	0.97	0.97
Staff Advance**	88.23	68.66
Loan to related party * (Current portion of long-term loan) (Also Refer note 9)	1,666.67	1,666.67
Total	**1,757.12**	**1,738.26**

* Part of consideration pertaining to past business combination (Non-interest bearing)

**For Rent receivable from and Staff advances to related parties refer Note no 43

17. OTHER CURRENT ASSETS

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Advances other than capital advances:		
Advances for purchases	289.98	372.97
Pre payments and others	202.79	102.26
Balances with government authorities	709.50	2,086.47
Total	**1,202.27**	**2,561.70**

18. EQUITY SHARE CAPITAL

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019		As at 31-03-2018	
	No.of Shares	Amount in lakhs	No.of Shares	Amount in lakhs
Authorised Share Capital:				
Equity shares of ₹10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued, subscribed and paid up capital:				
Equity shares of ₹10/- each, fully paid	2,28,49,326	2,284.93	2,28,49,326	2,284.93

a) **Reconciliation of number of equity shares and equity share capital**

Particulars	As at 31-03-2019		As at 31-03-2018	
	Number	Amount in lakhs	Number	Amount in lakhs
Balance as at the beginning of the year	2,28,49,326	2,284.93	2,28,49,326	2,284.93
Movement during the year	-	-	-	-
Balance as at the end of the year	2,28,49,326	2,284.93	2,28,49,326	2,284.93

b) Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity.

The company has one class of equity shares having par value of ₹10 each. Each share holder is eligible for one vote per share held and carry a right to dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sukumar Srinivas	1,25,22,434	54.80%	1,25,19,998	54.79%
Amansa Holdings Private Limted	19,12,529	8.37%	-	-

d) In the period of five years immediately preceding March 31, 2019:

i) The Company has not allotted any equity shares as fully paid up without payment being received in cash.

ii) The Company has not allotted any equity shares by way of bonus issue.

iii) The Company has not bought back any equity shares.

e) The Board of Directors of the company in its meeting on May 09, 2019, has proposed a final dividend of ₹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 ₹413.19 lakhs including Dividend Distribution Tax.

f) During the year the Company has paid the dividend of ₹3.25 (Previous year ₹2.75) per equity share which resulted in a cash outflow of ₹895.25 lakhs (Previous year ₹756.28 lakhs) including Dividend Distribution Tax.

Notes to the Standalone Financial Statements

19. OTHER EQUITY

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
General Reserve	123.58	123.58
Retained earnings	18,853.67	18,106.37
OTHER COMPREHENSIVE INCOME:		
Remeasurements of the net defined benefit plans	(34.49)	4.22
OTHER RESERVES		
Capital Reserve	18.62	18.62
Securities Premium Account	11,128.34	11,128.34
Total	**30,089.72**	**29,381.13**

General Reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was required to be created through an annual transfer of 10% of net profit in case dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn.

Capital Reserve
Reserve is primarily created on amalgamation as per statutory requirement.

20. BORROWINGS (NON - CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
TERM LOANS:		
Secured loan from bank	243.82	85.12
Total	**243.82**	**85.12**

Terms and Security	Current	Non-current	Total
Repayable in 3 monthly installments till June 10, 2019; Rate of interest 9.77% p.a. floating; Security - First pari passu floating charges on certain existing fixed asset, existing and future current assets belonging to the company and corporate guarantee of subsidiary companies.	83.22	-	83.22
Vehicle loan repayable in 2 monthly installments till May 15, 2019; Rate of interest 9.65% p.a.; Security - First charge on the vehicle.	5.80	-	5.80
Vehicle loan repayable in 32 monthly installments till November, 2021; Rate of interest 9.7 % p.a. and loan repayable in 30 monthly installments till Sepember, 2021; rate of interest 9.5% p.a; Security - First charge on the vehicle.	116.99	208.19	325.18
Vehicle loan repayable in 30 monthly installments till September, 2021; Rate of interest 9.21% p.a.; Security - First charge on the vehicle.	21.31	35.63	56.94

21. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Rent advance received	2.25	1.50
Total	**2.25**	**1.50**

22. PROVISIONS (NON-CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Provision for Employee benefits		
Provision for Gratuity *	20.00	20.00
Provision for financial guarantee liability	37.18	39.12
Total	**57.18**	**59.12**

* Employee not covered by the gratuity fund

23. INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess.

a) Income tax expenses

Particulars	For the year ended	
	As at 31-03-2019	As at 31-03-2018
Current tax:		
Current tax	746.84	2,154.50
Tax pertaining to earlier years	(59.94)	(26.87)
Deferred tax	126.39	(35.63)
Total	**813.29**	**2,092.00**

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is indicated below:

Notes to the Standalone Financial Statements

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	For the year ended	
	As at 31-03-2019	As at 31-03-2018
Profit before tax	2,455.83	5,916.85
Enacted tax rate in India	34.944%	34.608%
Expected income tax expense at statutory tax rate	858.17	2,047.71
Tax impact on account of		
Expenses not deductible in determining taxable profits	33.93	81.01
Deductions allowable under tax laws	(18.87)	(9.85)
Total	873.23	2,118.83
Effective income tax rate	35.557%	35.810%
Tax expenses:		
- Current tax	746.84	2,154.50
- Deferred tax	126.39	(35.63)
Total tax	**873.23**	**2,118.87**
Add: Tax for earlier years	**(59.94)**	**(26.87)**
Total tax expenses reported for the year	**813.29**	**2,092.00**

b) Current Tax Liabilities

Particulars	As at 31-03-2019	As at 31-03-2018
Current tax liabilities(Net)*	220.89	375.12

* The above includes ₹35.57 lakhs (previous year ₹35.57 lakhs) paid/adjusted towards disputed tax demands. The disputes are pending disposal before appellate authorities and the management, based on nature of dispute and the opinion of the legal counsel, is of the view that the no provision is necessary as at present.

c) Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2019	As at 31-03-2018
Deferred Tax Liability:		
On account of accelerated depreciation for tax purpose	439.00	394.00
Deferred Tax Asset:		
Expenses allowed on payment basis	(11.83)	(69.11)
Allowance for doubtful receivables and advances	(213.33)	(237.50)
Others	(10.84)	(10.78)
Deferred Tax (Asset)/Liabilities (Net)	**203.00**	**76.61**

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Deferred tax balance (Asset)/Liability in relation to	**As at 1-04-2018**	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	**As at 31-03-2019**
Depreciation under income tax act	394.00	45.00	-	439.00
Provision for employee benefit	(69.11)	78.07	(20.79)	(11.83)
Allowance for doubtful receivables and advances	(237.50)	24.17	-	(213.33)
Others	(10.78)	(0.06)	-	(10.84)
Total	**76.61**	**147.18**	**(20.79)**	**203.00**

Deferred tax balance (Asset)/Liability in relation to	**As at 1-04-2017**	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	**As at 31-03-2018**
Depreciation under income tax act	330.00	64.00	-	394.00
Provision for employee benefit	(48.00)	(23.38)	2.27	(69.11)
Allowance for doubtful receivables and advances	(168.39)	(69.11)	-	(237.50)
Others	(3.64)	(7.14)	-	(10.78)
Total	**109.97**	**(35.63)**	**2.27**	**76.61**

24. BORROWINGS (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
SECURED LOAN		
Working Capital Loans repayable on demand from Banks	15,924.82	22,427.60
Total Borrowings	15,924.82	22,427.60

Working capital loans are repayable on demand and carries interest @ 9.35% to 11% p.a. and secured by:
a) First pari passu floating charge on the existing and future current assets belonging to the company.
b) Guarantee by Managing Director.

25. TRADE PAYABLES

Particulars	As at 31-03-2019	As at 31-03-2018
Due to Micro and Small Enterprises [Refer note 40]	93.07	26.99
Due to Others		
- Acceptances	5,300.76	6,165.92
- Other than acceptances	23,761.41	28,546.28
Total Trade Payables	**29,155.24**	**34,739.19**

Acceptances include credit availed by the Company from banks for payment to suppliers for goods purchased by the Company. The arrangements are interest-bearing and are payable within 90 days.
Payables Other than acceptances are normally settled within 30 to 90 days.
For Trade payables to related parties refer Note no 43

Notes to the Standalone Financial Statements

26. OTHER FINANCIAL LIABILITIES (CURRENT)

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Current maturities of long term debt (Refer note 20)	227.32	369.04
Interest payable	45.06	31.69
Employee Benefits payable	418.94	448.23
Other expense payable	380.63	285.24
Unpaid Dividend	2.50	0.10
Creditors for Capital purchases	136.79	15.30
Total Other Financial Liabilities	**1,211.24**	**1,149.60**

27. PROVISIONS (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Provision for Employee benefits		
Provision for Gratuity (Refer note 41)	121.61	46.63
Provision for compensated absences	13.86	9.21
Total Provisions	**135.47**	**55.84**

28. OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2019	As at 31-03-2018
Advances from customer	700.66	625.26
Statutory dues payable	149.38	102.24
Total Other Current liabilities	**850.04**	**727.50**

29. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Sale of Building Products	2,35,236.55	2,24,797.71
Total	2,35,236.55	2,24,797.71

30. OTHER INCOME

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Interest Income from deposits	8.56	1.20
Rent received	35.96	32.74
Net gain on disposal of Property, plant & equipment	105.73	4.45
Commission on Guarantee given to subsidiaries	-	2.66
Unwinding of interest income on rental deposits	48.25	13.35
Miscellaneous income	194.57	10.04
Total	**393.07**	**64.44**

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

31. CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Closing stock of Stock in trade	(26,275.27)	(25,641.80)
Opening stock of Stock in trade	25,641.80	16,194.16
Total	**(633.47)**	**(9,447.64)**

32. EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Salaries and Wages	3,564.99	2,903.08
Contribution for:		
Provident fund **	236.64	190.60
Employee state insurance	65.15	53.72
Gratuity* [Refer Note 42]	62.11	66.46
Employee Welfare Expenses	107.04	91.32
Total	**4,035.93**	**3,305.18**

* Including ₹Nil (P.Y. ₹10 lakhs) for employee not covered under gratuity fund.

** The Hon'ble Supreme court of India ("SC") by their order dated February 28, 2019,in the case of Surya Roshani Limited & other v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Providend Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the impact, if any,is not ascertainable and consequently no effect has been given in the accounts.

33. FINANCE COSTS

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Interest Expense on borrowings	3,486.91	2,530.24
Other borrowing costs	9.90	98.16
Interest on Income Tax	23.36	116.24
Total	**3,520.17**	**2,744.64**

Notes to the Standalone Financial Statements

34. OTHER EXPENSES

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Power, Fuel & Water	155.50	105.69
Rent	1,679.56	1,096.93
Repairs and Maintenance		
Buildings	1.49	5.49
Others	686.37	398.77
Insurance	83.91	53.41
Rates & Taxes	122.78	133.62
Travelling and Conveyance	232.46	243.43
Payment to Auditors (Refer Note below)	33.90	28.28
Legal and Professional fees	192.72	181.75
Directors sitting fees	6.25	4.25
Communication Expenses	148.11	131.01
Advertisement & Publicity Expenses	159.98	107.54
Loss Allowance for doubtful trade receivables	(162.35)	199.69
Labour charges	1,131.64	950.28
Freight Charges	417.32	564.85
Commission Charges	81.65	54.12
Bad Debts written off	6.12	6.58
Provision for doubtful advances	11.68	-
Net Loss on sale of Property, plant & equipment	-	0.12
Sub Contracting charges	29.82	35.75
Miscellaneous Expenses	672.03	545.32
Total	**5,690.94**	**4,846.88**

Note : Breakup for Payment to Auditors is as under (Excluding GST):

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
a) For Statutory Audit	19.00	18.00
b) For Tax Audit	3.00	2.50
c) For Limited Review fees	4.00	3.00
d) Out of Pocket Expenses	7.90	4.78
Total	**33.90**	**28.28**

35. EARNINGS PER SHARE

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Basic & Diluted		
A. Profit attributable to equity shareholders (in lakhs)	1,642.54	3,824.85
B. Weighted average number of equity shares (in lakhs)	228.49	228.49
C. Basic and Diluted EPS (₹) [A/B]	7.19	16.74
Face value per share (₹)	10.00	10.00

36. CONTINGENT LIABILITIES:

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
To the extent not provided for:		
Corporate Guarantee given for Subsidiaries *	25,320.00	21,570.00
Disputed Income tax demand**	36.20	36.20
Total	**25,356.20**	**21,606.20**

*The above represents full value of guarantee outstanding. The fair value of the above guarantees has been appropriately accounted in accordance with Ind AS 37 & Ind AS 27.

** These cases are pending at various forums in the respective departments. Outflows, if any, arising out of these claims would depend upon the outcome of the decision of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

37. COMMITMENTS

Particulars	As at 31-03-2019	As at 31-03-2018
Estimated value of capital commitments towards buildings (Net of advances)	-	118.14

The Company from time to time provides need based support to subsidiaries towards working capital and other requirements.

38. OPERATING LEASE

a) As lessor:

The company has entered into leasing arrangements for renting:

- Land and Building admeasuring approximately 1,000 Square feet at the rate of 16.10 per square feet for a period of 11 months, which is cancellable.

- Land and Building admeasuring approximately 13,610 Square feet at the rate of 8.08 per square feet for a period of 11 months, which is cancellable.

Disclosure in respect of assets given on operating lease :

Particulars	As at 31-03-2019	As at 31-03-2018
Gross carrying amount of assets	331.94	246.66
Accumulated Depreciation	5.67	3.46
Depreciation for the year	2.12	1.73

b) As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 60 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties. All the operating leases are cancellable by either parties for any reason by giving a prior notice before 1 to 3 months. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Lease payments recognized under rent expenses is as follows:

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Minimum lease payment made on operating lease	1,679.56	1,096.93

Notes to the Standalone Financial Statements

39. SEGMENT REPORTING

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

In accordance with Para 4 of Ind AS 108 - Operating Segments, the company presents segment information only in the consolidated financial statements.

40. ADDITIONAL INFORMATION

Disclosure pertaining to micro and small enterprises as required under MSMED Act, 2006 (as per information available with the Company):

Particulars	As at 31-03-2019	As at 31-03-2018
i) Principal amount due outstanding as at end of year	93.07	26.99
Interest due on above and unpaid as at end of year	-	-
Balances pertaining to Micro and Small Enterprises	93.07	26.99
ii) The amount of interest paid by the Company in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year ended March 31, 2019.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
"iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

41. a) Pursuant to Initial Public Offering ('IPO'), 75,00,029 equity shares of ₹10 each which were allotted on 31st March 2017 at a premium of ₹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 lakhs
Gross Proceeds from IPO (Including Securities premium of ₹4,402.30 lakhs)	4,500.13
Less: Share Issue Expenses during the financial year 2016-17	269.85
Net Proceeds from IPO	4,230.28
Less: Utilisation towards repayment of short term	4,230.28
Amount kept unutilised	-

b) 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 ₹311.25 lakhs (including ₹41.40 lakhs during the financial year 2017-18) have been adjusted against the Securities Premium Account and expenses aggregating to ₹1,823.60 lakhs 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.

42. EMPLOYEE BENEFITS

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Employer's Contribution to Provident Fund (includes pension fund)	236.64	190.60
Employer's Contribution to Employee State Insurance	65.15	53.72

b) Defined benefit plans

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of ₹20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.





Notes to the Standalone Financial Statements

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2018 by M/S Ankolekar & Co., Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Gratuity (Funded)

Particulars	As at 31-03-2019	As at 31-03-2018
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	336.25	289.13
Current Service Cost	58.80	41.99
Past Service Cost	-	12.41
Interest Cost	24.88	20.24
Actuarial Loss/(Gain) on obligation	63.33	(12.31)
Benefits paid	(41.86)	(18.49)
Closing Balance	**441.40**	**332.97**
Less: Fair Value of Plan Assets		
Opening Balance	286.34	253.52
Expected Return on Plan assets less loss on investments	21.57	18.18
Actuarial (Loss)/Gain on Plan Assets	3.83	(5.76)
Employers' Contribution	49.91	35.61
Benefits paid	(41.86)	(15.21)
Closing Balance	**319.79**	**286.34**
Amount recognized in Balance Sheet (Refer Note 27)	**121.61**	**46.63**
Expenses during the year		
Current Service cost	58.80	41.99
Past Service cost	-	12.41
Interest cost	24.88	20.24
Expected Return on Plan assets	(21.57)	(18.18)
Component of defined benefit cost recognized in statement of profit & loss	**62.11**	**56.46**
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	63.33	(12.31)
- Actuarial Loss/(Gain) on Plan Assets	(3.83)	5.76
Component of defined benefit cost recognized in other	**59.50**	**(6.55)**
Total		
Actual Return on plan assets	25.40	12.42
Break up of Plan Assets:		
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	100%	100%
Of which, Traditional/ Non-Unit Linked	-	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable



Notes to the Standalone Financial Statements

Principal actuarial assumptions

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Particulars	As at 31-03-2019	As at 31-03-2018
Discount Rate	7.00%	7.40%
Expected rate(s) of salary increase	7.00%	7.00%
Expected return on plan assets	7.00%	7.00%
Attrition rate	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2006-2008 Ult.	

Experience adjustments

Particulars	As at 31-03-2019	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016	As at 31-03-2015
Defined Benefit Obligation	441.40	332.97	289.07	241.33	244.36
Plan Assets	319.79	286.34	253.52	245.29	199.55
Surplus / (Deficit)	(121.61)	(46.63)	(35.55)	3.96	(44.81)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	(52.47)	3.63	2.82	40.46	(20.66)
Experience Adjustments on Plan Assets – (Loss)/Gain	3.83	(7.32)	7.06	(2.80)	11.17

The Company expects to contribute ₹121.61 lakhs (previous year ₹46.63 lakhs) to its gratuity plan for the next year.

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Effective March 29, 2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to ₹20 lakhs from ₹10 lakhs Accordingly the amended and improved benefits, if any, are recognised as current year's expense as provided under paragraph 103, Ind AS 19.

Sensitivity Analysis:
Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Impact on Defined benefit obligation			
	As at 31-03-2019		As at 31-03-2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)	-	26.82	-	20.50
Discount rate (1% decrease)	30.41	-	23.07	-
Future salary growth (1% increase)	30.11	-	22.93	-
Future salary growth (1% decrease)	-	27.06	-	20.76
Attrition rate (1% increase)	-	1.53	-	0.40
Attrition rate (1% decrease)	1.57	-	0.37	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 6 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The Company had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

43. RELATED PARTY DISCLOSURES

A. Names of Related parties with whom transactions have taken place during the year/previous year and nature of relationship:

Subsidiaries	Taurus Value Steel & Pipes Private Limited
	Vishal Precision Steel Tubes and Strips Pvt Ltd
	Steel Networks Holdings Pte Limited
Step-down Subsidiary	Centurywells Roofing India Private Limited
Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. C.Ravikumar (Whole time Director)
	Mr. R.S.V.Sivaprasad (Whole time Director)
	Mr. Siddhartha Mundra (Chief Executive Officer)
	Mr. Alex Varghese (Chief Financial Officer)
	Ms. Ereena Vikram (Company Secretary)

Notes to the Standalone Financial Statements

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

B. Transactions with Related Parties	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Purchase of Goods (Refer note 1 below)		
Taurus Value Steel & Pipes Private Limited	60,558.97	59,933.88
Vishal Precision Steel Tubes and Strips Pvt Ltd	46,347.44	44,740.63
Centurywells Roofing India Private Limited	13,969.22	11,282.58
Sale of Goods (Refer note 2 below)		
Taurus Value Steel & Pipes Private Limited	99.14	1,439.85
Vishal Precision Steel Tubes and Strips Pvt Ltd	887.56	873.88
Centurywells Roofing India Private Limited	319.55	118.91
Rent expenses		
Taurus Value Steel & Pipes Private Limited	28.31	27.39
Rental income		
Taurus Value Steel & Pipes Private Limited	3.72	14.27
Vishal Precision Steel Tubes and Strips Pvt Ltd	1.20	1.20
Centurywells Roofing India Private Limited	12.00	15.35
Purchase of Assets		
Vishal Precision Steel Tubes and Strips Pvt Ltd	160.62	-
Advances given to /(refunded from) subsidiaries		
Taurus Value Steel & Pipes Private Limited	-	
Vishal Precision Steel Tubes and Strips Pvt Ltd	(1,550.99)	1,592.10
Centurywells Roofing India Private Limited	(835.18)	835.18
Steel Networks Holdings Pte Ltd	6.95	4.73
Remuneration paid to Key Managerial Personnel (Refer note 3 below)	**For the Year ended 31-03-2019**	**For the Year ended 31-03-2018**
Short term benefits	366.38	336.06
Managing Director	125.66	125.66
Whole time Director	105.65	97.94
Chief Executive Officer	96.02	79.21
Chief Financial Officer	31.05	26.60
Company Secretary	8.00	6.65
Guarantees and collaterals provided/(closed) by the Company on behalf of:		
Taurus Value Steel & Pipes Private Limited	1,000.00	2,000.00
Vishal Precision Steel Tubes and Strips Pvt Ltd	750.00	(498.00)
Centurywells Roofing India Private Limited	2,000.00	-

Notes

1. The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.
2. The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. The Company has not recorded any expected credit loss for trade receivables from related parties.
3. As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above
4. Advances are given to subsidiaries for business purposes and are non-interest bearing.

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

C.	Balance Outstanding to/ from related parties	As at 31-03-2019	As at 31-03-2018
	Trade Payables		
	Taurus Value Steel & Pipes Private Limited	5,678.14	4,888.95
	Vishal Precision Steel Tubes and Strips Pvt Ltd	-	-
	Centurywells Roofing India Private Limited	938.04	-
	Steel Networks Holdings Pte Ltd	-	-
	Rent payable		
	Taurus Value Steel & Pipes Private Limited	2.59	2.47
	Rent Receivable		
	Taurus Value Steel & Pipes Private Limited	0.07	0.28
	Vishal Precision Steel Tubes and Strips Pvt Ltd	0.11	0.12
	Centurywells Roofing India Private Limited	1.08	1.08
	Advance to subsidiaries		
	Vishal Precision Steel Tubes and Strips Pvt Ltd	41.11	1,592.10
	Centurywells Roofing India Private Limited	-	835.18
	Steel Networks Holdings Pte Ltd *	11.68	4.73
	Taurus Value Steel & Pipes Private Limited	-	-
	Loan given		
	Taurus Value Steel & Pipes Private Limited	3,333.34	5,000.00
	Guarantees & Collaterals given		
	Taurus Value Steel & Pipes Private Limited	13,300.00	12,300.00
	Vishal Precision Steel Tubes and Strips Pvt Ltd	8,020.00	7,270.00
	Centurywells Roofing India Private Limited	4,000.00	2,000.00
	Guarantees & Collaterals received		
	Taurus Value Steel & Pipes Private Limited	5,500.00	5,500.00
	Vishal Precision Steel Tubes and Strips Pvt Ltd	5,500.00	5,500.00
	Centurywells Roofing India Private Limited	5,500.00	5,500.00
	Due from Director	6.67	6.55
	Due from Chief Financial Officer	2.44	3.00

* Provision of ₹11.68 lakhs has been made against Steel Networks Holdings Pte Ltd

Guarantees to subsidiaries:
Guarantees provided to the lenders of the subsidiaries are for availing working capital facilities from the lender banks.

Guarantees from subsidiaries:
Guarantees provided to the lenders of the company are for availing working capital facilities from the lender banks.

Notes to the Standalone Financial Statements

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

44. FINANCIAL INSTRUMENTS

A. Capital risk management

The Company's capital requirements are mainly to fund its expansion, working capital and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by borrowing from bank and the funds from capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	As at 31-03-2019	As at 31-03-2018
Long term borrowings	243.82	85.12
Current maturities of long term debt	227.32	369.04
Short term borrowings	15,924.82	22,427.60
Less: Cash and cash equivalents	(839.46)	(112.18)
Less: Bank balances other than cash and cash equivalents	(106.39)	(48.22)
Net Debt	15,450.11	22,721.36
Total Equity	32,374.65	31,666.06
Gearing Ratio	0.48	0.72

i) Equity includes all capital and reserves of the Company that are managed as capital.

ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 20 and 24

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

B. Categories of financial instruments

Particulars	As at 31-03-2019		As at 31-03-2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Loans	2,649.25	2,649.25	6,940.00	6,940.00
Other financial assets	1,757.12	1,757.12	1,738.26	1,738.26
Trade receivables	28,755.43	28,755.43	38,112.42	38,112.42
Cash and cash equivalents	839.46	839.46	112.18	112.18
Bank balances other than cash and cash equivalents	106.39	106.39	48.22	48.22
Non-current Investments	3,846.37	3,846.37	3,848.31	3,848.31
Total financial assets at amortised cost (A)	**37,954.02**	**37,954.02**	**50,799.39**	**50,799.39**
Measured at fair value through other comprehensive income (B)	-	-	-	-
Measured at fair value through profit and loss (C)	-	-	-	-
Total financial assets (A+B+C)	**37,954.01**	**37,954.01**	**50,799.39**	**50,799.39**
Financial liabilities				
Measured at amortised cost				
Long term Borrowings *	471.14	471.14	454.16	454.16
Short term Borrowings	15,924.82	15,924.82	22,427.60	22,427.60
Trade payables	29,155.24	29,155.24	34,739.19	34,739.19
Other financial liabilities	986.18	986.18	782.06	782.06
Total financial liabilities carried at amortised cost	**46,537.38**	**46,537.38**	**58,403.01**	**58,403.01**

* including current maturities of long term debt

The Company has certain Investment Properties whose fair value have been disclosed in Note no 5.

C. Financial risk management

The Company has an Audit & Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

D. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in commodity prices and interest rates.

E. Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company purchases the steel and other building products in the open market from third parties as well as from subsidiaries in prevailing market price. The Company is therefore subject to fluctuations in the prices of Steel coil, Steel pipes, zinc, Sanitary wares etc.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.

Inventory Sensitivity Analysis(Stock in Trade)

A reasonably possible changes of 1% in prices of inventory at the reporting date, would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1% increase in prices of Inventory	(262.75)	(256.42)	(170.94)	(167.68)
1% decrease in prices of Inventory	262.75	256.42	170.94	167.68

F. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	As at 31-03- 2019	As at 31-03-2018
Fixed rate borrowings	387.92	41.51
Floating rate borrowings	16,008.15	22,844.26
Total borrowings	**16,396.07**	**22,885.77**
Total Net borrowings as per Financial Statements	**16,395.95**	**22,881.75**
Add: Upfront fees	0.12	4.02
Total borrowings	**16,396.07**	**22,885.77**

Sensitivity analysis for variable-rate instruments
This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
100 basis points increase in interestrates	(160.08)	(228.44)	(104.14)	(149.38)
100 basis points decrease in interest rates	160.08	228.44	104.14	149.38

G. Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables and advances

Trade receivables:

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

H. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for strategic acquisitions. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

With respect to floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes to the Standalone Financial Statements

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

Liquidity exposure as at 31 March 2019

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	41.11	1,666.67	941.47	2,649.25
Other financial assets	1,757.12	-	-	1,757.12
Trade receivables	28,370.00	385.43	-	28,755.43
Cash and cash equivalents	839.46	-	-	839.46
Bank balances other than cash and cash equivalents	106.39	-	-	106.39
Non-current Investments	-	-	3,846.37	3,846.37
Total financial assets	**31,114.08**	**2,052.10**	**4,787.84**	**37,954.02**
Financial liabilities				
Long term Borrowings *	227.32	243.82	-	471.14
Short term Borrowings	15,924.82	-	-	15,924.82
Trade payables	29,155.24	-	-	29,155.24
Other financial liabilities	983.93	-	2.25	986.18
Total financial liabilities	**46,291.31**	**243.82**	**2.25**	**46,537.38**

* including current maturities of long term debt

Liquidity exposure as at 31 March 2018

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	2,432.02	3,333.33	1,174.64	6,940.00
Other financial assets	1,738.26	-	-	1,738.26
Trade receivables	37,806.40	306.02	-	38,112.42
Cash and cash equivalents	112.18	-	-	112.18
Bank balances other than cash and cash equivalents	48.22	-	-	48.22
Non-current Investments	-	-	3,848.31	3,848.31
Total financial assets	**42,137.08**	**3,639.35**	**5,022.95**	**50,799.39**
Financial liabilities				
Long term Borrowings *	369.04	85.12	-	454.16
Short term Borrowings	22,427.60	-	-	22,427.60
Trade payables	34,739.19	-	-	34,739.19
Other financial liabilities	780.56	-	1.50	782.06
Total financial liabilities	**58,316.39**	**85.12**	**1.50**	**58,403.01**

* including current maturities of long term debt

The amount of guarantees given on behalf of subsidiaries included in Note No. 22 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Company has pledged part of its financial assets in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is an obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 20 and 24)

I. Level wise disclosure of financial instruments

Particulars	As at 31-03-2019	As at 31-03-2018	Level	Valuation techniques and key inputs
Long term borrowings (including current maturities)				
- Carrying value - Fair Value	471.14 471.14	454.16 454.16	2	Discounted cash flow –observable future cash flows are based on terms discounted at a rate that reflects market risks.
Security Deposit	822.70	1,083.16	3	The fair values for security deposits (Assets and Liabilities) were calculated based on cashflows discounted using the current lending rate for liabilities and current borrowing rate for assets.They are classifed as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter-party credit.
Asset for which fair value has been disclosed (Investment Property)	1,280.49	445.40	2	Fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer.

The carrying amounts of short-term borrowings, trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.

45. CORPORATE SOCIAL RESPONSIBILITY

a) Gross amount required to be spent by Company during the year - ₹73.14 lakhs (Previous year: ₹38.33 lakhs)
b) Amount spent during the year:

Particulars	Amount required to be spent for the year ended 31 March, 2019	Amount Paid	Amount Yet to be paid
a) Construction / acquisition of any assets	-	-	-
b) On purpose other than (a) above	73.14	95.54	-

Particulars	Amount required to be spent for the year ended 31 March, 2018	Amount Paid	Amount Yet to be paid
a) Construction / acquisition of any assets	-	-	-
b) On purpose other than (a) above	38.33	32.93	-

Amount paid is included in miscellaneous expenses in Note No.35

Notes to the Standalone Financial Statements

(All amounts are Rupees in lakhs, unless stated otherwise) (₹)

46. BUSINESS COMBINATIONS

a) On 27th October, 2017, the company acquired the identified assets and liabilities of business of Vaigai Sanitation Private Limited including the brand for a total consideration of ₹1,000.00 lakhs, subject to stipulated conditions. The results of the acquired business have been accounted by the company from the effective date of 1st November, 2017.

b) On 28th January, 2018, the company acquired the identified assets and liabilities of business of JP Sanitation India Private Limited for a total consideration of ₹2,222.33 lakhs, subject to stipulated conditions. The results of the acquired business have been accounted by the company from the effective date of 1st February, 2018.

c) The summary of Fair values of the identifiable assets and liabilities acquired on account of the above mentioned business combination is as follows:

Particulars	Amount in lakhs
Property, plant and equipment (net) [Refer Note 1 below]	162.48
Inventories	1,486.26
Long term loans and advances	198.98
Trade receivable	1,221.92
Short term loans and advances	6.47
Brand [Refer Note 1 below]	1, 077.65
Total assets (A)	**4,153.76**
Trade payable	789.83
Other current liabilities	141.60
Total liabilities (B)	**931.43**
Acquisition date fair value of net assets (C) = [A-B]	**3,222.33**
Total consideration on business combination	**3,222.33**

Note:
1 Tangible and Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date, which is regarded as their cost. [Refer Note 4 & 6]

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

47. PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED WHEREVER CONSIDERED NECESSARY.

See accompaning notes to the consolidated financial statements

As per our report attached of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

Gaurav Poddar
Partner
Membership No: 063847

Place: Bangalore
Date: May 9 , 2019

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

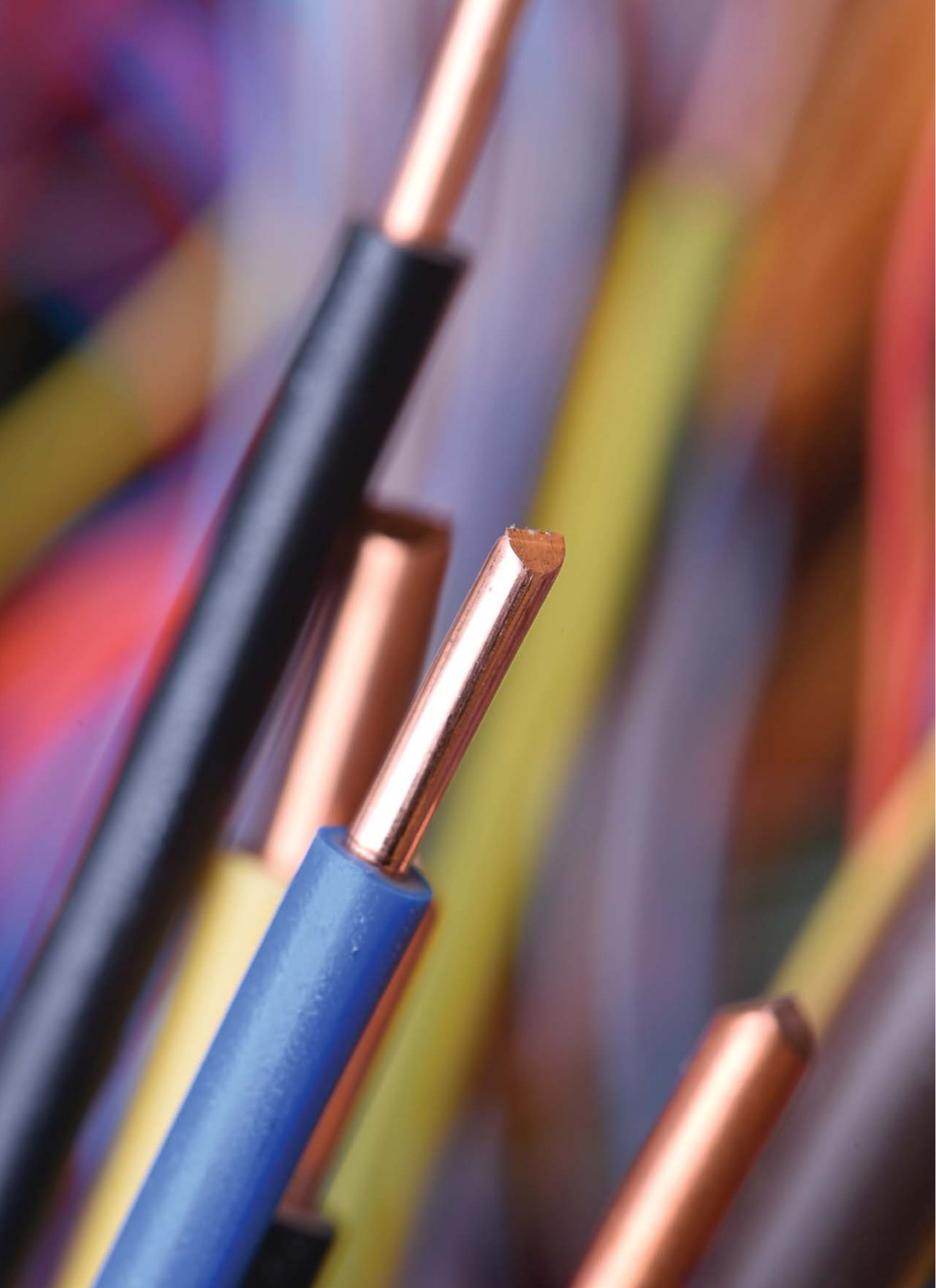
Siddhartha Mundra
Chief Executive Officer

Ereena Vikram
Company Secretary
Place: Bangalore
Date: May 9 , 2019

B.Jayaraman
Director
DIN: 00022567

Alex Varghese
Chief Financial Officer

NOTES



Shankara
Building Products Ltd.

G2, Farah Winsford, #133 Infantry Road, Bengaluru - 560001, Karnataka, India.
Ph : (080) 4011 7777 (30 lines). Fax: (080) 4111 9317

CIN: L26922KA1995PLC018990

www.shankarabuildpro.com

Shankara
Building Products Ltd.

Registered Office: G2, Farah Winsford, 133 Infantry Road, Bengaluru - 560001
CIN: L26922KA1995PLC018990
Phone: +91 80-40117777; Fax: +91 80-41119317
Website: www.shankarabuildpro.com; Email: compliance@shankarabuildpro.com

ATTENDANCE SLIP

PLEASE HAND OVER THE ATTENDANCE SLIP AT THE ENTRANCE OF THE AGM HALL

Folio No		No. of Shares held	
DP ID/ Client Id No.			

I hereby record my presence at the 24th Annual General Meeting of the Company held at Radisson Blu Atria No. 1, Palace Road, Bengaluru- 560001on Tuesday, June 25, 2019 at 12.30 P.M (IST)

Full name of the Proxy, if attending the Meeting:
Signature of the Member/Joint Member/Proxy attending the Meeting:

Note: Persons attending the Meeting are requested to bring this Attendance Slip and Annual Report with them.

Shankara
Building Products Ltd.

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

24th Annual General Meeting
BALLOT FORM

Folio No		No. of Shares held	
DP.ID/Client Id No.			

Name and Address of the Registered Member

Dear Shareholder(s):

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the businesses stated in the Notice dated 9th May, 2019 convening the 24th Annual General Meeting of the Company to be held on Tuesday, June 25, 2019, at 12.30 P.M (IST) by conveying my/our assent or dissent to the said Resolution(s) by placing the (√) mark at the appropriate box below.

Item No	Description	Type of resolution	No.of equity Shares	FOR	AGAINST
1.	Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon.	Ordinary Business Ordinary resolution			
2.	Declaration of Dividend.	Ordinary Business Ordinary resolution			
3.	Appointment of Mr. C. Ravikumar (DIN: 01247347) who retires by rotation and being eligible, offers himself for re-appointment as a Director.	Ordinary Business Ordinary resolution			
4.	Appointment of Statutory Auditor.	Ordinary Business Ordinary resolution			
5. .	To re-appoint Mr. V. Ravichandar (DIN:00634180) as an Independent Director of the Company	Special Business Special resolution			
6.	To appoint Mr. B. Jayaraman (DIN: 00022567) as an Independent Director of the Company.	Special Business Ordinary resolution			

Place:

Date: Signature of Shareholder

Note: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 5.00 p.m. (IST) on Friday, June 21, 2019 shall be considered.

INSTRUCTIONS

1. Mr. S. Kannan Practicing Company Secretary, (Membership No. F6261 and PCS No. 13016), has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
2. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to The Scrutinizer, C/o Karvy Fintech Private Limited, Unit: Shankara Building Products Limited, Post Box No. 436, Basavanagudi HPO, Bangalore-560004 or to his email id cs.skannan@gmail.com so as to reach by 5.00 pm (IST) on Friday, June 21, 2019. Ballot form received thereafter will strictly be treated as if not received.
3. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
4. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
5. In the event member casts his votes through both the processes i. e remote e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
6. The right of voting by Ballot Form shall not be exercised by a proxy.
7. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Share Transfer Agents of the company (i.e. M/s Karvy Fintech Pvt. Ltd.). Members are requested to keep the same updated.
8. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.
9. In case of joint holders, the Ballot Form should be signed by the first named shareholder and his/her absence by the next named shareholders. Ballot Form signed by the joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
10. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society etc., a certified copy of the Board Resolution/ Authority letter etc., to vote should accompany the Ballot Form.
11. Instructions for remote e-voting procedure are available in the Notice of 24th Annual General Meeting are also placed on Company's website: www.shankarabuildpro.com and https://evoting.karvy.com. For further details members are requested to refer the same.
12. In case of any query, you may refer Help & FAQ section of https://evoting.karvy.com (Karvy Website) or call Karvy on 04067162222 & Toll Free No. 1800 3454 001.
13. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date Friday, June 14, 2019.
14. The remote e-voting period commences on Friday, June 21, 2019 and ends on Monday, June 24, 2019. During the period, Members of the Company, holding shares either in physical form or dematerialized form, as on Friday, June 14, 2019, may cast their vote electronically.
15. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he/she/it shall not be allowed to change it subsequently.
16. The Results shall be declared either by the Chairman or by any authorized person of the Chairman and the resolution(s) will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s)
17. Immediately after declaration of results, the same shall be placed with the Scrutinizer's Report on the Company's website www.shankarabuildpro.com and on the website of Registrar and Share Transfer Agents, M/s Karvy Fintech Pvt. Ltd., https://evoting.karvy.com, and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.

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CIN: L26922KA1995PLC018990

24th Annual General Meeting on Tuesday, June 25, 2019 at 12.30 P.M (IST)

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered address	
E-mail Id	
Folio No / DP ID - Client Id	

I/ We being the Member(s) holding.....shares, of above named Company, hereby appoint:

1. Name: .....
   Address:.....
   E-mail Id:.....
   Signature: ..... or failing him/her

2. Name: .....
   Address:.....
   E-mail Id:.....
   Signature: ..... or failing him/her

3. Name: .....
   Address:.....
   E-mail Id:.....
   Signature: ..... or failing him/her

.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of members of the Company, to be held on Tuesday, June 25, 2019 at Radisson Blu Atria No. 1, Palace Road, Bengaluru- 560001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon.
2. Declaration of Dividend.
3. Appointment of Mr. C. Ravikumar (DIN: 01247347) who retires by rotation and being eligible, offers himself for re-appointment as a Director.
4. Appointment of Statutory Auditor.

Special Business:

5. To re-appoint Mr. V. Ravichandar (DIN: 00634180) as an Independent Director of the Company
6. To appoint Mr. B. Jayaraman (DIN: 00022567) as an Independent Director of the Company

Signed this .....day of..... 2019

Signature of Member(s):.....

Signature of Proxy holder(s):.....

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement setting out material facts thereon and notes, please refer to the Notice of the 24th Annual General Meeting.
3. A person cannot act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.