Shankara®
Building Products Limited

Date: 5th July, 2021

To
Department of Corporate services
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building, Phiroze Jeejeebhoy
Towers, Dalal Street, Fort,
Mumbai-400001
Scrip Code: - 540425

To
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1,
G Block, Bandra Kurla Complex,
Bandra (E)
Mumbai- 400051
Symbol- SHANKARA

Dear Sir/ Madam

Subject: Submission of Annual Report for the year 2020-21 under Regulation 34 of SEBI (LODR) Regulations, 2015.

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith submitting the Annual Report for 2020-21 along with the Notice calling 26th Annual General Meeting of the Company.

This is for your information and record.

Thanking You

Yours faithfully
For Shankara Building Products Limited

Ereena Vikram

SHANKARA BUILDING PRODUCTS LTD. ★

Ereena Vikram
Company Secretary & Compliance Officer

Encl: As above

G2 - Farah Winsord, No. 133, Infantry Road,
Bangalore - 560 001. Karnataka.
Ph : 080 4011 7777, Fax - 080 4111 9317
CIN No. L26922KA1995PLC018990

www.shankarabuildpro.com

Shankara Building Products Limited

ANNUAL REPORT 2020 - 2021

CONTENT

Board of Directors

Mr. V. Ravichandar
Chairman, Independent Director

Mr. Sukumar Srinivas
Managing Director

Mr. B. Jayaraman
Independent Director

Mr. Chandu Nair
Independent Director

Ms. Jayashri Murali
Independent Director

Mr. C. Ravikumar
Whole-Time Director

Mr. RSV. Siva Prasad
Non-Executive and
Non-Independent Director

Ms. Ereena Vikram
Company Secretary

Mr. Alex Varghese
Chief Financial Officer

Statutory Auditors

M/s Sundaram & Srinivasan
Chartered Accountants
New No. 4, Old No. 23,
C.P Ramaswamy Road, Alwarpet,
Chennai-600018

Bankers

Citibank NA.

HDFC Bank Ltd.

Standard Chartered Bank.

Kotak Mahindra Bank Ltd.

IDFC Bank Ltd.

Federal Bank Ltd.

IndusInd Bank Ltd.

Registered Office

G2, Farah Winsford
133, Infantry Road
Bengaluru - 560 001

Registrar & Share Transfer Agent

**M/s Kfin Technologies
Private Limited**
Selenium Tower B
Plot Nos. 31 & 32
Financial District, Nanakramguda
Serilingampally Mandal
Hyderabad - 500 032, Telangana
Toll Free: 1-800-309-4001
E-mail: einward.ris@kfintech.com
Website: https://www.kfintech.com

Shankara
Building Products Limited

ANNUAL REPORT 2020 - 2021

Chairman's Message

Dear Shareholders,

It gives me immense pleasure to welcome you to our 26th Annual General Meeting. The year 2020-21 has been the most challenging year for the company in its history. We are in the midst of an unprecedented pandemic the end of which is far from certain. The pandemic has changed the way we do business, interact professionally, socialize and our way of life. This pandemic accentuated the fault lines in our public health delivery systems resulting in increased attention and resources to the sector. Needless to add, it has implications for our business. We need to build in increased resilience, contingency planning in our operations and be prepared to be nimble and flexible in meeting market conditions.

The first quarter of 2020-21 started with the lockdown impacting our business significantly. In the second and third quarter there was a quantum improvement in business activity. The Indian economy was beginning to see normalcy in the fourth quarter, quarter January-March 2021.

The Company took substantial measures to mitigate the fallout of lockdowns which meant lower revenues, profits and increased working capital. We primarily focused on reducing the working capital cycle which meant reduction of inventory and debtors – this incidentally was in sync with our long term goal of balance sheet improvement. Further, the Company also worked to optimize expenses. We further consolidated our operations and closed non remunerative stores bringing down the retail outlets to 95 (from 120). There was further rationalization on the number of products and SKUs handled by the retail stores. These measures resulted in the following:-

Particulars	FY March, 21	FY March, 20
	Consolidated	
	Amount (₹Cr)	Amount (₹Cr)
Inventory	316.08	400.45
Debtors	295.09	428.48
Borrowings	276.12	338.11
Finance cost	33.08	43.35
Expenses	82.74	124.40

As can be seen in the table there was a reduction of about ₹84 Cr in inventory, ₹133 Cr in debtors, ₹62 Cr in borrowings, ₹10 Cr in finance cost and about ₹42 Cr in other expenses. As you are aware your Company operates in three distinct segments of retail, channel and enterprise and the consolidated results encompass all of them.

Your Company has continued to focus on its retail business. Due to the lockdowns and social distancing measures large retail formats and malls were shut down for a substantial period of the past year. Shankara has a distinct advantage as our stores are standalone. .This meant that we were able to open and continue operations for a larger part of the year. We took many measures to reach out to our customer segments. There was a substantial increase from our side on telephonic canvasing, mail order and promotion of our digital catalogue and sales.

The pandemic affected the larger cities to a greater extent. Your Company benefited by the fact that we have a substantial presence in Tier II and III locations. The channel business was sustained and even saw some growth during FY21. This segment helped in improving cash flows during the year and was strategically important in generating revenues during full lockdowns.

The enterprise segment was probably the slowest to recover in the year. We saw an uptake from the end of the second quarter and a semblance of normalcy from the fourth quarter. The processing activities of your Company was at a reduced level as compared to FY20. This activity was of strategic importance to contribute to a range of products and profitability.

Financial Performance in FY 20-21

The Company's performance was impacted in Q1 of the year but we were able to recover strongly and closed the year with a satisfactory performance.

- The revenue stood at ₹2,038 Cr for FY21. Retail revenue contributed to 58% of the overall sales which is 3% more in percentage terms as compared to the previous year FY 20.
- EBIDTA was at ₹77 Cr for FY21. It may be noted that in Q1 of FY21 the EBIDTA was (₹9 Cr). There was a substantial recovery over the next 3 quarters to close the year on a positive note.
- PAT stood at ₹~14 Cr for FY21. The year started with a loss of ₹25 Cr for Q1. The strong recovery by the year end validates the strategic actions taken by your Company. However it needs to be noted that in absolute terms there has been a significant drop in PAT of ₹26 crores in FY21 over FY20.

(₹ in Crores)

Particulars	FY March, 21	FY March, 20
	Consolidated	
Revenue	2,038	2,640
Retail (%)	58%	55%
EBITDA	77	122
Margin	3.8%	4.6%
PBT	20	53
PAT	14	40
Margin	0.7%	1.6%

Key performance highlights

The overall performance for the financial year was understandably subdued as compared to the previous year FY20. This was primarily due to the pandemic and the lockdowns which substantially affected sales in Q1 and to a lesser extent in Q2 of the year. It reflects well on the management that when the economy opened up, they were geared to improve the financial situation.

Sales in Q1 was ₹346 Cr and there was a net loss of ₹25 Cr. There was an immediate turnaround in Q2 where sales was at ₹488 Cr and a net profit of ₹6 Cr. This improvement was continuous and the sales of Q3 and Q4 were ₹562 Cr and ₹642 Cr respectively. Net profits continued to improve and your Company ended the year on a positive note with a PAT of ₹14 Cr. And in these trying times Shankara gave utmost importance to cash flows and I am happy to tell you that your Company was able to generate net operating cash flow of ₹133 Cr.

The way forward

We had thought that the worst of the pandemic was behind us at the end of FY21. Unfortunately the second wave commenced in April 21 and there have been lockdowns imposed in various parts of the country. Fortunately your Company was on alert and did believe that India and the World would have to live with Covid 19 for a few more years. The prudent and conservative measures that the Company implemented over the course of last year will hold in good stead for the coming financial year.

The construction industry is a corner stone for the success of any economy. Building materials play a key role in this industry. We have observed that despite lockdowns, construction and the building material segment are amongst the first businesses to open for commercial activity.
Shankara will be back on a growth path in the coming year once the current lockdown is removed. We will be continuing our focus on the retail segment while strongly believing that all our business verticals contribute strategically to the continuing growth of our Company.

Conclusion

I am happy to note that your Company took utmost care to maintain Covid protocols throughout the year. I would like to convey my deepest appreciation to all our employees. They have stood by the Company in these trying times. My sincere thanks and appreciation to my fellow Directors on the Board for their guidance and constant encouragement. 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 of 26th Annual General Meeting

Notice is hereby given that the twenty-sixth Annual General Meeting of Shankara Building Products Limited will be held on Thursday, 29th July, 2021 at 11.00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

Ordinary Business:

Item No.1- To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 together with Report of Auditors thereon.

To consider and if thought fit, to pass, the following as an **Ordinary Resolution:**

"RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2021 together with reports of the Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

"RESOLVED FURTHER THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 together with the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

Item No. 2- To appoint Mr. RSV. Siva Prasad (DIN: 01247339) as a Director of the Company who retires by rotation.

To consider and if thought fit, to pass, the following as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 152 of the Companies Act, 2013, Mr. RSV. Siva Prasad (DIN: 01247339), who retires by rotation at 26th Annual General Meeting of the Company being eligible, offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

RESOLVED FURTHER THAT the Managing Director/Company Secretary of the Company be and are hereby authorized severally to complete necessary formalities as per the applicable provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015."

Special Business:

Item No. 3- To consider and approve re-appointment of Mr. Sukumar Srinivas (DIN: 01668064) as Managing Director of the Company upon terms and conditions set out in this notice

To consider and if thought fit, to pass, the following as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 196,197,198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act and Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including any statutory modifications or re-enactments thereof for the time being in force and based on the recommendation of Nomination and Remuneration Committee of the Company and subject to such sanctions as may be necessary , the consent of members be and is hereby accorded for re-appointment of Mr. Sukumar Srinivas (DIN: 01668064), as Managing Director ('MD') of the Company for a period of five years with effect from 01/04/2021 not liable to retire by rotation, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid on such terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/ re-enactment thereof, in the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned in the explanatory statement annexed to the Notice shall be paid as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to foregoing resolution."

Item No. 4 - To consider and approve re-appointment of Mr. C. Ravikumar (DIN: 01247347) as Whole-time Director of the Company upon terms and conditions set out in this notice.

To consider and if thought fit, to pass, the following as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 196,197,198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act and Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including any statutory modifications or re-enactments thereof for the time being in force and based on the recommendation of Nomination and Remuneration Committee of the Company and subject to such sanctions as may be necessary , the consent of members be and is hereby accorded for re-appointment of Mr. C. Ravikumar (DIN: 01247347), as Whole-time Director ('WTD') of the Company for a period of five years with effect from 01/04/2021 not liable to retire by rotation, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid on such terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/ re-enactment thereof, in the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned in the explanatory statement annexed to the Notice shall be paid as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to foregoing resolution."

By Order of the Board
For **Shankara Building Products Limited**

Place: Bengaluru
Date: June 10, 2021

Ereena Vikram
Company Secretary
& Compliance Officer

Notes:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without physical presence of the Members at a common venue and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts under Item No.'s 2 to 4 of the Notice of the 26th AGM ("Notice"), is annexed hereto.

3. In terms of the MCA and the SEBI Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 26th AGM and hence the proxy form and attendance slip are not annexed to the Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting, for participation in the 26th AGM through VC/OAVM facility and e-voting during the 26th AGM. Scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 26th AGM on its behalf and to vote through e-voting or during the 26th AGM should be sent electronically through their registered email address to the Scrutinizer at **cs.skannan@gmail.com** with a copy to **evoting@kfintech.com** and **compliance@shankarabuildpro.com**

4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI (LODR) Regulations, 2015, read with the MCA Circulars and the SEBI Circulars, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 26th AGM and a facility for those Members participating in the 26th AGM, to cast vote through e-voting system during the 26th AGM. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of Thursday, July 22, 2021.

5. Kfin Technologies Private Limited ("Kfintech"), the Registrar & Transfer Agents (RTA) of the Company, will be providing the facility for participation in the 26th AGM through VC/OAVM and e-voting during the 26th AGM. The procedure and instructions for participating in the 26th AGM through VC/OAVM and remote e-voting at the 26th AGM are provided as part of this Notice.

6. In line with the MCA Circulars and SEBI Circulars, the Notice of the 26th AGM will be available on the website of the Company **www.shankarabuildpro.com** on the websites of BSE Limited at **www.bseindia.com,** the National Stock Exchange of India Limited at **www.nseindia.com** and also on the website of Kfintech at **https://evoting.kfintech.com/**

7. Since the 26th AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

8. Attendance of the Members participating in the 26th AGM through VC/OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. In case of joint holders attending the 26th 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.

10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members on Thursday, July 29, 2021.

11. At the 24th AGM of the Company held on June 25, 2019, the Members approved the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration Number 004207S) as the Statutory Auditors of the Company to hold office from the conclusion of the said Meeting till the conclusion of the 29th Annual General Meeting. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors.

12. The Register of Members and Share Transfer Books will remain closed from Tuesday, July 27, 2021 to Thursday, July 29, 2021 (inclusive of both days) for the purpose of the AGM.

13. Members are requested to notify the RTA –Kfin Technologies Private Limited, Selenium Tower B, Plot 31- 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, of any change in their address(es) to enable the Company to address future communications to their correct addresses including dividend matters.

14. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be:-

a. Change in their residential status on return to India for permanent settlement.

b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier, to enable the Company to remit dividend to the said Bank Account directly.

15. Pursuant to SEBI circular No: SEBI /HO /MIRSD /DOP1 /CIR /P/2018/73 dated April 20, 2018 and notification No. SEBI/ LAD-NRO/GN/2018/24 dated June 08, 2018, the members are requested to take necessary steps to dematerialize shares that are held in physical form, as transfer of shares held in physical form is no longer permitted.

16. Pursuant to Clause 2 (h) of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, individuals who hold a right or entitlement directly in the Company are requested to intimate the Company through a declaration in Form BEN-1.

17. The Notice of the 26th AGM, Annual Report and instructions for e-voting are being sent only through electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s)/ RTA. For members who have not registered their email addresses, please refer Clauses 23 "Instructions to shareholders for participating in the AGM through VC/OAVM and for e-voting" to this Notice for detailed instructions for registration. To support the "Green Initiative", shareholders who have not registered their email addresses are requested to register the same with their DP's in case the shares are held in electronic form and with the RTA in case the shares are held by them in physical form.

18. 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.

19. The Members who are yet to encash the earlier dividend warrants are advised to send requests for duplicate dividend warrants in case they have not received/ not encashed the Dividend Warrants for any of the above mentioned financial year(s) and/ or send for revalidation the un-encashed Dividend Warrants still held by them, to the RTA of the Company.

20. Members may also note that the Notice of the 26th AGM and the Annual Report 2020-21 will be available on the Company's website under **www. shankarabuildpro.com.**

21. Additional information, pursuant to Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, in respect of the directors seeking appointment/ re-appointment at the 26th AGM, forms part of this Notice.

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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 are requested to submit the PAN to the RTA, Kfintech.

23. Instructions to the Members for attending the e-AGM through Video Conference:

i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members, the facility to exercise their right to vote on resolutions proposed to be considered at the 26th AGM by electronic means through e-voting. The facility of casting the votes by the members using an electronic voting system for the 26th AGM ("remote e-voting/ e-voting") will be provided by Kfin Technologies Private Limited ("Kfintech")

ii. Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing situation, the Notice of the 26th AGM and the Annual Report for the year 2020-21 (including therein the Audited Financial Statements for year 2020-21), are being sent only by email to the Members who email addresses are registered with the Company / Depositories / RTA. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered with their DP or RTA for electronic and Physical folios respectively, in the manner stated below. For updation of dividend mandate, please send the details to **einward.ris@kfintech.com**

Process for registration of email address for obtaining Annual Report (if not received by the Member) and/or obtaining user ID/ password for e-voting are stated as here under:

Physical Holding	Submit a request to Kfin at https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) for registering email address on or before July 22, 2021.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

iii. . In light of the MCA Circulars, shareholders who have not registered their email addresses and in consequence, the Notice & Annual Report could not be serviced, may temporarily get their email addresses registered with the Company's RTA- Kfintech, by clicking the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx and follow the registration process. Post successful registration of the email address, the shareholder would get a soft copy of the Notice & Annual Report and the procedure for e-voting along with the User ID and Password to enable e-voting for the 26th AGM. If you are already registered with Kfintech for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

iv. It is clarified that for permanent registration of email address, the members are however requested to register their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's RTA, Kfin Technologies Private Limited, Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, India, by following due procedure.

v. Those members who have already registered their email address are requested to keep their email addresses validated with their Depository Participants / the Company's RTA- Kfintech, to enable servicing of Notices / documents / Annual Reports and other communications electronically to their email address.

vi. The e-voting portal will open for voting on Monday, July 26, 2021 from 9:00 A.M. (IST) to Wednesday, July 28, 2021 till 05:00 P.M. (IST), inclusive of both days. During this period, the members of the Company holding shares either in physical form or dematerialized form, as on the cut-off date of Thursday July 22, 2021 may cast their vote electronically. The e-voting module will be disabled by Kfintech on Wednesday, July 28, 2021, post 5.00 P.M. (IST). Once vote on a resolution is cast by the member, members shall not be allowed to change it subsequently or cast the vote again.

vii. Mr. S. Kannan (Membership No. FCS 6261) M/s. S. Kannan and Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

viii. A member may participate in the 26th AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the meeting.

ix. The Scrutinizer shall unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 2 working days of the conclusion of the 26th AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him and declare the result of the voting forthwith.

x. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.shankarabuildpro.com and on the website of Kfintech https://evoting.kfintech.com/ immediately after the declaration of result by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited, Mumbai.

xi. In case a person has become a Member of the Company after dispatch of the Notice but on or before the cut-of date for e-voting i.e. Thursday, July 22, 2021 he/she may obtain the User ID and Password in the manner stated below. Institutional/ Corporate shareholders may write to Kfintech at einward.ris@kfintech.com.

INSTRUCTION FOR REMOTE E-VOTING IS AS FOLLOWS:

In case of Physical Shareholders & Non-Individual (Physical / Demat):

If the mobile number of the Member is registered against Folio No. /DP ID Client ID, the Member may send SMS: MYEPWD E-voting Event number + Folio No. (in case of physical shareholders) / DP ID Client ID (in case of Demat shareholders) to 9212993399.

Example for NSDL	MYEPWD IN12345612345678
Example for CDSL	MYEPWD 1402345612345678
Example for Physical	MYEPWD XXX1234567890

a. If email address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com, the Member may click "forgot password" and enter Folio No. / DP ID Client ID and PAN to generate a password.

b. Member may call Kfin toll free number 1-800-3094-001 for all e-voting related matters.

c. Member may send an email request to einward.ris@kfintech.com for all e-voting related matters. If the member is already registered with Kfin e-voting platform, then he can use his existing User ID and password for casting the vote through remote e-voting.

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

Commencement of remote e-voting: From 9:00 a.m. (IST) on Monday, July 26, 2021.

End of remote e-voting: At 5:00 p.m. (IST) on Wednesday, July 28, 2021.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked by Kfin upon expiry of aforesaid period. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

In case you are an individual shareholder, having shares in electronic / Demat mode then please refer to the e-voting procedure according to SEBI circular dated December 09, 2020.

Login method for e-voting:

As per the SEBI circular dated December 09, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email address in their demat accounts in order to access e-voting facility.

NSDL	CDSL
1. User already registered for IDeAS facility: ** i. URL: https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under 'IDeAS' section. iii. On the new page, enter existing User ID and Password. Post successful authentication, click on "Access to e-voting". iv. Click on company name or e-voting service provider and you will be redirected to e-voting service provider website for casting the vote during the remote e-voting period.	1. Existing user who have opted for Easi/Easiest ** i. URL:https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com ii. Click on New System Myeasi. iii. Login with user ID and password. iv. Option will be made available to reach e-voting page without any further authentication. v. Click on e-voting service provider name to cast your vote.

NSDL	CDSL
2. User not registered for IDeAS e-Services i. To register click on link: https://eservices.nsdl.com (Select "Register Online for IDeAS"). or https: //eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp ii. Proceed with completing the required fields. **(Post registration completion, follow the process as stated in point no.1 above)	2. User not registered for Easi/Easiest i. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii. Proceed with completing the required fields. **(Post registration is completed, follow the process as stated in point no.1 above)
3. First time users can visit the e-voting website directly and follow the process below: i. URL: https://www.evoting.nsdl.com/ ii. Click on the icon "Login" which is available under 'Shareholder / Member' section. iii. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. iv. Post successful authentication, you will be redirected to NSDL Depository site where in you can see e-voting page. V. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period	3. First time users can visit the e-voting website directly and follow the process below: i. URL: www.cdslindia.com. ii. Provide demat Account Number and PAN No. iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. iv. After successful authentication, user will be provided links for the respective Electronic Service Provider (ESP) where the e-voting is in progress. v. Click on company name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Please click on e-voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use 'Forget User ID' and 'Forget Password' option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no. : 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22- 23058542-43.

a. On successful login, the system will prompt the member to select the e-voting Event Number "EVENT" for "Shankara Building Products Limited".

b. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date, Thursday, July 22, 2021, under "FOR / AGAINST" or alternatively, member may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed their total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

c. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

d. Voting must be done for each item of the Notice separately. In case members do not desire to cast their vote on any specific item, it will be treated as abstained.

e. Members may then cast their vote by selecting an appropriate option and click on "SUBMIT".

f. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a member confirms, he/ she will not be allowed to modify. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

g. Upon confirmation, the message 'Vote cast successfully' will be displayed. Once you have confirmed your vote on the resolution, you cannot modify your vote.

h. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI. Etc.) are also required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at **cs.skannan@gmail.com** with a copy to **evoting@kfintech.com** and **compliance@shankarabuildpro.com.** The scanned image of the above mentioned documents should be in the naming format "Shankara Building Products Limited_ EVENT NO."

xii. Shareholders will be provided with a facility to attend the Meeting through VC/OAVM provided by Kfintech. Shareholders may access the same by **https://emeetings.kfintech.com/** and clicking "Video Conference" and access the Shareholders/ Members login by using the remote e-voting credentials. The link for Meeting will be available in Shareholder/ Members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned in point xi.

xiii. The Members can join the 26th AGM fifteen minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

xiv. Up to 1000 members will be able to join the 26th AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

xv. Shareholders are encouraged to join the 26th AGM through Laptops with Google Chrome for better experience. Further shareholders will be required to switch on Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

xvi. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

xvii. System requirements for best VC/OAVM experience:

Instrument Description	Instrument Description
Cell phone	Android 6.0+ Google Chrome28+ Mozilla Firefox 24+ (Chrome doesn't bolster screen sharing on Android). iOS 12.2+ Mobile Safari/WebKit (iOS 11+) (Safari Mobile doesn't bolster screen sharing on iOS)
ioS PC/ Desktop	Google Chrome (Best suggested) Firefox, Safari, Internet Explorer, Edge Microsoft Edge 12+ Google Chrome 28+ Mozilla Firefox, 22+ Safari 11+. Desktop should have outside mic and webcam introduced

xviii. Voting at AGM held through VC/OAVM

a. Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote earlier through remote e-voting are eligible to vote through e-voting during the AGM.

b. Members who have voted through remote e-voting will be eligible to attend the AGM.

c. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013.

d. Upon declaration by the Chairperson about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.

e. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

f. The Company has opted to provide the same electronic voting system at the annual general meeting, as used during remote e-voting and the said facility shall be operational till all the resolutions proposed in the AGM notice are considered and voted upon at the meeting but not exceeding 30 minutes from the commencement of e-voting as declared by the Chairman at the AGM and can be used for voting only by those Members who hold shares as on the cut-off date viz. Thursday, July 22, 2021 and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

xix. Speaker Registration during Meeting session:

a. Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL **https://emeetings.kfintech.com** and clicking on the tab 'Speaker Registration' and mentioning their registered email id, mobile number and city, during the period starting from Monday, July 26, 2021 10:00 A.M. (IST) and will close on Tuesday, July 27, 2021 at 10:00 A.M. (IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM and the maximum time per speaker will be restricted to 3 minutes.

b. Members who want to get their pre-recorded video uploaded for display during the AGM of the Company, can also upload the same by visiting https://emeetings.kfintech.com and uploading their video in the 'Speaker Registration' tab, during Monday, July 26, 2021 to Tuesday, July 27, 2021, subject to the condition that size of such video should be less than 50 MB.

c. The Company reserves the right to restrict the number of speakers and display of videos uploaded by the Members depending on the availability of time for the AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date viz Thursday, July 22, 2021.

d. A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com/video/howitworks.aspx.

e. Members who need technical or other assistance before or during the AGM can contact Kfin by sending email at emeetings@kfintech.com or Helpline: 1800 309 4001 (toll free). For any other kind of support/assistance related to the AGM, members can also contact Kfin Technologies at 1800 309 4001.

f. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the AGM

xx. In case of any queries related to e-voting/participation in the AGM, you may refer to the Frequently Asked Questions (FAQ's) and e-voting user manual available in the "Downloads" section of https://evoting.kfintech.com/ or contact Kfin Technologies Private Limited at 1800 309 4001 (Toll Free).

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

Item No. 2

Mr. RSV. Siva Prasad is a Science Graduate from Andhra University and a Masters' Degree in science in Zoology from the Bhopal University. He also holds a Diploma in Business Management from the Rajendran Prasad Institute of Communication Studies, Bombay. He has been associated with the Company since 1995, having joined as a senior manager, and has 38 years of experience in the field of sales. Prior to joining our Company, he was associated with Shivmoni Steel Tubes Limited in 1982.

Committee Chairmanship & Membership: Nil

Shareholding in the Company:

As on the date of notice, Mr. RSV. Siva Prasad holds 61,650 equity shares in the Company.

He is not related to any director or key managerial personnel of the Company. None of the directors or key managerial personnel of the Company or their relatives, except Mr. RSV. Siva Prasad are, directly or indirectly concerned or interested, financially or otherwise, except to the extent of their shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set forth in the Item No. 2 of the Notice for approval of the members.

Item No. 3

The Board of Directors at their meeting held on 30th January, 2018 , appointed Mr. Sukumar Srinivas as Managing Director of the Company for a period of three years from April 1, 2018 to March 31, 2021.The said appointment was also approved by the Members at the Annual General Meeting held on 12th June, 2018.

The Board, on recommendation of the Nomination and Remuneration Committee, re-appointed him as Managing Director for another term of five years effective April 1, 2021 on the terms and conditions including remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof.

a. Salary:
Salary of ₹1,25,66,400/- per annum.

b. Perquisites and Allowances:

i. Contribution to Provident Fund not exceeding 12% of the salary.
ii. Gratuity as per the rules of the Company.
iii. Any other terms and conditions as per the employment agreement between the Company and Mr. Sukumar Srinivas.

c. Minimum remuneration:

In the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned above shall be paid as minimum remuneration.

d. The terms and conditions of the said re-appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with the provisions of the Act, or any amendments made therein.

Information about the appointee:

Brief Resume:

Mr. Sukumar Srinivas is a Commerce Graduate University of Madras, and a Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad with over 38 years' experience in the building products industry. Prior to joining the Company, he was associated with Gemini Steel Tubes Limited in various capacities and as a partner in Shankara Agencies and Shankara Steel and Tubes.

Committee Chairmanship & Membership:

He is a member in Audit & Risk Management Committee & Corporate Social Responsibility Committee.

Shareholding in the Company:

As on the date of notice, Mr. Sukumar Srinivas holds 1,25,72,287 equity shares in the Company.

He is not related to any director or key managerial personnel of the Company. None of the directors or key managerial personnel of the Company or their relatives, except Mr. Sukumar Srinivas are, directly or indirectly concerned or interested, financially or otherwise, except to the extent of their shareholding, if any, in the Company.
The Board recommends the Special Resolution set forth in the Item No. 3 of the Notice for approval of the members.

Item No. 4

The Board of Directors at their meeting held on 30th January,2018 , appointed Mr. C. Ravikumar as Whole-time Director of the Company for a period of three years from April 1, 2018 to March 31, 2021. The said appointment was also approved by the members at the Annual General Meeting held on 12th June, 2018.

The Board, on recommendation of the Nomination and Remuneration Committee, re-appointed him as Whole-time Director for another term of five years effective April 1, 2021 on the terms and conditions including remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof:

a. Salary:
Salary of ₹58, 59,544/- per annum.

b. Perquisites and Allowances:

i. Contribution to Provident Fund not exceeding 12% of the salary.

ii. Gratuity as per the rules of the Company.

iii. Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.

iv. Any other terms and conditions as per the employment agreement between the Company and Mr. C. Ravikumar.

c. Minimum remuneration:

In the event of any loss or inadequacy of the profits during the financial year, the remuneration mentioned above shall be paid as minimum remuneration.

d. The terms and conditions of the said re-appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Whole-time Director in accordance with the provisions of the Act, or any amendments made therein.

Information about the appointee:

Brief Resume:

Mr. C. Ravikumar is a science graduate from Bangalore University with over 34 years' experience in the steel pipes and building products industry. Prior to joining the Company, he was associated with Shankara Steels and Tubes and Gemini Steel Tubes Limited.

Committee Chairmanship & Membership:

He is a member in Stakeholder Relationship Committee.

Shareholding in the Company:

As on the date of notice, Mr. C. Ravikumar holds 72,500 equity shares in the Company.

He is not related to any director or key managerial personnel of the Company. None of the directors or key managerial personnel of the Company or their relatives, except Mr. C. Ravikumar are, directly or indirectly concerned or interested, financially or otherwise, except to the extent of their shareholding, if any, in the Company.

The Board recommends the Special Resolution set forth in the Item No. 4 of the Notice for approval of the members.

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

By Order of the Board
For Shankara Building Products Limited

Ereena Vikram
Company Secretary & Compliance Officer
Place: Bengaluru
Date: June 10, 2021

Dear Members,

Your Directors are pleased to present the 26th Annual Report of Shankara Building Products Limited ("the Company") on business and operations of the Company along with the Audited Financial Statements, both standalone and consolidated, for the financial year ended March 31, 2021.

1. Financial Highlights

The financial performance of the Company for the year ended March 31, 2021 on a Standalone and Consolidated basis, is summarized below.

(₹ in Crores)

Particulars	Consolidated		Standalone	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from Operations	2,038.37	2,639.73	1,957.24	2,493.84
Other Income	6.22	4.98	5.65	4.33
Total Income	**2,044.58**	**2,644.71**	**1,962.89**	**2,498.17**
Other Expenditure	1,967.39	2,522.63	1,910.28	2,412.19
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	**77.19**	**122.08**	**52.61**	**85.98**
Depreciation and Amortization Expenses	23.98	25.37	17.38	18.60
Finance Cost	33.08	43.35	21.75	31.69
Profit Before exceptional items and tax	20.13	53.36	13.48	35.69
Exceptional Items	-	-	0.50	-
Profit before Tax (PBT)	**20.13**	**53.36**	**13.98**	**35.69**
Tax expense:				
Current Year	8.01	13.94	4.62	9.42
Earlier Year	(0.53)	(0.14)	(0.53)	-
Deferred Tax	(1.19)	(2.57)	(0.09)	(1.01)
Profit after Tax (PAT)	**13.84**	**42.13**	**9.98**	**27.28**
Profit from discontinued operation	-	(2.25)	-	-
Add: Other Comprehensive Income	0.34	0.24	0.36	(0.19)
Total Comprehensive Income	**14.18**	**40.12**	**10.34**	**27.09**
EARNING PER EQUITY SHARE (Face Value of ₹10 each) i) Basic	6.06	18.44	4.37	11.94
ii) Diluted	6.06	18.44	4.37	11.94
(For discontinued operation) i) Basic	-	(0.99)	-	-
ii) Diluted	-	(0.99)	-	-
(For discontinued & continuing operations) i) Basic	6.06	17.45	-	-
ii) Diluted	6.06	17.45	-	-

The Company recorded consolidated revenues of ₹2,038.37 crores for the year ended 31 March, 2021 representing a growth of (23%) over the previous year. The Company recorded a consolidated EBITDA of ₹77.18 crores and the EBITDA margins stood at 3.8%. We reported a PAT of ₹13.84 crores. Our standalone revenues stood at ₹1,957.24 crores for the year ended 31 March, 2021. The standalone PAT stood at ₹ 9.98 crores.

2. Share Capital

The paid-up Equity Share Capital of the Company as on March 31, 2021 is 2284.93 Lakhs comprising of 2,28,49,326 equity shares of ₹10 each.

During the year under review, the Company has not issued or allotted any shares of the Company. The Company does not have any outstanding warrants or any convertible instruments as on March 31, 2021.

3. Transfers to reserves

The Company has not transferred / appropriated any amount to the General Reserve during the year ended March 31, 2021.

4. Dividend

The Board of Directors, in view of conserving the financial resource ahead due to COVID-19, has not recommended any dividend for the year.

5. Material changes and commitment, if any, affecting financial position of the Company from the end of the financial year till the date of this Report

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report, except for the impact arising out of COVID-19.

6. Unclaimed Dividend

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.

Transfer to Investor Education and Protection Fund ("IEPF")

a) Transfer of Unclaimed Dividend to IEPF

Pursuant to the provisions of Section 124 of Companies Act, 2013 read with IEPF (Accounting, Audit, Transfer and Refund) Rules 2016, dividends which remain unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account are required to be transferred by the Company to Investor Education and Protection Fund ("IEPF") established by the Government of India under the provisions of Section 125 of the Companies Act, 2013.

During the year under review, there is no unclaimed divided required to be transferred to the Account of IEPF.

b) Transfer of Shares to IEPF

Section 124 (6) of Companies Act, 2013, read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, mandates transfer of underlying shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of Investor Education and Protection Fund.

During the year under review, the Company is not required to transfer shares to the IEPF Authority pursuant to the aforesaid rule.

7. 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 i.e. https://www.shankarabuildpro.com/pdf/pdf-Dividend-Distribution-Policy.pdf

The said Policy has been annexed as **Annexure-I** to this Directors' Report.

8. Subsidiary Companies

Shankara Building Products Limited has the following subsidiary companies

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

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

(iii) Centurywells Roofing India Pvt. Ltd – Wholly owned subsidiary primarily engaged in providing color coated roofing products. It has processing facilities in Chennai, Bengaluru, Secunderabad, Coimbatore, Pune, Vijayawada and Hubli, Mysore and Mangalore.

(iv) Steel Network (Holdings) Pte. Ltd. – Wholly owned subsidiary, registered at Singapore engaged in the business of manufacture, distribution of roofing sheets, steel pipes and general hardware and general wholesale trade (including general importers & exporters).

No new subsidiary was added and no company has ceased to be a Shankara Building Products Limited subsidiary during FY 2020-21.

Pursuant to the provisions of section 129(3) of the Companies Act, 2013, a Statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is annexed as **Annexure- II** to this Directors' Report.

In compliance with section 136 of the Companies Act, 2013, the Financial Statements of the Subsidiaries are available on the website of the Company and also will be made available upon the request by any member of the Company.

The policy for determining "Material Subsidiary" framed by the Company in terms of Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website at the following link **https://www.shankarabuildpro.com/pdf/pdf-Material-Subsidiaries.pdf**

9. Auditors and Audit Reports

(i) Statutory Auditor: In terms of the provisions of section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.004207S), have been appointed as Statutory Auditors of the Company to hold office from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General Meeting to be held during calendar year 2024.

In accordance with the amendment to the provisions of Section 139 by the Companies Amendment Act 2017, notified on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified by the Members at every Annual General Meeting.

(ii) Secretarial Auditor: Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules thereunder, 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 2020-21.

The Secretarial Audit Report for FY 2020-21 of the Company is appended as **Annexure- III** to the Directors' Report.

The Annual Secretarial Compliance Report of the Company for FY 2020-21 signed by Mr. K. Jayachandran, Practicing Company Secretary is appended as **Annexure- IV** to the Directors' Report.

10. 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 are self-explanatory and does not need further explanation.

(ii) Secretarial Auditor's Report

The Secretarial Audit Report does not contain any reservation, qualification or adverse remark, which calls for any further explanation.

11. Particulars of Remuneration to Directors and Key Managerial Personnel

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 framed and adopted a policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees of the Company in line with the provisions of section 178 of the Companies Act, 2013 and Part D of Schedule II of SEBI (LODR) Regulations, 2015. The Policy is available on the website at https://www.shankarabuildpro.com/pdf/pdf-Nomination-Remuneration-Policy.pdf

It is affirmed that the appointment and remuneration of Directors, Key Managerial Personnel and all other employees during the year ended March 31, 2021 is in accordance with the Nomination and Remuneration Policy of the Company.

A Statement of Disclosure of Remuneration pursuant to Section 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure- V** forming part of this Directors' Report.

12. Particulars of Remuneration to 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-VI** and form part of this Report.

13. Corporate social responsibility

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has formed a Corporate Social Responsibility Committee which monitors and oversees various CSR initiatives and activities of the Company. The Company's CSR Policy is available on the website at https:// www.shankarabuildpro.com/pdf/pdf-CSR-Policy.pdf

During the year under review, the Company primarily extended its support to the projects in the areas of promoting education, healthcare infrastructure, supporting primary education, environment sustainability, rehabilitating abandoned women and children. The Chief Financial Officer of the Company has furnished a "certificate" to the management that the funds disbursed has been utilized and in the manner approved by the Board of the Company.

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- VII** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the year 2020-21, the Company allocated an amount of ₹109.76 Lakhs to be spent on corporate social responsibility (CSR) activities which includes carried forward amount from the previous year. Out of this, the Company spent ₹ 109.76 Lakhs during the year under review.

The Company believes in spending on such activities which really benefit the targeted beneficiaries. During the year under review, the Company, while continuing to support its ongoing projects, has associated itself with few new projects to expand its CSR initiatives in a systematic manner.

The Company is continuously extending its effort for making contributions to various socially useful projects and is confident of meeting the statutory requirement in the coming financial year.

14. 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 Directors' Report as **Annexure-VIII**

15. Extract of annual return

Pursuant to 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- XI** forming part of this Directors' Report.

Pursuant to the provisions of Section 36 of the Companies (Amendment) Act, 2017 notified effective from July 31, 2018 read with Section 92(3) of the Companies Act 2013, the extract of the Annual Return in the prescribed form i.e. Form MGT-9 is placed on the Company's website at https://www.shankarabuildpro.com/financials.html#voting.

16. Key consolidated balance sheet information

The Consolidated Financial Statements of the Company and its Subsidiaries for the financial year ended March 31, 2021 prepared in compliance with the Indian Accounting Standards notified under Section 133 the Companies Act, 2013, Section 129(3) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with Auditors' Report thereon form part of this Annual Report.

17. Capital Expenditure on tangible assets

This year, on a standalone basis, we undertook a capital expenditure of ₹ 6.84 Crores (Gross) as against ₹ 17.06 Crores (Gross) in the previous year.

On a consolidated basis, our capital expenditure stood at ₹ 14.44 Crores (Gross) for FY 2021 as against ₹ 23.61 Crores (Gross) for the previous year.

18. Change in the nature of Business

The Company continues to be in the business of organized retailers of home improvements and building products and there has been no change in the nature of business of the Company or any of its subsidiaries during the year under review.

19. Credit Ratings

CRISIL has assigned the Long Term Rating BBB+/Stable' and Short Term Rating 'CRISIL A2' on the bank loan facilities of the Company.

20. 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 and one is Non-Executive and Non Independent Director. The composition of the Board of Directors is in due compliance of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. Retirement by rotation

Mr. RSV. Siva Prasad (DIN : 01247339), 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 for the approval of the Members.

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.

C. Appointments and Re-appointments

On the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 29th January, 2021 has approved the re-appointment of Mr. Sukumar Srinivas (DIN: 01668064) as a Managing Director and Mr. C. Ravikumar (DIN: 01247347) as a Whole-time 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 203 of the Act, the key managerial personnel of the Company are - Mr. Sukumar Srinivas, Managing Director, Mr. Alex Varghese, Chief Financial Officer and Ms. Ereena Vikram, Company Secretary.

D. Resignation

During the year under review, Mr. Siddhartha Mundra, Chief Executive Officer of the Company resigned from the Company, effective from November 30, 2020. The Board places on record its appreciation for the valuable contribution made by him during his association with the Company.

21. Declaration by Independent Directors

The Company has received necessary declaration from all the Independent Directors of the Company under the provisions of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

22. Board and Committee Meetings

The Board during the financial year 2020-21 met seven times viz. 10th June, 2020; 13th July, 2020;

13th August, 2020; 9th November, 2020; 30th November,2020, 29th January, 2021 and 12th February, 2021 and also had one meeting of Independent Directors. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the meetings of the Board and various Committees of the Board are included in the report on Corporate Governance, which forms part of this Report.

23. Audit & Risk Management Committee

The Audit & Risk Management Committee of the Board, currently headed by an Independent Director as Chairperson meets at regular intervals to discharge its terms of reference effectively and efficiently. During the year, there were no instances where the recommendations of the Audit Committee were not accepted by the Board. A detailed note on the composition, role and functions of the Audit Committee are disclosed in the Report on Corporate Governance, which forms part of this Report.

24. Directors Responsibility Statements under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

i. in the preparation of the Annual Accounts of the Company, both standalone and consolidated, for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act 2013, have been followed and that there are no material departures from the same.

ii. the Directors have selected such accounting policies 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 as at March 31, 2021 and of the profit for the year ended on that date;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Annual Accounts for the year ended March 31, 2021 have been prepared on a going concern basis;

v. adequate internal financial controls have been laid down and such controls are operating effectively;

vi. proper and adequate systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are operating efficiently; and

vii. there are no instances of frauds involving the officers or employees of the Company reported by the Auditor under section 143(12) of the Act during the year ended March 31, 2021.

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.2020-21.

25. Human Resource

As of March 31, 2021 we have 739 employees on the payroll of our Company and 161 employees on the payroll of Subsidiaries. The following table sets forth the break-up as of March 31, 2021:

Sr. No	Departments	No.of Employees
1.	Sales and Marketing	353
2.	Finance, Accounts and Administration	264
3.	Operations	132
4.	Supply Chain	151
	Total	**900**

In addition to the employees listed above, we also engage contract labour to facilitate our processing operations. As of March 31, 2021, we engaged 115 contract workers in our Company and 124 contract workers in subsidiaries Company. Our Company is in compliance with the Contract Labour (Regulation and Abolition) Act, 1970, and the rules prescribed thereunder in this regard.

26. 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.

27. Board Performance Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, annual evaluation of the performance of the Board, the Directors individually as well as the evaluation of the working of its various committees has been carried out through a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, independence, governance, ethics and values, adherence to corporate governance norms, attendance and contribution at meetings etc.

The evaluation process has been explained in the Corporate Governance Report, which forms part of this report.

28. 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 Directors' Report.

The Company has not extended any loans, guarantees or investments to any other person or body corporate during the year under review.

29. Particulars of contracts or arrangements made with related parties

The Company has adopted a Policy for dealing with the transactions with related parties in line with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, which is available on the Company's website at **https://www.shankarabuildpro.com/pdf/pdf-RPT.pdf**

During the financial year ended 31 March, 2021, 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 are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. The particulars of such transactions with related parties have been disclosed at note no. 47 in the standalone financial statements as required under Ind AS 24- Related Party Disclosures and as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations or which may have a potential conflict with the interests of the Company during the financial year.

During the year, there were no contracts or arrangements or transactions entered into with the related parties other than at arm's length price. Accordingly, there were no transactions during the year ended March 31, 2021 required to be reported in Form AOC-2 of the Companies (Accounts) Rules, 2014

30. Corporate Governance and Shareholders' Information

Pursuant to Regulation 34 of the Listing Regulations, a detailed report on Corporate Governance for the financial year 2020-21 along with a Certificate issued by a Practicing Company Secretary confirming compliance with the mandatory requirements relating to Corporate Governance as stipulated under Chapter IV of

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented as a separate section forming part of the Annual Report, forms an integral part of this report.

31. 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 Company continuously identifies the risk that it faces such as financial, liquidity, regulatory, legal and other risks and evaluates the same in line with the overall business objectives, functioning and growth of the Company. The Risk Management Policy can be accessed on the Company's website i.e. https://www.shankarabuildpro.com/pdf/pdf-Risk-Management-Policy.pdf

The details of risk management framework have been explained in the Management's Discussion and Analysis Report which is provided as an **Annexure- VIII** to this report.

32. Internal financial control systems and its adequacy

The Company has in place an adequate internal financial control system with reference to financial statements and such internal financial controls are operating effectively and no deficiencies have been observed during the year under review.

The Board has reappointed M/s GRSM & Associates, Chartered Accountants as Internal Auditor in the Board Meeting held on June 10, 2020.

33. Whistle Blower Policy

In pursuance of the provisions of Section 177(9) of the Companies Act, 2013, rules made thereunder and Regulation 4 of the SEBI (LODR) Regulations, 2015, your Company has formulated a vigil mechanism which also includes a whistle blower policy to deal with instances of unethical behavior, actual or suspected, fraud or violation of 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., **https://www.shankarabuildpro.com/pdf/pdf-Whistleblower-Policy.pdf**

34. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint of sexual harassment has been reported.

35. Deposits

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.

36. Compliance with Secretarial Standards

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

37. 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.

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

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 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 a Foreign Exchange inflow of USD 13,51,897.15 from our wholly owned subsidiary, Steel Network (Holdings) Pte Limited in Singapore to Shankara Building Products Limited to during the year.

39. Reporting of frauds

There were no instances of frauds 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 the rules made thereunder.

40. 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

During the year, no significant and material orders were passed by the regulators or courts or tribunals on the Company impacting the going concern status of the Company and Company's operations in future.

41. 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.

Acknowledgement

Your Directors take this opportunity to thank the employees, clients, vendors, investors, members, bankers and other business associates of the Company for their co-operation and valuable support extended during the year. Your Directors appreciate and value the contributions made by every member of Shankara family.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Sukumar Srinivas	**C. Ravikumar**
Place: Bengaluru	**Managing Director**	**Whole-time Director**
Date : June 10, 2021	DIN: 01668064	DIN: 01247347

Annexure-I to the Directors' Report

DIVIDEND DISTRIBUTION POLICY

As per SEBI regulations, Shankara Building Products Limited (the "Company") has approved and adopted the Dividend Distribution Policy at its meeting held on May 10, 2018, being the effective date of the policy. The policy details are as follows:

1. BACKGROUND, SCOPE PURPOSE AND EFECTIVE DATE

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations).

Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Shankara Building Products Limited (the "Company") being one of the top five hundred listed company as per the criteria mentioned above, the Company has approved and adopted this Dividend Distribution Policy (the "Policy") at its meeting held on May 10, 2018, being the effective date of the Policy.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Policy shall not apply to:

- Determination and declaration of dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders
- Issue of Bonus Shares by the Company
- Buyback of Securities.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

2. DEFINITIONS

2.1 **"Board"** shall mean Board of Directors of the Company.

2.2 **"Companies Act"** shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

2.3 **"Dividend"** includes any interim dividend.

2.4 **"Listed Entity / Company"** shall mean Shankara Building Products Limited.

2.5 **"Policy"** means Dividend Distribution Policy.

2.6 **"Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time.

2.7 **"Stock Exchange"** shall mean a recognized Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (regulation) Act, 1956.

3. POLICY

A. PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

The dividend pay-out decision of the Board depends upon the following financial parameters and internal and external factors:

Internal Factors

i. Operating cash flow of the Company
ii. Profit earned during the year
iii. Up gradation of technology and physical infrastructure
iv. Creation of contingency fund
v. Acquisition of brands and business
vi. Cost of Borrowing
vii. Past dividend payout ratio / trends
viii. Profit available for distribution
ix. Working capital requirements

x. Capital expenditure requirement

xi. Business expansion and growth

xii. Earnings Per Share (EPS)

xiii. Likelihood of crystallization of contingent liabilities, if any

xiv. Additional investment in subsidiaries and associates of the company

External Factors

i. Economic environment

ii. Capital markets

iii. Global conditions

iv. Government regulations

v. Statutory provisions and guidelines

vi. Dividend payout ratio of competitors

vii. Any other factors

Subject to the other considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management and other relevant factors.

B. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital structure to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, notwithstanding the parameters and factors conducive for dividend, subject to discretion of the Board of Directors,

i. Proposed expansion plans requiring higher capital allocation

ii. Whenever it undertakes any acquisitions, amalgamation, merger, joint ventures, business combinations, new product launches etc. which requires significant capital outflow

iii. Requirement of higher working capital for the purpose of business of the Company

iv. Whenever company proposes to utilize surplus cash for buy back of securities.

v. In the event of loss or inadequacy of profit

vi. Any restrictions and covenants contained in any agreement as may be entered with the lenders.

C. UTILIZATION OF THE RETAINED EARNING

The portions of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various activities and for fixed as well as working capital. Thus, the retained earnings shall be utilized for carrying out the main objectives of the Company and maintaining adequate liquidity levels. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Where the cost or debt is expensive
- Long term strategic plans
- Diversification of business
- Market expansion plan
- Modernization plan
- Other such criteria as the board may deem fit from time to time.

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year(s) or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

D. MANNER OF DIVIDEND PAYOUT

In case of final dividend

i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.

iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

In case of interim dividend

i. Interim dividend, if any, shall be declared by the Board.

ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.

iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

E. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

At present, the issued and paid-up share capital of the Company comprises only equity shares; the Company does not have different classes of shares. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

4. DISCLOSURES

The Company shall make appropriate disclosures as required under the SEBI Regulations.

5. POLICY REVIEW AND AMENDMENTS

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India (SEBI) or such other regulatory authority as may be authorized, from time to time, on the subject matter. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. In case of any amendment (s), clarification (s), circular (s) and so on issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification (s), circular (s) and so on shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment (s), clarification (s), and circular (s), among others.

Annexure-II to the Directors' Report

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(₹ in lakhs)

Sl. 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	9,940.12	11,470.26	1,379.13	-	100%	6,168.89	105.44	30.99	74.45	Nil
2	Vishal Precision Steel Tubes & Strips Pvt. Ltd	Rupees	350.00	6,497.75	14,671.57	7,823.82	-	100%	27,774.90	291.66	87.80	203.86	Nil
3	Century Wells Roofing India Pvt. Ltd	Rupees	199.92	2,485.27	6,599.01	3,913.82	-	100%	17,540.83	269.40	83.71	185.69	Nil
4	Steel Network Holdings Pte Limited	USD	0.48*	(0.30)	0.28	0.10	-	100%	0.02	(1.65)	Nil	(1.65)	Nil

***Note:** *The shareholders of M/s Steel Network Holdings Pte Limited have further reduced the share capital of the Company from US$ 1,555,919 divided into 1,555,919 ordinary shares to US$ 47,640 divided into 47,640 ordinary shares.*

For Shankara Building Products Limited

Sukumar Srinivas
Managing Director
DIN: 01668064

Place: Bengaluru
Date: June 10, 2021

Annexure-III to the Directors' Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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
G-2, Farah Winsford, No.133, Infantry Road,
Bangalore – 560001, Karnataka

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, 2021 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, 2021 according to the provisions of:

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

(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, Overseas 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, 2018;

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

   (c) 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;

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

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

   (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (was not applicable to the Company during the period under review)

   (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (was not applicable to the Company during the period under review)

   (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (was not applicable to the Company during the period under review)

   (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018; (was not applicable to the Company during the period under review) and

(j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (was not applicable to the Company during the period under review).

(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 Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

(ii) Secretarial Standards 1 and 2 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:

Due to COVID -19 pandemic and lockdown, we were not able to physically verify few documents and registers during our Audit and in such cases we have carried out the audit based on electronic documents/soft copies provided to us.

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, Independent Directors and Women Director. 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 were 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 Corporate Guarantee to Banks on account of various credit facilities availed by the wholly owned subsidiary companies.

2. The Company has entered in to related party transactions during the Financial Year and has considered all the related party transactions are on arm's length basis in the ordinary course of business.

3. The Company has availed loan of ₹40 Crores (Rupees Forty Crores) for principal business activities of the Company for a tenure of five years from Taurus Value Steel & Pipes Private Limited (CIN: U28112TG2009PTC064592), wholly owned subsidiary company.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
UDIN: A011309C000441453
Peer Review No: 784/2020

Place: Bengaluru
Date: June 10, 2021

Annexure A

To,
The Members,
SHANKARA BUILDING PRODUCTS LIMITED
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.

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
UDIN:A011309C000441453
Peer Review No: 784/2020

Place: Bengaluru
Date: June 10, 2021

Annexure-IV to the Directors' Report
ANNUAL SECRETARIAL COMPLIANCE REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To,
The Board of Directors,
SHANKARA BUILDING PRODUCTS LIMITED

G-2, Farah Winsford, No.133, Infantry Road,
Bangalore – 560001, Karnataka.

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, 2021** ("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) 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 Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

(f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (was not applicable to the Company during the period under review)

(g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (was not applicable to the Company during the period under review)

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (was not applicable to the Company during the period under review)

(i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018; (was not applicable to the Company during the period under review) and

(j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (was not applicable to the Company during the period under review).

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
1.	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.
1.	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 31st March 2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(e) I hereby certify that the listed entity has complied with the requirements as mentioned in 6 (A) and 6 (B) of Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019 issued by the Securities and Exchange Board of India.

Note: *Due to COVID -19 pandemic and lockdown, we were not able to physically verify and examine few documents and in such cases we have carried out the examination and audit based on the electronic documents/soft copies provided by the Company to us.*

Place: Bengaluru
Date: June 10, 2021

K. Jayachandran
Company Secretary
ACS No.: 11309/C P No.: 4031
UDIN:A011309C000441618
Peer Review No: 784/2020

SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARIES COMPANY

COMPANY NAME: TAURUS VALUE STEEL & PIPES PRIVATE LIMITED

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended 31st March, 2021
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
TAURUS VALUE STEEL & PIPES PRIVATE LIMITED
Sy. No. 487, Bachupally Village,
Kutbullapur Mandal, Telangana - 501401

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TAURUS VALUE STEEL & PIPES PRIVATE LIMITED** having **CIN: U28112TG2009PTC064592** (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, 2021 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, 2021 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under - Not applicable during the Financial Year;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas 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) Regulation 24 (Corporate governance requirements with respect to subsidiary of listed entity) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(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. Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India;

ii. Listing Agreement – Not Applicable as the Company has not entered in to any Listing Agreement during the Financial Year.

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

1. The Company was required to spend ₹ 81,18,000/- (Rupees Eight One Lakh and Eighteen Thousand Only) towards its Corporate Social Responsibility (CSR) obligation during the Financial Year 2020-21 but the Company has spent ₹11,80,000/- (Rupees Eleven lakh Eighty Thousand Only.) and ₹69,38,000/- (Rupees Sixty Nine Lakh

Thirty Eight Thousand Only) was remaining as unspent CSR amount as on 31st March, 2021.

I further report that:

Due to COVID -19 pandemic and lockdown, we were not able to physically verify few documents and registers during our Audit and in such cases we have carried out the audit based on electronic documents/soft copies provided to us.

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 exist 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 were 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 entered in to related party transactions during the Financial Year and the Board has considered all the Related Party Transactions are in the Ordinary course of Business at arm's length basis.

2. The Company has obtained approval of the Members by way of Special Resolution pursuant to provisions of Section 186 of the Companies Act, 2013 to give loan, guarantee or providing security within the group Companies up to a sum of ₹ 200 Crores (Rupees Two Hundred Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more.

3. The Company has obtained approval of the Members by way of Special Resolutions pursuant to provisions of Section 185 of the Companies Act, 2013 to give guarantee or security in connection with loan taken by Shankara Building Products Limited (CIN: L26922KA1995PLC018990), Holding Company up to an aggregate loan of ₹150 Crores (Rupees One Hundred and Fifty Crores) and to give guarantee or security in connection with loan taken by Vishal Precision Steel Tubes and Strips Private Limited (CIN: U00291KA1991PTC012581) a fellow subsidiary company up to an aggregate loan of ₹50 Crores (Rupees Fifty Crores).

4. The Board of Directors of the Company has given consent to grant loan not exceeding ₹40 Crores (Rupees Forty Crores) to M/s Shankara Building Products Limited, Holding Company and not exceeding ₹30 Crores (Rupees Thirty Crores) to Vishal Precision Steel Tubes and Strips Private Limited, Fellow Subsidiary Company for a tenure of five years.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place: Bengaluru
Date: May 28, 2021

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
UDIN: A011309C000388455
Peer Review No: 784/2020

Annexure - A

To,
The Members,
TAURUS VALUE STEEL & PIPES PRIVATE LIMITED
Sy. No. 487, Bachupally Village,
Kutbullapur Mandal, Telangana - 501401

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: May 28, 2021

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
UDIN: A011309C000388455
Peer Review No: 784/2020

COMPANY NAME: VISHAL PRECISION STEEL TUBES & STRIPS PRIVATE LIMITED

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
VISHAL PRECISION STEEL TUBES AND STRIPS PRIVATE LIMITED
Plot No.47, Industrial Area, Hoskote,
- 562114, Karnataka

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VISHAL PRECISION STEEL TUBES AND STRIPS PRIVATE LIMITED** having **CIN: U00291KA1991PTC012581** (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, 2021 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, 2021 according to the provisions of:

(i) The Companies Act, 2013 (‘the Act’) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under to the extent applicable;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under - Not applicable during the Financial Year;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas 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) Regulation 24 (Corporate governance requirements with respect to subsidiary of listed entity) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(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. Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India;

ii. Listing Agreement – Not Applicable as the Company has not entered in to any Listing Agreement during the Financial Year.

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:

Due to COVID -19 pandemic and lockdown, we were not able to physically verify few documents and registers during our Audit and in such cases we have carried out the audit based on electronic documents/soft copies provided to us.

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 exist 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 entered in to related party transactions during the Financial Year and considered all the Related Party Transactions were in the Ordinary course of Business at arm’s length basis.

2. The Board of Directors of the Company has passed necessary resolutions in the Meeting held on 11th February, 2021 to avail loan not exceeding ₹30 Crores (Rupees Thirty Crores)

for the principal business activities of the company for a period of five years from Taurus Value Steel & Pipes Private Limited, a Fellow Subsidiary Company (CIN: U28112TG2009PTC064592).

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place: Bengaluru
Date: May 28, 2021

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
A011309C000388565
Peer Review No: 784/2020

Annexure - A

To,
The Members,
VISHAL PRECISION STEEL TUBES AND STRIPS PRIVATE LIMITED
Plot No.47, Industrial Area, Hoskote,
KA - 562114

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: May 28, 2021

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
A011309C000388565
Peer Review No: 784/2020

Annexure-V to the Directors' Report

STATEMENT OF DISCLOSURE OF REMUNERATION

(Information pursuant to 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 2021, the percentage increase in remuneration of Managing Director, Whole time Directors , Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2021.

Sl. No	Name of Executive Director/Key Managerial Personnel	Designation	Ratio of Median	Percentage (%) increase in Remuneration
1.	Mr. Sukumar Srinivas	Managing Director	0%	Nil
2.	Mr. C. Ravikumar	Whole-time Director	24.28%	Nil
3.	Mr. RSV. Siva Prasad*	Non-Executive and Non-Independent Director	4.86%	Nil
4.	Mr. Siddhartha Mundra**	Chief Executive Officer	31.74%	Nil
5.	Mr. Alex Varghese	Chief Financial Officer	12.39%	Nil
6.	Ms. Ereena Vikram	Company Secretary	4.17%	Nil

**The Board of Directors at its meeting held on 29th January, 2021 changed the designation of Mr. RSV. Siva Prasad from Whole-time Director to Non-Executive and Non-Independent Director of the Company w.e.f. 1st January, 2021. The median remuneration calculated till 31st December, 2020.*
*** Resigned w.e.f 30th November, 2020.*

2. Percentage increase in remuneration of Non-Executive Director's:

Sl. No	Non-Executive Directors	Ratio to Median	% of Increase
1.	Mr. V. Ravichandar	Non-executive Directors and Independent Directors were paid only Sitting Fees for attending meetings of the Board and Committees of the Board. Hence, Ratio to Median is not applicable.	Not Applicable
2.	Mr. B. Jayaraman		
3.	Mr. Chandu Nair		
4.	Ms. Jayashri Murali		
5.	Mr. RSV. Siva Prasad		

3. Percentage increase in the median remuneration of employees for the financial year 2020-21: Nil

4. Number of permanent employees on rolls of the Company as on March 31, 2021: 739(Standalone)

5. Average percentile increase already made in the Salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The managerial remuneration being paid to Managing Director and Whole-time Director is as per the provisions of Companies Act, 2013 and within overall limit prescribed in the Act.

The percentage increase in average salaries paid to employees during the year 2020-21 was Nil.

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

It is hereby affirmed that the remuneration to Directors and Key Managerial Personnel for the year 2020-21 was as per the terms of the appointment and remuneration policy of the Company.

For Shankara Building Products Limited

Place: Bengaluru
Date: June 10, 2021

Sukumar Srinivas
Managing Director
DIN: 01668064

Annexure-VI to the Directors' Report

Information pursuant to Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Qualification	Designation	Date of Commencement of Employment	Experience (Yrs.)	Gross Remuneration (₹)	Last Employment
Mr. Sukumar Srinivas	B.Com; PGD (Business Management)	Managing Director	13.10.1995	38	Nil	Gemini Steel Tubes Limited
Mr. C. Ravikumar	B.Sc.	Whole-time Director	13.10.1995	34	44,55,846	Gemini Steel Tubes Limited
Mr. RSV Siva Prasad*	B.Sc.	Non-Executive Non-Independent Director	13.10.1995	38	12,97,800	Shivmoni Steel Tubes Ltd
Mr. Alex Varghese	B.Com	CFO	13.10.1995	28	23,80,203	The Aluminium Industries Limited
Mr. Siddhartha Mundra**	B. Tech; PGD (Business Management)	CEO	09.06.2017	18	50,71,266	Fairwinds Equity Advisors India limited
Ms. Ereena Vikram	B.Com, LL.B, M.A (PMIR)	CS	08.09.2016	7	8,72,404	Corpus Software Private Limited
Mr. M. P .Jayagopal	B.Com	G.M & Regional head	01.04.2001	34	16,39,500	Gemini Steel Tubes Limited
Mr. Murali G	B.E (Electrical)	V.P-Marketing	01.05.2019	28	22,24,875	Shree Lakshmi Steel Suppliers
Mr. C. Jaiprakash	B.A	G.M-logistics	13.10.1995	37	16,64,525	Dimensions Technology Furniture
Mr. Muralidhar Raichur	B.Com	G.M-Marketing	01.03.2006	35	14,65,525	Saregama India Limited
Mr. Narendra Thakur	Engineering (Industrial Production)	DGM	01.11.1997	30	13,62,816	Gemini Steel Tubes Limited

*(i) *Change in designation from whole-time Director to Non Executive and Non- independent Director of the company w.e.f 1st January, 2021*

*(ii) ** Resignation w.e.f November 30, 2020.*

Notes:

1. Gross Remuneration includes salary, allowances, company contribution to provident fund, commission and other benefits.

2. No other employee mentioned above is related to any Director of the Company

For Shankara Building Products Limited

Place: Bengaluru
Date: June 10, 2021

Sukumar Srinivas
Managing Director
DIN: 01668064

Annexure-VII to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE YEAR 2020-21

1. Brief outline on CSR Policy of the Company.

Shankara works towards improving healthcare infrastructure, education, environment sustainability, rehabilitating abandoned women and children. The Company's focus has always been to contribute to the sustainable development of the society and environment in compliance with section 134 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below:

CSR policy: https://www.shankarabuildpro.com /pdf/pdf-CSR-Policy.pdf
CSR projects:
https: //www.shankarabuildpro.com /csr.html

The main focal areas of Shankara Corporate Social Responsibility activities are:

- Adoption of a school in Bengaluru 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.
- Sponsorship for spinal cord & medical checkup
- To advance, transmit and spread awareness of India's rich culture, ethical and philosophical heritage among the children.

Shankara Building Products Limited ("SBPL") on a standalone basis was expected to spend ₹ 109.76 Lakhs towards CSR in the year 2020-21 including carried forward amount from the previous year. It has identified and allocated ₹ 109.76 lakhs out of which ₹ 109.76 Lakhs has been disbursed.

2. Composition of the CSR Committee:

Sl. No	Name of Director	Designation/Nature	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Jayashri Murali	Chairman, Independent Director	2	2
2.	Mr. Chandu Nair	Member, Independent Director	2	2
3.	Mr. Sukumar Srinivas	Member, Managing Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of the CSR committee shared above and is available on the Company's website on https://www.shankarabuildpro.com/pdf/Committee%20Members-21.pdf

The Company's CSR Policy is available on the website at https://www.shankarabuildpro.com/pdf/pdf-CSR-Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the Company as per Section 135(5): ₹ 3,950.99 Lakhs

7. (a) **Two percent of average net profit of the company as per section 135(5):** ₹ 79.02 Lakhs

(b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years: No**

(c) **Amount required to be set off for the financial year, if any:** N/A

(d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 79.02 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
109.76	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakh)	Amount spent in the current financial Year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ in Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

c) Details of CSR amount spent against other than ongoing projects for the financial year:

₹ in Lakhs

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Jala-Nela- Water Shed Programme	iv	Yes	Ranibennur	Karnataka	33.58	No	Concern India Foundation	CSR00000898
2.	Education of underprivileged Boys. Adopted a government school with 31 Boys "Shankara Boys School" Established and maintaining hostel facilities for boys under the name of Shankara Building Products Boys Home	ii	Yes	Bengaluru	Karnataka	15.78	No	Need Base India	CSR00003957
3.	Sponsorship for spinal cord & medical checkup	i	No	Ayikudy	Tamil Nadu	2.40	No	Amar Seva Sangh	CSR00000229
4.	To advance, transmit and spread awareness of India's rich culture, ethical and philosophical heritage among the children	ii	Yes	Bengaluru	Karnataka	50.00	No	National Institute of Value Education, Iskcon Bengaluru	Registration in progress
5	Renovation of School Toilets	i	No	Chennai	Tamil Nadu	8.00	No	Rotary club of Madras Temple City	Registration in progress
	Total					**109.76**			

(d) Amount spent in Administrative Overheads: No

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹109.76 Lakhs

(g) Excess amount for set off, if any

Sl. No	Particular	Amount (₹ in Lakh)
1.	Two percent of average net profit of the Company as per Section 135(5)	79.02
2.	Total amount spent for the Financial Year	109.76
3.	Excess amount spent for the financial year [(ii)-(i)]	30.74
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in Lakh)	Amount spent in the reporting Financial Year (₹ in Lakh)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Lakh)
				Name of the Fund	Amount (₹ in Lakh)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakh)	Amount spent on the project in the reporting Financial Year (₹ in Lakh)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakh)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset (s): None

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason (s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

For Shankara Building Products Limited

Sukumar Srinivas
Managing Director
DIN: 01668064

Jayashri Murali
Chairman, CorporateSocial Responsibility
DIN: 00317201

Place: Bengaluru
Date: June 10, 2021

Annexure-VIII to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview of the Industry

There have been many events which have impacted the world over the centuries. Some have impacted lifestyle, business and industry and global economy as a whole. COVID 19 has been one such event that has shaken the world including India. The scale of the pandemic and resultant lockdowns had paralyzed much of business activity including the building material segment.

Economies are now opening; industrial and business activity is picking up. In the second half of FY21 economies, particularly India was recovering faster than expected. India's GDP contracted by 7.3% as compared to the shrinkage of 24% in April-June 2020. The second half of FY21 recorded a positive growth. Two sectors bucked the trend - agriculture which grew by 3.6%, public utilities by 1.9%. Other sectors like manufacturing, construction have been recovering steadily. Exports of many items, particularly steel and certain building materials, have been growing steadily. Government consumption has also been an important factor in the revival of the economy.

India is a middle income developing economy. The long-term growth perspective of the Indian economy remains positive due to its young population and corresponding low dependency ratio, healthy savings, and investment rates, increasing globalization of India and integration into the global economy.

The fundamentals of the economy remain strong as gradual scaling back of lockdowns along with the support of Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival. The Government of India, IMF and various think tanks place India's GDP growth for the year 2021-22 in a range of 10 to 12%. It is also expected that India would continue to grow at around 7% for the year 2022-23.

India is expected to emerge as the fastest growing economy in the next two years as per the IMF. The sharp rebound of the manufacturing sector, construction and booming stock markets indicate the resilience of the Indian economy.

Building material industry structure

The building material retail industry is very fragmented. Most retail outlets specialize in select product categories. Most are single store operations. Customers value variety, price and service. Given the trust deficit in the building material category, customers are also looking for the right guidance and genuine products. They are likely to gravitate towards stores which provides an array of options, are competitively priced, conveniently located and deliver in a time bound manner.

On the retail side, we are seeing some pickup in construction activity. Also individual home builders are making use of historically low interest rates. Various cost optimization and cost control measures have been adopted internally to control the costs and preserve capital. This has yielded positive results.

Few trends that will benefit organized retail are as follows:

1. Convenience for customers - Customers are increasingly looking for convenience for fulfilling their need for products and brands at a single location which offers large selection in terms of brands and products. Points of purchase and terms of delivery are increasingly becoming key components of customer buying behaviour.

2. Creating customer connect – Increasing use of technology towards planning, creating consumer convenience, better merchandising to suit customer requirements and targeted customer reach out is further helping cement customer connect for organized retail. With the advent of high innovation and differentiation in terms of products, brands, marketing and consumer connect, organized retail is set to lead the way in terms of growth of the retail sector.

3. Assurance of authenticity – the trust factor behind availability of genuine brands, large selection of products backed by a trusted corporate retail chain assures authenticity to customers.

With the advent of high innovation and differentiation in terms of products, brands, marketing and consumer connect, organized retail is set to lead the way in terms of growth of the retail sector.

Institutional customers

Institutional customers form a large share of sales of the building material industry. An early entry into such customers and projects becomes critical. Some of these sales may also have higher working capital requirements. However, there are customer segments and products segments which can provide some niches. Bespoke products integrate these customers more tightly with suppliers. Timely availability of products also becomes a key differentiator in this category.

Outlook

We are once again in a period of uncertainty due to the second wave of COVID-19 which is impacting India substantially. Lockdowns have once again started and this is a cause for concern for the growth momentum that we witnessed in the second half of last year. However, we continue to be positive on the growth prospects of the building products industry. We believe that the fiscal measures provided by the government will support this important sector.

2. Opportunities & Threats

The opportunities and threats faced by the Company are enumerated below:

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. The growth opportunity is substantial in the geographies we operate. We see similar such opportunities in other parts of the country. Having a well distributed store setup with variety in terms of categories and brands can draw customers towards our stores. Having optimal inventory in conjunction with warehousing and supply chain infrastructure ensures that we offer better service levels to customers. Shankara Buildpro is a multi-product, multi-brand, multi-location retail chain with 90+ stores. 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. Many independent stores face viability issues in a rising competitive environment. Further, small stores do not have the economic strength to sustain the lockdowns and negative impact of the pandemic. We believe that in this current environment our stores are poised for growth on a same store basis.

- Shankara has a unique eco system. The Company has well differentiated business units which complement each other. We have processing units, a channel and enterprise vertical as well as a retail segment. This unique model helped us tide over the adverse effects of the pandemic.

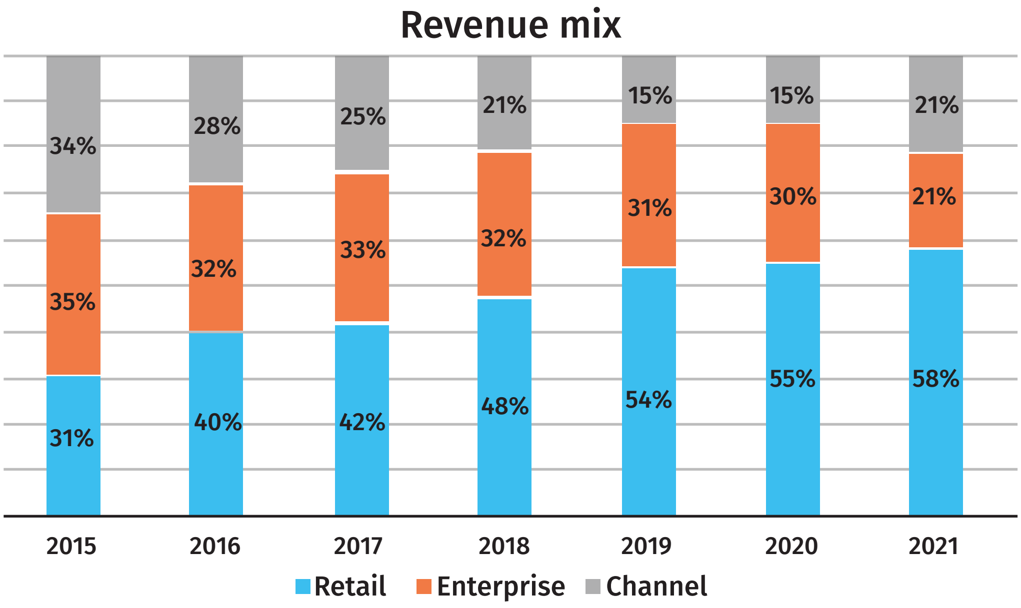
Threats

- 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 launched our online digital store www.buildpro.store through which we service customer orders across India. We are also looking at building capabilities to make our sales teams more effective.

3. Segment wise or Product wise performance

We have three business segments – retail, enterprise and channel. The retail segment is the largest and the fastest growing segment of the Company. The retail business contributes 58% of the total revenues of the Company and channel segment ~ 21%. This is the key focus area of the Company. The enterprise business contributes 21% of the total revenues. In the enterprise segment we focus on margin accretive opportunities. The following chart captures the revenue share of the key business segments and how their share has changed over the last few years.



I. Retail segment

We are one of the largest retailers of home improvement and building products in India based on the number of stores. We run a chain of 90+ retail stores (as on 31st March, 2021) operating under the brand **"Shankara Buildpro".** Our retail operations are spread across South, West and 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 agriculture sector.

The COVID-19 pandemic and subsequent lockdowns severely curtailed our operations for the first half of the year 2020-21. Consequently all our business segments did not register any growth. Our retail revenue was ₹1,183.95 Cr in FY21 which was 58% of our total sales. *Our comparable sales growth gained momentum with each passing quarter of the year. Sales in Q1 of FY21 was ₹209.19 Cr, Q2 at ₹283.02 Cr, Q3 at ₹323.63 Cr and Q4 at ₹368.10 Cr which indicates a sharp recovery over the year. The Q4 sales figure of FY21 compares very favorably with the Q4 sales figure of FY20 which was ₹365.06 Cr. Our segment EBITDA margins stood at 5.7% in FY 21. However, it may be noted that segment EBITDA for Q1 was negative 1% which improved to positive 7.22% in Q4 FY21.

Our focus has been on consolidating the operations in the last financial year. To this effect, we rationalized some of our stores. The total store count as on 31st March, 2021 stood at 95.

We are looking to build depth across all our product categories. In addition to providing in-store display of products, we also do catalogue based selling. We are also looking to use our digital store as a product discovery platform for our customers. Our focus would be to capture a larger share of wallet of our existing customers. We are also looking to leverage the strength of the brands we deal with to create customer pull for our stores. All these should have a positive impact on the revenue growth opportunities of our stores.

Our retail footprint spans ~4.47 lakh sq.ft. Our average store size is ~4,700 sq.ft. As of now we continue to focus on South India. We are working on the following aspects on our retail network:

- We continue to optimize our store network and look to scale them further. Upgrading stores, rationalizing costs, ensuring efficient supply chain continue to be our focus. We place utmost importance in hiring the right manpower and training. Cross sell continues to be our key theme across our retail stores. We want to leverage our existing customer relationships to sell more of our expanded range of products.

- Continued outreach to customers clearly forms an important part of our strategy. We do this through in-store customer meets, participation in local industry events & exhibitions and advertising in relevant industry journals. We also do lot of local activation programs like newspaper inserts, pamphlets, vehicle and store branding. We communicate our key differentiators of trust, convenience and best price. We are also strengthening our presence in the online domain and are doing a number of focused activities to build domain authority for our ecommerce website **www.buildpro.store.**

II.Enterprise segment

Enterprise segment recorded revenues of ₹432.60 Cr in FY 21 as against ₹804.22 Cr in FY 20. We witnessed substantial contraction in this segment of our business due to the pandemic. Many of the industrial customers were able to resume operations only in the second quarter of FY21. However, we saw gradual recovery over the year. Our sales in this segment for Q1 was ₹49.19 Cr, Q2 was ₹97.62 Cr, and Q3 was ₹126.67 & Q4 was ₹159.11 Cr. We have tightened our credit norms in this segment which also curtailed our sales.

We did witness a good recovery in the auto segment in Q3 FY21. Manufacturing activity had started picking up in the second half.

III.Channel segment

The channel business recorded revenues of ₹421.82 Cr for FY 21 as compared to ₹393.65 Cr for FY20 recording a growth of 7%. The Channel vertical saw a positive growth primarily because of reasonable activity in the smaller towns and districts in many states. In the first wave of the pandemic and subsequent lockdowns, we observed that many interior districts were kept open as the severity of the pandemic was restricted to larger cities. Further, we observed that the cash flows were consistent which was particularly useful in the pandemic year.

In this segment we cater to dealers and other retailers through our branch network. The Channel segment continues to be a strategic business for us. It builds understanding of the markets and the emerging trends. The Channel business also helps us in our other business segments. It helps optimize costs and helps us in securing scale benefits. We have been consolidating this segment over the last few years. The share of revenues in the channel segment has steadily come down from 43% in FY 2013 to 21% in FY 2021.

Processing

We have further optimized our processing activities consequent to the pandemic in FY21. We have reduced production and turnovers in these processing units which are housed in our subsidiaries. However, all the units were profitable for the financial year 2020-21.

Our processing units complement the three business verticals of retail, channel & enterprise. We make certain roofing products in our own brand which have a good market in our retail segment. We focus on customizing some of our products which cater to needs of certain enterprise customers.

We now have 13 functional processing units. These units are not very capital intensive.

Supply chain management

Supply chain and logistics is a very important aspect of our business. We have a warehousing network spread over -5.79 lakhs sq.ft in various states of our operations. Our warehouses cater to all our business verticals. It is very critical in ensuring storage of material and timely delivery to our retail units. The Company owns most of our warehousing space. We also own a fleet of trucks. Additionally, we do utilize the services of outside agencies for transporting our materials.

4. Outlook

FY21 was largely impacted by the COVID-19 pandemic. The Company took numerous measures to mitigate the fall out of lockdowns and adverse economic conditions. Some of the key areas Shankara focused on were (a) improving the working capital cycle which meant rationalizing current assets, primarily inventory & debtors. (b) Reduce expenses across the board with an additional focus on interest cost. (c) Ensure healthy cash flows. We also rationalized some of our product segments and increase the depth of the existing categories. These measures yielded good results and were visible from Q3 of FY21.

The impact of the pandemic seemed to be waning towards the last quarter of FY21. However, a very virulent second wave of COVID-19 has been raging since April 2021 of this year. Lockdowns started throughout the country. Therefore, this has once again introduced a great deal of uncertainty to the business environment. However, this time around Shankara has not been completely taken by surprise. We had not let our guard down over the last year. Many of the measures which we took over the last financial year continue to hold good for the coming year. We also anticipate that because of our preparedness we will weather FY22 in a reasonably good way and our confident of returning to the growth path.

We are and will continue to monitor the impact of COVID-19 on our business.

5. Risks and concerns

Each business has areas of key risks and concerns. For our business, we have identified key risks as – place, product, people and pricing. These are further detailed below:

- Place – The location of our retail stores is very important to ensure visibility, convenient accessibility and subsequent walk-ins. This will sustain sales. Availability of retail spaces relevant for our format and cost structure is important. Most of our locations are on a rental basis. We need ample parking space for customers as well as space for loading / unloading of goods from our transport vehicles.

- 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 some element of consultative selling required. We constantly train our own manpower and also recruit experienced hands from the industry. We conduct regular training sessions for our staff.

- Pricing – Pricing is an important aspect of our sales. We are in a competitive industry. Some of our product categories like steel could witness price volatility. We try to ensure that the inventory level of such products are 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.

- Covid- The Covid19 pandemic continues to challenge business in every possible way and has amplified existing risks. The pandemic has impacted consumer behavior, growth plans and supply chains. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disruption to people and businesses. In responding to this crisis, our primary objective has been to ensure the safety of our employees and put in place mechanisms to protect the financial wellbeing of the Company, and protect its long-term prospects.

6. 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. Extensive and systematic program of risk and transaction based internal audits cover all divisions, plants, branches and different areas of operations. The scope includes inputs received through internal audits, compliance with accounting standards, risk management and different control systems. The report is also presented to the Audit Committee for feedback and further improvements.

7. Discussion on financial performance with respect to operational performance

We are in the process of consolidating our operations and had taken some key measures in the previous financial year FY20. As this was an ongoing process we continued with some of these measures in FY21. FY21 also witnessed the pandemic which meant that the Company had to take additional financials measures to sustain operations and deliver a reasonable performance. As mentioned earlier we took measures to reduce the working capital cycle, rationalize cost and improve the cash flows.

We closed 25 stores during the course of the year. These were stores where we did not see significant scale up possibilities in the medium term. Some of these stores were also on the margin from a profitability perspective.

In the channel and enterprise segment we focused on quicker payment cycles and back to back deliveries wherever possible.

These measures resulted in a reduction of our debtors by ₹133 Cr in FY 21 as compared to FY20; inventory reduced by ₹84 Cr in FY1 as compared to FY20. This helped in substantial reduction in the working capital cycle. We were also able to reduce our interest cost by ₹10 Cr. Overall expenses other than interest were reduced by ₹42 Cr. These measures helped the Company make a profit for FY21 despite lower sales. Further, the Company also posted robust cash flow of ₹133 Cr in FY21.

8. 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. Necessary training was conducted on an ongoing basis during the year. The Company had to take utmost care in maintaining the safety and welfare of all employees and their families in FY21 due to the pandemic.

9. Key financial ratios:

The comparison of key financial ratios for FY 20 and FY 21 is detailed below:

	FY 21	FY 20
Debtor Turnover in Days	41	58
Inventory Turnover in Days	44	54
Interest Coverage Ratio	1.74x	2.44 x
Current Ratio	2.98x	2.31 x
Debt Equity Ratio	0.26x	0.43 x
Operating Profit Margin (%)	3.8%	4.6%
Net Profit Margin (%)	0.7%	1.6%
Return on Net Worth	2.7%	8.1%

- Debtor turnover in days: Rationalization in Debtors & quicker payment cycle helped us to reduce the turnover days from 58 days in FY 20 to 41 days in FY21.
- Inventory turnover in days: Reduction in inventory in FY21 comparing with FY20 has reduced the turnover day to 44 days in the current year compared to 54 days in the previous year.
- Interest coverage ratio: The interest coverage ratio has reduced from 2.44 x in FY 20 to 1.74x This is due to lower profit as the result of the pandemic.
- Current ratio: The current ratio has improved to 2.98 x in FY 21 from 2.31 x in FY 20. Current liabilities have been reduced substantially from ₹365.37 Cr in FY20 to ₹212.52 Cr in FY21. It may also be noticed that this ratio has improved despite a substantial reduction in Debtors & Inventory which form the bulk portion of our current assets.
- Debt: Equity ratio: The Debt: Equity ratio has reduced substantially from 0.43x in FY 20 to 0.26x in FY 21 due to a reduction in bank borrowing.
- Operating profit margin: Operating profit margin has reduced from 4.6% in FY 20 to 3.8% in FY 21 on account of pandemic.
- Net profit margin: Net profit margin from continuing operations has reduced from 1.6% in FY 20 to 0.69% in FY 21 due to the pandemic.
- Return on Net Worth: The return on net worth reduced from 8.1% in FY 20 to 2.7% in FY 21 on account of the pandemic.

10. 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. Company has also adopted Indian Accounting Standard 116 which sets out the principles for the recognition, measurement, presentation, and disclosure of leases.

Annexure-IX to the Directors' Report

FORM MGT.9

EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2021

[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, Bengaluru – 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

vii. Name, Address and Contact details of Registrar and Transfer Agent, if any:

KFin Technologies Pvt. Ltd.
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Toll free number - 1- 800-309-4001
Email: einward.ris@kfintech.com
Website: https://www.kfintech.com **and / or** https://ris.kfintech.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	58%
2.	Enterprise Sale	466	21%
3.	Channel Sales	466	21%

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	100%
2.	Taurus Value Steel & Pipes Pvt ltd	U28112TG2009PTC064592	Subsidiary	100%
3.	Steel Networks (Holdings) Pte ltd	201324866N	Subsidiary	100%
4.	Centurywells 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 beginning of the year				No.of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,27,29,837	-	1,27,29,837	55.71	1,27,32,837		1,27,32,837	55.73	0.02
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	1,66,200	-	1,66,200	0.73	1,66,200	-	1,66,200	0.73	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1)	1,28,96,037	-	1,28,96,037	56.44	1,28,99,037	-	1,28,99,037	56.45	0.01
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	**1,28,96,037**	**-**	**1,28,96,037**	**56.44**	**1,28,99,037**	**-**	**1,28,99,037**	**56.45**	**0.01**
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	9,89,044	-	9,89,044	4.33	9,88,899	-	9,88,899	4.33	-
b) Banks / FI	41	-	41	0.00	-		-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
h) FIIs	-	-	-	-	-	-	-	-	-

Category of Shareholders	No.of Shares held at the beginning of the year				No.of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Foreign Portfolio Investors	58,22,863	-	58,22,863	25.48	54,09,841	-	54,09,841	23.68	(1.8)
k) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	**68,11,948**	**-**	**68,11,948**	**29.81**	**63,98,740**	**-**	**63,98,740**	**28.00**	**(1.81)**
2. Non-Institutions									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	13,07,921	3,43,056	16,50,977	7.23	18,77,408	3,39,056	22,16,464	9.70	2.47
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1,06,952	1,96,120	3,03,072	1.33	1,48,484	1,96,120	3,44,604	1.51	0.18
NBFC Registered with RBI	-	-	-	-	-	-	-	-	-
iv) Employee Trusts	-	-	-	-	-				
v)Any Other					-	-	-	-	
Clearing Members	62,874	-	62,874	0.28	89,870	-	89,870	0.39	0.11
Non Residents Indians	2,14,714	-	2,14,714	0.94	2,28,570	-	2,28,570	1.00	0.06
Trusts	2,000	-	2,000	0.01	2,000	-	2,000	0.01	-
Bodies Corporate	9,07,704	-	9,07,704	3.97	6,70,041	-	6,70,041	2.93	(1.04)
Sub Total B(2)	**26,02,165**	**5,39,176**	**31,41,341**	**13.75**	**30,16,373**	**5,35,176**	**30,16,373**	**15.54**	**1.79**
Total Public (B)= (B) (1) + (B) (2)	**94,14,113**	**5,39,176**	**99,53,289**	**43.56**	**94,15,113**	**5,35,176**	**99,50,289**	**43.55**	**(0.01)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total A+B+C)	**2,23,10,150**	**5,39,176**	**2,28,49,326**	**100**	**2,23,14,150**	**5,35,176**	**2,28,49,326**	**100**	**-**

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/en cumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/e n cumber ed to total shares	
1.	Mr. Sukumar Srinivas	1,25,69,287	55.01	-	1,25,72,287	55.02	-	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 Holdings Private Ltd	1,66,200	0.73	-	1,66,200	0.73	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	No. of Shares % of total shares of the Company
1.	Mr. Sukumar Srinivas				
	At the beginning of the year	1,25,69,287	55.01	1,25,69,287	55.01
	Bought during the year	3,000	0.0013	1,25,72,287	55.02
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	1,25,72,287	55.02

(iv) Shareholding Pattern of top ten Shareholders

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

Sl. No	Name of the Shareholder's	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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	21,59,535	9.45	21,59,535	9.45
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	21,59,535	9.45
2.	**Arjuna Fund Pte Limited**				
	At the beginning of the year	11,41,055	4.99	11,41,055	4.99
	Bought during the year	11,90,577	5.21	23,31,632	10.20
	Sold during the year	12,01,229	5.26	11,30,403	4.95
	At the end of the year-31/03/2021	-	-	11,30,403	4.95

Sl. No	Name of the Shareholder's	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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	9,88,899	4.33	9,88,899	4.33
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021			9,88,899	4.33
4.	**Ashoka Pte Ltd**				
	At the beginning of the year	6,42,114	2.82	6,42,114	2.82
	Bought during the year	-	-	-	-
	Sold during the year	81,749	0.85	5,60,365	2.45
	At the end of the year-31/03/2021	-	-	5,60,365	2.45
5.	**Generation IM Fund PLC-Generation IM Asia Fund**				
	At the beginning of the year	4,63,314	2.03	4,63,314	2.03
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	4,63,314	2.03
6.	**Saravana Stocks Pvt. Limited**				
	At the beginning of the year	3,75,000	1.41	3,75,000	1.41
	Bought during the year	97,000	0.42	4,72,000	2.06
	Sold during the year	3,72,000	1.62	1,00,000	0.44
	At the end of the year-31/03/2021	-	-	1,00,000	0.44
7.	**Matthews Asia Small companies fund**				
	At the beginning of the year	3,51,683	1.54	3,51,683	1.54
	Bought during the year	3,80,044	1.66	7,31,727	3.2
	Sold during the year	5,68,811	2.49	1,62,916	0.71
	At the end of the year-31/03/2021	-	-	1,62,916	0.71
8.	**Param Capital Research Pvt Ltd**				
	At the beginning of the year	2,53,131	1.11	2,53,131	1.11
	Bought during the year	8,10,212	3.55	10,63,343	4.66
	Sold during the year	6,63,343	2.90	4,00,000	1.75
	At the end of the year-31/03/2021	-	-	4,00,000	1.75
9.	**Generation IM Asia Fund LP**				
	At the beginning of the year	2,02,621	0.89	2,02,621	0.89
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	2,02,621	0.89
10.	**Vanderbilt University - Flowering Tree Investment**				
	At the beginning of the year	2,01,601	0.88	2,01,601	0.88
	Bought during the year	83,401	0.37	2,85,002	1.25
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	2,85,002	1.25

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
A	**Directors:**				
1.	**Mr. Sukumar Srinivas**				
	At the beginning of the year	1,25,69,287	55.00	1,25,69,287	55.00
	Bought during the year	3,000	0.01	1,25,72,287	55.02
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	1,25,72,287	55.02
2.	**Mr. C. Ravikumar**				
	At the beginning of the year	72,500	0.31	72,500	0.31
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	72,500	0.31
3.	**Mr. RSV. Siva Prasad***				
	At the beginning of the year	61,650	0.26	61,650	0.26
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	61,650	0.26
B	**Key Managerial Personnel:**				
1.	**Mr. Siddhartha Mundra****				
	At the beginning of the year	1500	0.01	1500	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	1,500	0.01
2.	**Mr. Alex Varghese**				
	At the beginning of the year	20,720	0.09	20,720	0.09
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year-31/03/2021	-	-	20,720	0.09
3.	**Ms. Ereena Vikram**				
	At the beginning of the year	Nil	-	Nil	-
	Bought during the year	Nil	-	Nil	-
	Sold during the year	Nil	-	Nil	-
	At the end of the year-31/03/2021	Nil	-	Nil	-

** Change in designation from Whole-time Director to Non-Executive and Non-Independent w.e.f January 1, 2021.*
***Mr. Siddhartha Mundra resigned on 30th November, 2020.*

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	22,817.79	1,240.04	Nil	24,057.83
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	36.72	Nil	Nil	36.72
Total (i+ii+iii)	**22,854.51**	**1,240.04**	**Nil**	**24,094.55**
Change in Indebtedness during the financial year				
Additions	Nil	Nil	Nil	Nil
Reductions	7,642.09	1,238.14	Nil	8,880.23
Net Change	**7,642.09**	**1,238.14**	**Nil**	**8,880.23**
Indebtedness at the end of the financial year				
i) Principal Amount	15,165.11	1.90	Nil	15,167.01
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	47.32	Nil	Nil	47.32
Total (i+ii+iii)	**15,212.42**	**1.90**	**Nil**	**15,214.33**

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* Non-Executive & Non-Independend Director
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax, 1961	Nil	38.24	10.50
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary	-	-	-
2.	Stock Option	-	-	-
3.	Sweaty equity	-	-	-
4.	Commission	-	-	-
	as % of Profit	-	-	-
	Others (Specify) - Bonus	-	2.88	2.30
5.	Others-Provident fund Contribution	-	3.43	0.18
	Total	**Nil**	**44.55**	**12.98**

**Change in designation from Whole-time Director to Non-Executive and Non-Independent w.e.f January 1, 2021.*

B. Remuneration to other Directors:

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Name of the Directors				
1.	**Independent Directors** Fee for attending Board/ Committee meetings	**Mr. V. Ravichandar** 5.25	**Mr. B. Jayaraman** 5.25	**Mr. Chandu Nair** 5.25	**Ms. Jayashri Murali** 5.25	**Mr. RSV. Siva Prasad** -
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	**5.25**	**5.25**	**5.25**	**5.25**	**-**
2.	**Other Non-Executive Director**					
	Fee for attending board/ committee meetings	-	-	-	-	0.25
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**0.25**
	Total Managerial Remuneration (1) +(2)	**5.25**	**5.25**	**5.25**	**5.25**	**0.25**
	Overall Ceiling as per the Act	11% of the net profit, calculated as per Section 198 of the Companies Act, 2013.				

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

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Siddhartha Mundra Chief Executive Officer	**Mr. Alex Varghese Chief Financial Officer**	**Ms. Ereena Vikram Company Secretary**
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	43.80	20.85	7.73
	(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	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as a % of Profit	-	-	-
	Others (specify) - Bonus	3.84	1.34	0.45
	Others-Provident fund Contribution	3.07	1.61	0.54
	Total	**50.71**	**23.80**	**8.72**

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	NIL				
Penalty					
Punishment					
Compounding					
B. DIRCTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Bengaluru
Date: June 10, 2021

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Whole-time Director
DIN: 01247347

Annexure-IX to the Directors' Report

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 ₹**	**Rate/Unit**
Total Energy purchased	3,61,782	50,32,508	13.91
Vishal Precision Steel Tubes & Strips Pvt. Ltd.	**Units**	**Amount in ₹**	**Rate/Unit**
Total Energy purchased	28,98,714	2,81,62,005	9.72
Centurywells Roofing India Pvt. Ltd.	**Units**	**Amount in ₹**	**Rate/Unit**
Total Energy purchased	1,27,926	15,54,196	12.15

Corporate Governance Report for the year 2020-21

Shankara Philosophy on Corporate Governance

Your Company believes in adopting the best corporate practices in order to maintain the utmost level of transparency, accountability and ethics. We believe in balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers & government. The Company is committed to the upholding of the core values of integrity, passion, responsibility, quality and respect in dealing with all stakeholders of the Company. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in corporate governance.

In line with the Company's commitment to good corporate governance practices and compliance with the provisions of Companies Act, 2013 and Listing regulations, our Company has constituted Audit & Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Our Company has complied with all norms of corporate governance applicable to Listed Public Company as envisaged under the Companies Act, 2013, the Secretarial Standards on Board and General Meetings issued by the Institute of Company Secretaries of India. The operations of the Company are conducted under the supervision and directions of the Board within the framework set by the Companies Act, 2013 and the Rules made there under (the "Act"), its Articles of Association, SEBI Guidelines, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Composition of the Board

i. As on March 31, 2021, the Company has seven Directors. Of the seven Directors, Two are Executive Directors, One Non-Executive and Non-Independent Director and four are Independent Directors out of which one is a woman Director. The Chairperson of the Board is a Non-Executive and Independent 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.

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 they are a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 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, 2021 are given herein below.

Name of the Director	Category	Number of Board Meetings during the year 2020-21		Whether attended Last AGM held on July 30, 2020	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)	7	7	Yes	-	-	-	2
Mr. Sukumar Srinivas (Managing Director) DIN : 01668064	MD	7	7	Yes	-	-	-	1
Mr. Chandu Nair DIN : 0259276	NED(I)	7	7	Yes	-	-	-	2
Ms. Jayashri Murali DIN : 00317201	NED(I)	7	7	Yes	-	-	1	2
Mr. B. Jayaraman DIN : 00022567	NED(I)	7	7	Yes			1	1
Mr. C. Ravikumar DIN : 01247347	WTD	7	6	Yes	-	-	-	1
Mr. RSV Siva Prasad DIN : 01247339	NED, NID (ii)	7	6	Yes	-	-	-	0

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

b. Includes directorships in public/Listed 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 listed 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.

v. Seven 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:

- June 10, 2020;
- July 13, 2020;
- August 13, 2020;
- November 9, 2020;
- November 30, 2020;
- January 29, 2021 ; and
- February 12, 2021

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. During FY 2021, one meeting of the Independent Directors was held on January 29, 2021. The Independent Directors reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

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

viii. The Board periodically reviews the quarterly compliance reports filed with Stock Exchanges.

ix. The details of the familiarization policy of the Independent Directors are available on the website of the Company i.e., **https://www.shankarabuildpro.com/pdf/Familiarization%20Programme-%202020-21.pdf**

x. Details of equity shares of the Company held by the Directors as on March 31, 2021:-

Name	Category	Number of Equity Shares
Mr. Sukumar Srinivas	Managing Director	1,25,72,287
Mr. C. Ravikumar	Whole-time Director	72,500
Mr. RSV. Siva Prasad	Non-Executive & Non-Independent Director	61,650

**Change in designation from Whole-time Director to Non-Executive and Non-Independent w.e.f January 1, 2021.*

The Company has not issued any convertible instruments.

xi. Details of skills/expertise/competence of the Board of Directors

The Board of Shankara comprises of highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service and other disciplines as required in the context of the Company's operations.

Committees of the Board

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 included 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.

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 2020-21	
		Held	Attended
Mr. Chandu Nair	Independent, Non-Executive	5	5
Ms. Jayashri Murali	Independent, Non-Executive	5	5
Mr. V. Ravichandar	Independent, Non-Executive	5	5
Mr. B. Jayaraman	Independent, Non-Executive	5	5
Mr. Sukumar Srinivas	Managing Director	5	5

Five 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:

June 10, 2020; August 13, 2020; November 9, 2020; January 29, 2021; February 12, 2021.

The necessary quorum was present for all the meetings.

The Audit & Risk Management Committee was reconstituted on 9th November, 2018 and consists of the 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

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) Analyzing, 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) If a Director slot/Senior Management position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described herein.

m) 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 2020-21**	
		Held	Attended
Mr. V. Ravichandar	Independent, Non-Executive	3	3
Ms. Jayashri Murali	Independent, Non-Executive	3	3
Mr. Chandu Nair	Independent, Non-Executive	3	3
Mr. B. Jayaraman	Independent, Non-Executive	3	3

Three meeting of the Nomination and Remuneration committee was held on June 10, 2020; November 30, 2020; January 29, 2021.

The Nomination and Remuneration Committee was reconstituted by 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

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, annual evaluation of the performance of the Board, the Directors individually as well as the evaluation of the working of its various committees has been done through a structured questionnaire encompassing various areas that provide an insight and feedback into the functioning of the Board, its Committees, individual directors and areas of development. The evaluation criteria included aspects related to competency of directors, strategy and performance evaluation, governance, independence, effectiveness, structure of the board/committee, level of engagement and contribution, independence of judgment etc.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member was also provided to them in a confidential manner. The feedback obtained from the interventions was discussed in detail and, where required, independent and collective action points for improvement were put in place. The directors expressed their satisfaction with the evaluation process and its results, which reflected in the overall management of the Board and its committees with the Company.

Remuneration to Non-Executive Directors

Independent Directors are paid sitting fees for attending the Meetings of the Board within regulatory limits, as approved by the Board.

The details of remuneration paid to the Directors along with their shareholding in the company during the year 2020-21:

i. Independent and Non-Independent Director(s):

Name	Sitting Fees (₹)	No. of Shares held as on 31.03.2021
Mr. V. Ravichandar	5,25,000	Nil
Mr. Chandu Nair	5,25,000	Nil
Mr. B. Jayaraman	5,25,000	Nil
Ms. Jayashri Murali	5,25,000	Nil
Mr. RSV. Siva Prasad	25,000	61,650

Remuneration to Executive Directors

The Executive Directors/ Whole-time Directors of the Company are paid the remuneration as recommended by the Nomination and Remuneration Committee, and further approved by the Board of Directors and Shareholders.

ii. Executive Directors

(₹ in Lakhs)

Name	Salary	Contribution to P.F.	Bonus	Others	Total
Mr. Sukumar Srinivas	NIL				
Mr. C. Ravikumar	38.24	3.43	-	2.88	44.55
Mr. RSV. Siva Prasad*	10.50	0.18	-	2.3	12.98

**The Board of Directors at its meeting held on 29th January, 2021 changed the designation of Mr. RSV. Siva Prasad from Whole-time Director to Non-Executive and Non-Independent Director of the Company w.e.f. 1st January, 2021. The remuneration calculated till 31st December, 2020.*

Stakeholders' 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), 2015. 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.

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

One meeting of the Stakeholder Relationship Committee was held on June 10, 2020.

Name	Category	Number of Meetings during the financial year 2020 - 21	
		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	Whole-time Director	1	1

The composition of the Stakeholders' Relationship Committee is given below:

Name	Designation in relation to membership of the Committee	Category
Ms. Jayashri Murali	Chairman	Independent, Non-Executive
Mr. Chandu Nair	Member	Independent, Non-Executive
Mr. V. Ravichandar	Member	Independent, Non-Executive
Mr. C. Ravikumar	Member	Whole-time Director

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
Email-cs@shankarabuildpro.com
Tel:- 080-40117777

g) Details of investor complaints received and redressed during FY 2021 are as follows:

No of Complaints unresolved at the beginning of the year	Nil
No. of complaints received	5
No. of complaints resolved to the satisfaction of shareholder	5
No. of complaints not resolved to the satisfaction of shareholder	Nil
No. of pending complaints as on March 31, 2021	Nil

The quarterly statement on investor complaint received and disposed of is submitted with stock exchanges within 21 days from the end of each quarter and the statement filed is also placed before the subsequent meeting of Board of Directors.

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.

Two meeting of the CSR Committee was held on June 10, 2020 and February 11, 2021.

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 2020-21	
		Held	Attended
Ms. Jayashri Murali	Independent, Non-Executive	2	2
Mr. Chandu Nair	Independent, Non-Executive	2	2
Mr. Sukumar Srinivas	Managing Director	2	2

The composition of the Committee consists 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
Mr. Sukumar Srinivas	Member	Managing Director

Other Committee

i. 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 Company 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., **https://www.shankarabuildpro.com/pdf/pdf-Whistleblower-Policy.pdf**

The Committee consists 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
Mr. B. Jayaraman	Member	Independent, Non-Executive
Ms. Jayashri Murali	Member	Independent, Non-Executive

General Body Meetings

a. Annual General Meeting ("AGM")

Financial year	Date	Time	Venue
2017-18	June 12, 2018	3.00 P.M	The Lalit Ashok (an enterprise of Bharat Hotels Limited), Kumara Krupa, High Grounds, Bengaluru-560001
2018-19	June 25, 2019	12.30 P.M	Radisson Blu Atria, No.1, Palace Road, Bengaluru-560001
2019-20	July 30,2020	11.30 A.M	Video Conference ("VC") / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001

b. Extra Ordinary General Meeting ("EGM")

No Extra-Ordinary General Meeting was held during the year.

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

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

The following Special Resolutions were passed at the 24th Annual General Meeting held on June 25, 2019:

i. Re-appointment of Mr. V. Ravichandar (DIN: 00634180) as an Independent Director of the Company.

The following Special Resolutions were passed at the 25th Annual General Meeting held on July 30, 2020:

i. Re-appointment of Ms. Jayashri Murali (DIN: 00317201) as an Independent Director of the Company.

ii. Re-appointment of Mr. Chandu Nair (DIN: 00259276) as an Independent Director of the Company.

d. Postal Ballot

No special resolution is proposed to be passed by way of Postal ballot.

e. 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 KFin Technologies Private Limited ("Kfin") on all resolutions set forth in the Notice.

f. The Company has appointed Mr. S. Kannan, proprietor of S Kannan and Associates, Practicing Company Secretary as scrutinizer to conduct the e-voting process in fair and transparent manner.

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 Business Standard and Kannada Prabha 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 https://www.shankarabuildpro.com/financials.html#intimation

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. https://www.shankarabuildpro.com/financials.html#intimation

iii. Presentation to analysts

Four presentations were made to analysts/investors during the financial year 2020-21. The same are available on the Company's website. The presentations broadly covered operational and financial performance of the Company and industry outlook.

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. https://www.shankarabuildpro.com/pdf/pdf-RPT.pdf

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 Directors' Report.

iii. Business Responsibility Report

Business Responsibility Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is presented in a separate section forming part of the Directors' Report.

iv. 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.

v. The Corporate Governance report of the Company for the financial year ended March 31, 2021 is in compliance with the requirements of Corporate Governance under the listing regulations, as applicable.

vi. Listing of equity shares & stock code

The equity shares of the company are listed at Bombay Stock Exchange Limited ("BSE") and 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 2018-19, 2019-20, 2020-21 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 behavior. The said policy has been also put up on the website of the Company i.e.,https://www.shankarabuildpro.com/pdf/pdf-Whistleblower-Policy.pdf

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. The operations of the Company do not envisage any Commodity Price Risk or material Foreign Exchange Risk.

xi. During the year under review, the Company has not raised any fresh funds from the public or through rights or preferential issue.

xii. Certificate of Non-disqualification of Directors

A Certificate from Mr. K. Jayachandran, Company Secretary in Practice has been obtained certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2021. The Certificate is annexed to this Report.

xiii. Certificate by Managing Director and Chief Financial Officer

The Managing Director and Chief Financial Officer of the Company have issued compliance certificate to the Board pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said Certificate is annexed to this Report.

xiv Certificate on Corporate Governance

The Certificate on Corporate Governance as stipulated under Para E of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by Mr. K. Jayachandran, Company Secretary in Practice confirming compliance with the conditions of corporate governance is attached to this Report.

xv. The Board has accepted all recommendations made by the Committees of the Board during the relevant financial year.

xvi. As on March 31, 2021, the Company is in compliance with all mandatory requirements of corporate governance as prescribed in the Listing Regulations. The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify the instances of non-compliance, if any.

xvii. The Auditors' Report on Statutory Financial Statements for the financial year ended March 31, 2021 of the Company are unqualified.

xviii. 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.

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

xx. 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.

xxi. Credit Ratings

The Company has received Long Term Rating BBB+/Stable' and Short Term Rating 'CRISIL A2' (for Bank Loan facilities) from CRISIL Limited.

xxii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a.	Number of complaints filed during the financial year	Nil
b.	Number of complaints disposed off during the financial year	Nil
c.	Number of complaints pending as at end of the financial year	Nil

xxiii. 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, 2021.

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.

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

xxv. 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 2020-21.

xxvi. 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). Accordingly, the dividend for the years mentioned below will be transferred to IEPF on the respective dates, if the dividend remains unclaimed for seven years.

Financial Year	Date of Declaration of Dividend	Last date of Claiming the Dividend	Unclaimed amount as on 31.03.2021 (₹)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2016-17	July 21, 2017	July 22,2024	1,08,669.00	July 23, 2024
2017-18	June 12, 2018	July 12, 2025	1,31,498.25	July 13, 2025
2018-19	June 25, 2019	July 25, 2026	67,741.50	July 26, 2026
2019-20	March 13, 2020	April 13, 2027	75,854.00	April 14, 2027

The details of the unpaid/ unclaimed dividend lying with the Company are available on the website of the Company at the web link **https://www.shankarabuildpro.com/financials.html#voting**

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 formulated a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the same is disclosed on the Company's website **https://www.shankarabuildpro.com/pdf/pdf-Material-Subsidiaries.pdf**

General shareholder information

i. Annual General Meeting for FY 2020-21

Date	:	Thursday, July 29, 2021
Time	:	11.00 A.M (IST)
Venue	:	Video Conference ("VC")/Other Audio Visual Means ("OAVM")

ii. Tentative Calendar for financial year ending March 31, 2022

Results for the Quarter ending June, 2021	Within 45 days from the end of quarter
Results for the Quarter ending September, 2021	Within 45 days from the end of quarter
Results for Quarter ending December, 2021	Within 45 days from the end of quarter
Results for Quarter ending March, 2022	Within 60 days from March 31, 2022
Annual General Meeting	On or before September 30, 2022

Year ending	:	March 31, 2021
Dividend Payment	:	The Directors have not proposed any final dividend to be paid for the Financial year 2020-21
iii. Date of Book Closure	:	Tuesday, July 27, 2021 to Thursday, July 29, 2021 (inclusive of both days)
iv. Listing on Stock Exchanges	:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001 The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
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	:	KFin Technologies Private Limited
	:	Karvy Selenium Tower B, Plot Nos. 31 & 32 Financial District Nanakramguda Serilingampally Mandal, Hyderabad - 500032 |
Telephone	:	1800-345-4001
E-mail	:	einward.ris@kfintech.com
Website	:	www.kfintech.com
Address for Correspondence	:	Shankara Building Products Ltd G2, Farah Winsford, 133 Infantry Road Bengaluru-560001

viii. Profile of Director seeking re-appointment

The profile of Directors retiring by rotation and seeking re-appointment at the 26th Annual General Meeting is given in the annexure to the Notice convening the said Annual General Meeting. The said Directors are not related to any other Director on the Board of the Company and Promoters of the Company.

ix. Shareholding as on March 31, 2021

a. Distribution of equity shareholding as on March 31, 2021.

Category	No. of Shareholders	% of Holders	No. of Shares	% of Equity
1-5000	21,208	99.52	18,61,053	8.14
5001- 10000	52	0.24	3,62,099	1.58
10001- 20000	18	0.08	2,79,191	1.22
20001- 30000	7	0.03	1,78,523	0.78
30001- 40000	2	0.01	60,352	0.26
40001- 50000	2	0.01	83,071	0.36
50001- 100000	8	0.04	6,05,746	2.65
100001& Above	13	0.06	1,94,19,291	84.99
Total	**21,310**	**100.00**	**2,28,49,326**	**100.00**

b. Categories of equity shareholders as on March 31, 2021.

Category	No of Holders	Number of equity shares held	Percentage of holding
Promoters	1	1,25,72,287	55.02
Promoters Individuals	2	1,60,550	0.70
Promoters Companies	1	1,66,200	0.73
Resident Individuals	20,113	24,89,466	10.90
Bodies Corporate	127	6,70,041	2.93
Mutual Funds	1	9,88,899	4.33
Foreign Portfolio-Corp	16	54,09,841	23.68
Clearing Members	169	89,870	0.39
Trusts	1	2,000	0.01
HUF	575	71,602	0.31
Non Resident Indian Non Repatriable	104	1,54,623	0.68
Non Resident Indians	200	73,947	0.32
Total	**21,310**	**2,28,49,326**	**100.00**

c. Market Price Data

Months	BSE		NSE	
	High	Low	High	Low
April, 2020	276.80	214.60	277.45	214.00
May, 2020	282.05	229.00	282.60	229.00
June, 2020	442.75	247.90	442.65	240.05
July, 2020	410.00	326.60	384.70	328.80
August, 2020	430.90	327.00	431.10	329.00
September, 2020	383.15	322.70	383.75	317.00
October, 2020	359.40	312.10	359.70	315.00
November, 2020	372.00	280.00	345.95	279.65
December, 2020	391.55	322.00	391.50	316.80
January, 2021	364.00	326.75	364.40	322.80
February, 2021	518.30	339.30	517.70	343.05
March, 2021	493.00	374.70	493.35	374.05

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

d. Performance of the Company's Equity Shares (closing share price) in comparison to BSE Sensex and NSE NIFTY during the financial year 2020-21:

Months	Share Price	BSE Sensex
April, 2020	255.90	33,717.62
May, 2020	236.75	32,424.1
June, 2020	356.25	34,915.8
July, 2020	336.65	37,606.89
August, 2020	367.95	38,628.29
September, 2020	342.30	38,067.93
October, 2020	316.45	39,614.07
November, 2020	329.10	44,149.72
December, 2020	349.80	47,751.33
January, 2021	353.65	46,285.77
February, 2021	445.55	49,099.99
March, 2021	411.65	49,509.15

Months	Share Price	Nifty 50
April, 2020	256.35	9,859.90
May, 2020	236.95	9,580.30
June, 2020	356.20	10,302.10
July, 2020	336.25	11,073.45
August, 2020	368.85	11,387.50
September, 2020	343.50	11,247.55
October, 2020	316.45	11,642.40
November, 2020	329.45	12,968.95
December, 2020	349.25	13,981.75
January, 2021	352.60	13,634.60
February, 2021	443.70	14,529.15
March, 2021	411.25	14,690.70

x. Dematerialization of shares and liquidity:

As on March 31, 2021, 2,23,14,150 equity shares representing 96.66 % of the total equity share capital of the Company were held in dematerialized form with National Securities Depository Limited (90.90%) and Central Depository Services (India) Limited (6.76%). The break-up of equity shares held in Physical and Dematerialized form as on March 31, 2021 is given below:

Mode of Holding	Shares	% of Equity
Demat		
NSDL	2,07,70,374	90.90
CDSL	15,43,776	6.76
Total	**2,23,14,150**	**96.66**
Physical	5,35,176	2.34
Total	**2,28,49,326**	**100**

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 KFin Technologies Private limited.

xiii. Discretionary Requirements

The Company has fulfilled the following discretionary requirements as provided in the Listing Regulations:

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

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

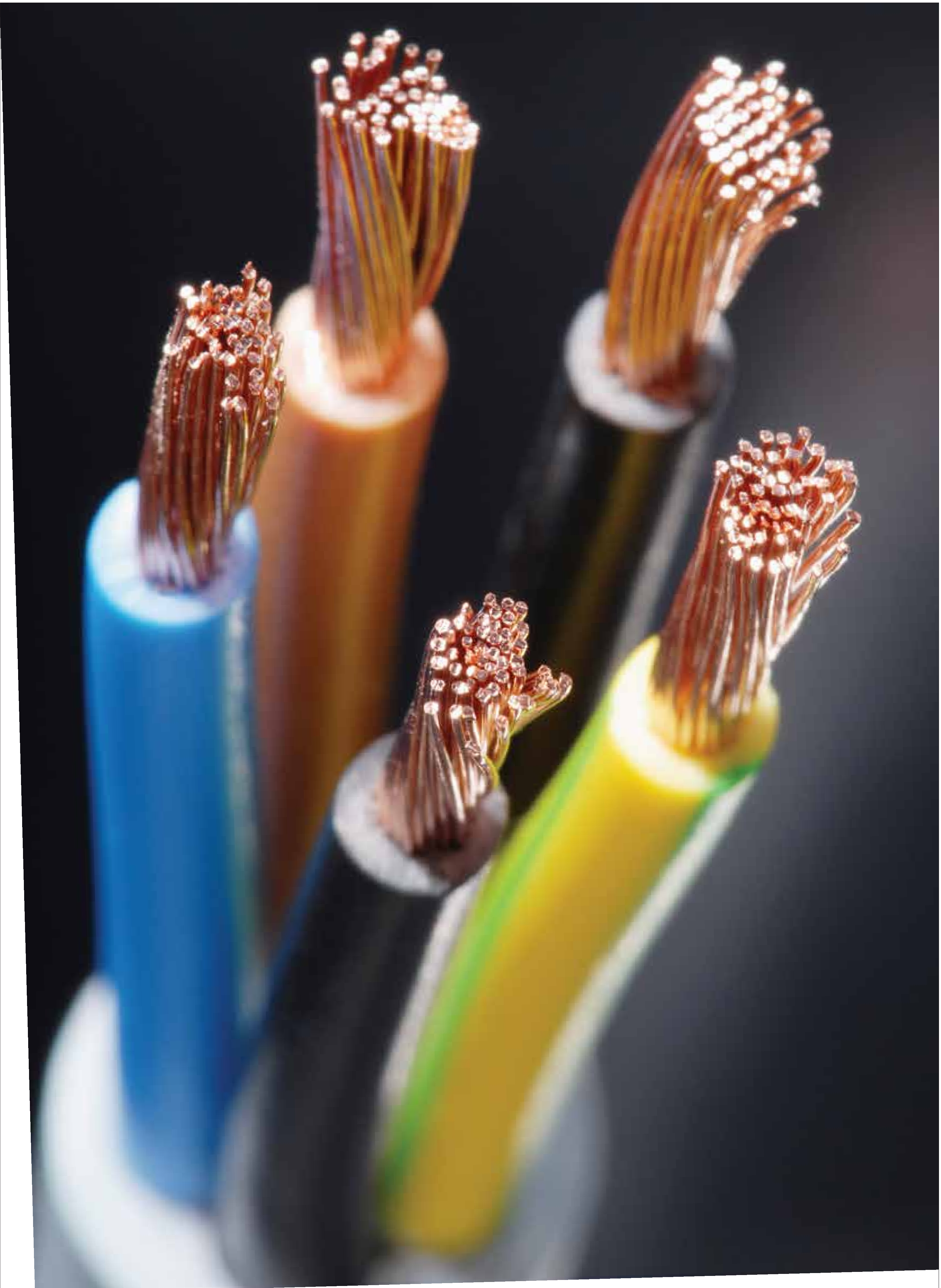
c. The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders. Further the financial results are available on the website of the Company and of Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock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

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

e. Internal Auditor reports directly to the Audit & Risk Management Committee.

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

Particulars	For the Year ended March 31, 2021
	Amount (₹ in lakhs)
For Statutory Audit	24.82
For Tax Audit	3.00
For other Services	12.80
Total	**40.62**



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)]

Corporate Identity No. : L26922KA1995PLC018990
Nominal Capital: INR 25,00,00,000/-

To,
The Members,
SHANKARA BUILDING PRODUCTS LIMITED
G-2, Farah Winsford, No.133, Infantry Road,
Bangalore -560 001, Karnataka

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 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and other applicable regulations of Chapter IV pertaining to Corporate Governance and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the Financial Year ended **31st March, 2021.** 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 aforesaid Listing 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 and E.

Place: Bengaluru
Date: June 10, 2021

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
UDIN: A011309C000441673
Peer Review No: 784/2020

Certification by Managing Director ("MD") 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 Managing Director 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 March 31, 2021 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
Date: June 10, 2021

Sukumar Srinivas
MD

Alex Varghese
CFO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
SHANKARA BUILDING PRODUCTS LIMITED
G-2, Farah Winsford, No.133, Infantry Road,
Bangalore, KA 560 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHANKARA BUILDING PRODUCTS LIMITED** having **CIN L26922KA1995PLC018990** and having Registered Office at **G-2, Farah Winsford, No.133, Infantry Road, Bangalore – 560 001, Karnataka** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01.	Mr. Sukumar Srinivas	01668064	01/04/2013
02.	Mr. Ravichandar Venkataraman	00634180	29/09/2007
03.	Mr. Chandu Nair	00259276	29/07/2015
04.	Ms. Jayashri Murali	00317201	19/03/2015
05.	Mr. Subramanya Venkata Sivaprasad Ramenani	01247339	01/10/2009
06.	Mr. Bhadranarasimham Jayaraman	00022567	14/08/2018
07.	Mr. Chowdappa Ravikumar	01247347	01/04/2011

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Dated: June 10, 2021

K. JAYACHANDRAN
Company Secretary
ACS No. 11309/CP No. 4031
UDIN: A011309C000441717
Peer Review No: 784/2020

DECLARATION OF COMPLIANCE OF THE CODE OF CONDUCT IN TERMS OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015

In terms of Schedule V of SEBI (LODR) Regulation, 2015, I, Sukumar Srinivas, Managing Director of the Company hereby confirm that:

- The Board of Directors of Shankara Building Products Limited has laid down a Code of Conduct for all the Board members and senior managerial personnel of the Company. The said Code of Conduct has also been posted on the Investors page of the Company's website **https://www.shankarabuildpro.com/pdf/pdf-SeniorManagement.pdf**
- All the Board members and senior managerial personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2021.

Place: Bengaluru
Date: June 10, 2021

Sukumar Srinivas
Managing Director

BUSINESS RESPONSIBILITY REPORT

(For the financial year ended 31st March, 2021)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company:- L26922KA1995PLC018990
2. Name of the Company:- Shankara Building Products Limited
3. Registered address:- G2,Farah Winsford, 133 Infantry Road, Bengaluru-560001
4. Website:- www.shankarabuildpro.com
5. E-mail id:- cs@shankarabuildpro.com
6. Financial Year reported:- 2020-2021
7. Sector (s) that the company is engaged in (industrial activity code-wise):- 4 77 (Retail), 466 (Enterprise),466 (Channel)
8. List the products/services that the company manufactures/provides:- Building Materials
9. Total number of locations where business activity is undertaken by the Company

a. Number of International Locations:- 1 (Singapore)

b. Number of National Locations: - 95 (retail outlets), 29 (warehouse), 13 (manufacturing) & 7 (offices) as on 31st March, 2021.

10. Markets served by the Company-Local/State/National/International:- National

SECTION B FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR):- ₹ 22.84 Crores
2. Total Turnover (INR):- Consolidated: 2,03,836.70 lakhs
   Standalone: 1,95,724.03 lakhs
3. Total profit after taxes (INR):- Consolidated: 1,384.39 lakhs
   Standalone: 998.09 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 11% (standalone)
5. List of activities in which expenditure in 4 above has been incurred: - Please refer report on Corporate Social Responsibility.

SECTION C: OTHER DETAILS

1. Does the company have any Subsidiary Company/Companies:-
   Yes, the Company has four wholly owned subsidiaries namely:

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

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

iii. Centurywells Roofing India Pvt. Ltd –Wholly owned subsidiary primarily engaged in providing colour coated roofing products. It has processing facilities in Chennai, Bengaluru, Secunderabad, Coimbatore, Pune, Vijayawada, Hubli, Mangalore, Mysore and Davangree.

iv. Steel Network (Holdings) Pte Ltd. – Wholly owned subsidiary, registered at Singapore engaged in the business of manufacture, distribution of roofing sheets, steel pipes and general hardware and general wholesale trade (including general importers & exporters)

2. Do the subsidiary Company/Companies participate in BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company (s):-

Yes, Shankara undertakes various Business Responsibility (BR) initiatives throughout the year and encourages its subsidiary companies to participate in BR initiatives on several themes. All subsidiaries are aligned with the CSR agenda.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the company does business with, participate in the BR initiative of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, More than 60%):-

No other entity that the Company does business with, participates in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN Number (if applicable)	01668064
2.	Name	Mr. Sukumar Srinivas
3.	Designation	Managing Director

(b) Details of BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	N/A
2.	Name	Ereena Vikram
3.	Designation	Company secretary & Compliance Officer
4.	Telephone number	080-40117777
5.	E-mail Id	cs@shankarabuildpro.com

2. Principle-wise (as per NVGs) BR Policy/Policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. Briefly these are as follows:

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Business should provide goods and services that are safe and contribute to sustainability throughout their life cycles

P3 Business should promote the wellbeing of all employees

P4 Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Business should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a reasonable manner

(a) Details of compliance (Reply in Y/N)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stake holders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Does the policy confirm to any national/ international standards? If yes, specify?	Yes, the policy is based on "National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, Government of India.								
4.	Has the policy been approved by the board? If yes, has it been signed by MD/ Owner/CEO/appropriate Board Director?	Y*	Y***	Y**	Y**	Y*	Y**	N	Y***	Y****
5.	Does the company have a specified committee of the Board/Director/ Officials to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.shankarabuildpro.com/financials.html#								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been posted on the Company's website for information of all stakeholders. For internal stakeholders, appropriate communication means are used.								
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
9.	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10.	Has the company carried out Independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

* Shankara Code of Conduct
** Corporate Social Responsibility Policy
***Shankara Vision & Mission
****Shankara Quality Policy

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles							The company believes that it does not need to engage in public policy and did not influence statutory and regulatory framework. In case the need arises the company is a member of numerous trade & industry organization where it can raise such issues.		
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:-

The BR performance is assessed periodically by the Management.

(b)Does the Company publish a BR or a Sustainability Report? What is the hyperlink? :-

The Business Responsibility Report of the Company will be published on the Company website. The hyperlink is **www.shankarabuildpro.com.**

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Policy covers only the Company. The Company's policies on Company's Code of Conduct are applicable to all directors and employees of the Company. The directors and employees of the Company are expected to read and understand the Code, uphold the standards mentioned thereunder in their day-to-day activities and comply with all applicable laws & rules.

Further, the Company has adopted a Whistle Blower Policy to keep a check on malpractices and unethical behavior by all such persons related with the management, administration and operations of the Company.

The Company endeavors to preserve the confidentiality and prevent the misuse of un-published price sensitive information. Towards this objective the Company has adopted the Code for Prohibition of Insider Trading.

Shankara has well defined policies and codes. These policies ensure adherence to ethical, professional, transparency and accountability mechanisms within Shankara. Some of the policies in this regard are:-

i. Code of Conduct: The Company policy on Code of Conduct includes all the directors and employees at all levels and grades. It does not extend to the suppliers/contractors/NGOs etc. It is a must for every employee and director to follow the values enshrined in the Code of Conduct in their day to day activities.

ii. Whistle Blower Policy: The efficacy and performance of the Company's Whistle-blower Policy is reviewed by the Audit & Risk Management Committee of the Board. This Policy provides a platform to the stakeholders for making any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company and has provisions to ensure protection of the whistle-blower against victimization for the disclosures made by him/her. All employees have to read and understand this Code and abide by it.

iii. Policy for Determining Materiality of Events and Information: This policy determines whether an event or information is material or not as per the provisions of SEBI Regulations, 2015, while ensuring timely, accurate, uniform and transparent disclosure.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholder	Complaints Received during FY 2020-21	Complaints Resolved during FY 2020-21	Complaints Resolved (%)
Investor Complaints	5	5	100

During the reporting period, no complaint was received under the provisions of Whistle-blower Policy.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:-

The Company trades a large variety of products with a focus on sustainability and environment. Some of the products are detailed below:

(a) The Company has invested in optimization of power consumption and promotes renewable energy products such as solar pumps and solar water heaters.

(b) The Company has encouraged its customers to use steel tubes and steel roofing sheets rather than wooden roofing which is a great opportunity to safeguard the environment. This also replaces the use of clay tiles which helps to save and conserve the upper layer of soil.

(c) The Company sells products such as drip irrigation and greenhouse structures which help conserve water usage and improve farm productivity.

(d) The Company promotes reasonable living through focus on products like rain water harvesting. This helps to refresh/restore the ground water availability.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):-

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Considering the nature of business of the Company largely being trading and retailing, the above details are not applicable to the Company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company strives to reduce environmental impact by employing sustainable practices wherever possible. We operate a fleet of vehicles through a "Hub and Spoke" mechanism. To minimize fuel consumption, we have created a synchronized pickup and delivery routing pattern structured like a "milk run system". This helps in increasing our supply chain efficiencies and reduces the number of vehicles on road. In addition to our own vehicles, we also have a number of third party vehicles servicing us. We are working to ensure sustainable sourcing procedures for our ecosystem.

In the area of ethical sourcing, we discourage the use of forced labour and child labour at our business associates' premises.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
We procure a wide range of goods and services from small scale enterprises and industries. We conduct ongoing training programmes in our retail stores to educate them about latest practices and products. We also refer fabricators, contractors, plumbers etc. to our customers for any of their requirements.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%):- N/A

Principle 3: Business should promote the well-being of all employees

1. Please indicate the total number of employees: - (consolidated): 1,139 (including 239 contractual)

2. Please indicate the number of permanent women employees: - 125

3. Please indicate the number of permanent employees with disabilities: - 1

4. Do you have an employee association that is recognized by management: - Nil

5. What percentage of your permanent employees is members of this recognized employee association: - N/A

6. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: -

No	Category	No. of complaints filed during the financial year	No of complaints pending as on end of the financial year
N/A			

7. What percentage of your under mentioned employees were given safety & skill up gradation training in the last year? - 100%

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Shankara firmly believes in its contribution to society. The Company has a clear commitment to promote women's welfare and help destitute children and the elderly. Shankara has adopted a school in Bengaluru as a part of its continued philosophy of giving back to society. It undertakes several programmes to implement CSR activities. Further details are available in CSR section of Annual Report.

Principle 5: Business should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's policy covers the Company and its Subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There have been no complaints received on account of human rights issue.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company's policy covers the Company and its Subsidiaries. In association with an NGO, the Company is working on a project in Karnataka to promote water and soil conservation including rain water harvesting.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Given the nature of the Company's business, our carbon footprint is restricted. However, we continue to endeavor to control fuel consumption and encourage usage of renewable energy wherever feasible. We also undertake tree plantation and water recycling in our premises.

3. Does the company identify and assess potential environmental risks? Y/N

The Company has always been sensitive to the environmental impact of its operations and has proactively adopted environmental sustainable practices. This has led to certain green initiatives such as planting trees and using rain water harvesting activities in its premises.

We believe in adopting sustainable strategies. The nature of our business being largely a marketing and trading organization limits our direct contribution to these global environmental issues.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No, the Company does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.:-

Yes, the Company is conscious of its environmental footprint and is taking proactive steps to mitigate impact of its operations. In this regard, Company is undertaking measures for protecting natural resources.

The Company under its commitment has undertaken various initiatives for utilization of clean energy in operations. The Company proactively promotes renewable energy products such as solar pumps and solar water heaters.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Company has not received any legal/show cause notice from CPCB/SPCB in the current reporting year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of various trades and chambers or associations. Some of these includes:

- FEI (Federation of Engineering Industry)
- Karnataka Pipes Dealer Association
- Bangalore Iron & Steel Merchant Association
- Bangalore Builders Association
- Telangana State Tube Manufacturers Association
- Salem Pipe Dealers Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No. The Company's Senior Management represents the Company in various industry forums. Shankara uses the Shankara Code of Conduct as a guide for its actions in influencing public and regulatory policy.

Principle 8: Business should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has a CSR policy approved by the Board of Directors and in line with the requirements of Companies Act, 2013. An amount of ₹ 109.76 Lakhs was spent towards various CSR projects in Financial Year 2020-21. The details of the CSR initiatives undertaken by your Company are set out in Corporate Social Responsibility section of this Annual Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company undertakes programmes/projects through External Agencies.

3. Have you done any impact assessment of your initiative?

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 through the integrated watershed development and improving the livelihood of small and marginal farmers.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

An amount of ₹ 109.76 Lakhs was spent during the year. Details of project undertaken are available in the Corporate Social Responsibility section of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes, the initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. The Company also interacts with stakeholders to ensure that its projects are being implemented effectively.

Principle 9: Business should engage with and provide value to their customers and consumers in a reasonable manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. Nil

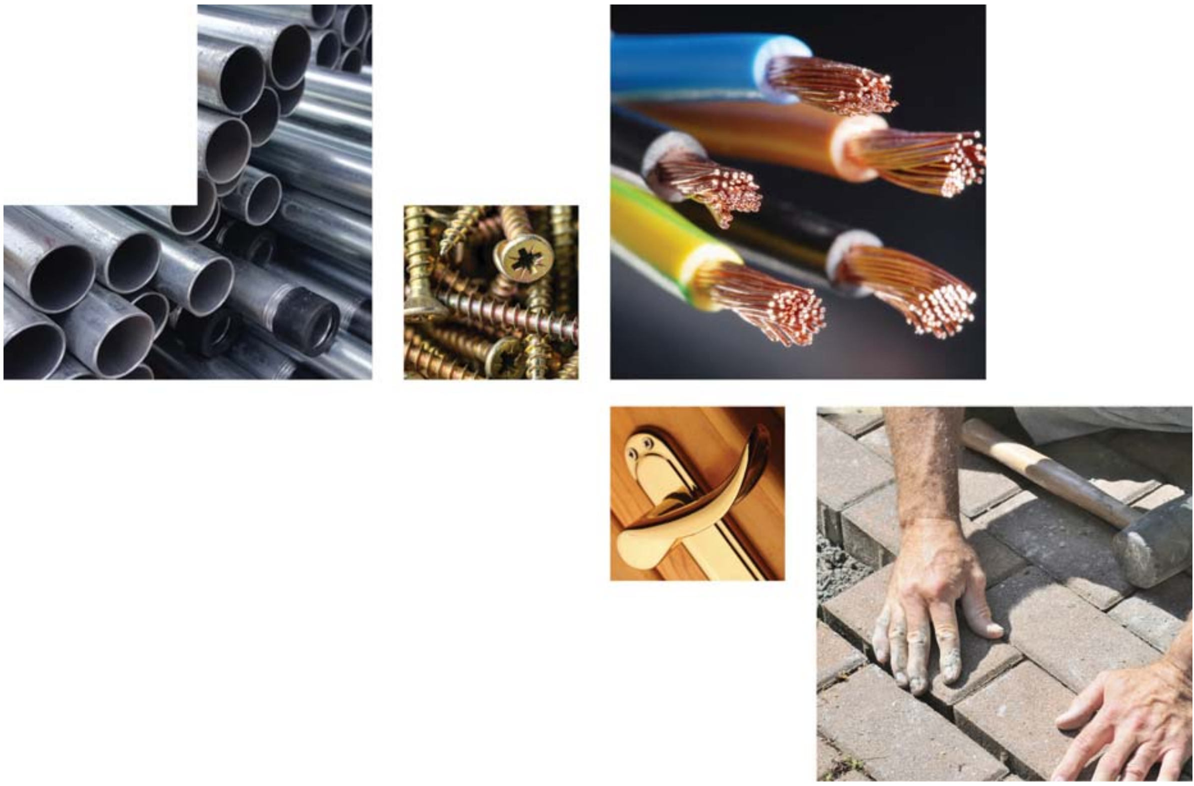
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information):- Yes

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so: - No

4. Did your company carry out any consumer survey/ consumer satisfaction trends? Yes

Shankara
Building Products Limited

Consolidated Audit Report and Financials | 2020 - 2021



To the Members of
Shankara Building Products Limited,
Bengaluru - 560001.

Report on the Audit of Consolidated Indian Accounting Standards ('Ind AS') financial statements

Opinion

We have audited the accompanying consolidated financial statements of Shankara Building Products Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss, (including other comprehensive income), consolidated Statement of Changes in Equity and consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements (including a note on impact of COVID-19), including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2021, of its consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

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 Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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.

Key audit matter	How the matter was addressed in our audit
DISCOUNT FROM SUPPLIER The holding company avails discount from its suppliers which are based on oral negotiations, considering prevailing steel prices. In relation to calculation of discount receivable, 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.	**We have performed the following procedures:** • Comparative analysis of movement of discount receivable during current year with that of previous year. • We verified the reasonableness by comparing rate of discount availed with invoice rate. • Verified on sample basis credit notes issued by supplier and debit notes raised on supplier, for discounts previously recognized, that provides a documentary 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.

Key audit matter	How the matter was addressed in our audit
INVENTORY EXISTENCE AND VALUATION Inventory is held in various locations by the holding Company. 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. Hence, inventory quantities and valuation thereof, is identified as a key audit Matter.	**We have performed the following procedures:** • We have attended inventory counts at certain locations, 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. • 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.
Carrying value of Goodwill The group has recognised goodwill on consolidation involving three subsidiaries amounting to ₹1,404.03 lakhs. The goodwill has to be tested for impairment annually, which requires significant judgement on the part of the management in identifying and valuing the relevant Cash Generating Unit that contains goodwill.	The Board of Directors of the holding company has tested whether there is any impairment of goodwill recognised in the financials viz. ₹ 1404.03 lakhs. The projected discounted cash flow of the respective cash generating unit was considered in detail and on such due consideration, the Board has come to the conclusion that goodwill has not suffered any impairment and can be carried at ₹ 1,404.03 lakhs. We have considered the basis on which the Board has arrived at this consideration and we agree with their assessment.

As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the Financial Statements.

Key Audit Matter relating to a subsidiary viz. Vishal Precision Steel Tubes and Strips Private Limited (extract from the report of Statutory Auditors)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
ASSESSMENT OF THE APPROPRIATENESS OF THE ALLOWANCE FOR DOUBTFUL DEBTS. Trade receivables comprises 24.66% (2019-20, 28.05%) of the total assets in the Statement of Financial position (the Balance Sheet). The appropriateness of the allowance for doubtful debts is subjective due to high degree of judgement applied by the management in determining the impairment provision. Although there is a quantum jump in the overall debtors' values, the increase in terms of percentage of assets has not marked a significant growth. The poor economic conditions on account of the outbreak of Covid 19 and consequent to the lockdown imposed by the central and State Governments have put pressure on customers' ability to repay their outstanding balances. As the customer balances differ in different locations comprised in containment zones and free zones, this requires specific attention at the reporting period. Due to the significance of receivables and the related estimation uncertainty, this is considered as key audit risk. This disclosure is set out in the Note under Schedule 10.	**Our procedure included among others:** Evaluated the debtor impairment methodology applied in the current year against the requirements of Ind AS 113 in respect of fair valuation. Analysed the methodology by comparing the prior year provision to the actual current year write offs. Assessed key ratios which include cash collections, days outstanding and delinquencies. We considered the changes in credit strategy and assessed the impact on the allowances for doubtful debts. Assessed the changes in the economy with particular reference to the sector where the company predominantly operates and the impact on the collectivity of the trade receivables. Based on the above, we satisfied ourselves that the management had taken reasonable judgements that were materially supported by the available evidence in respect of the receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.
INVENTORY PROVISION Inventories comprises of 28.56% (2019-20, 35.52%) of the total assets in the statement of financial position (Balance Sheet). As discussed in the Notes on Accounts, the management has made provision for markdowns against inventory in respect of damaged, unmarketable, unserviceable and have become obsolete. The allowance for markdown of inventory takes into account the historic information related to sales trends and estimated net realisable value has been applied in respect of the class of inventory stated above.	**Our procedure included among others:** Compared the provision/valuation methodology applied by the management by comparing to previous year methodology. Evaluated the assumptions and judgements applied by the management in determining such markdown provision/valuation. Tested and evaluated historical information data trends and ageing profiles and shelf lives. Analysed the provisions by performing analytical procedures on provisioning/valuation levels including against historical experience.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
This requires significant management judgement based on past experience, inventory ageing profile as well as different market factors impacting sale of these products. As these factors change each year, this required specific focus on the current year assumptions. Further due to the significance of the inventories and related estimation uncertainty, this is considered as key audit risk. Accordingly the markdown against inventory is considered to be a key audit matter and disclosure is included in the Notes on accounts.	

Key Audit Matter relating to a subsidiary viz. Centurywells Roofing India Private Limited (extract from the report of Statutory Auditors)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
ASSESSMENT OF THE APPROPRIATENESS OF THE ALLOWANCE FOR DOUBTFUL DEBTS. • Trade Receivable comprises 49.90% (2019-20, 41.54%) of the total assets in the Statement of Financial Position (the Balance sheet) • The appropriateness of the allowance for doubtful debts is subjective due to high degree of judgement applied by the management in determining the impairment provision. Although there is quantum jump in the overall debtors' values, the increase in terms of percentage of assets has not marked a significant growth. • The recoverability of trade receivables and the level of provision for bad and doubtful debts are considered to be key risk due to the significance of these balances to the financial statements and the judgement required in making appropriate provisions. • This disclosure is set out in the note under schedule 10.	**Our procedure included, among others:** • Evaluated the debtor impairment methodology applied in the current year against the requirements of Ind AS 113 in respect of fair valuation. • Analysed the methodology by comparing the prior year provision to the actual current year write offs. Assessed key ratios which include cash collections, days outstanding and delinquencies. • We considered the changes in credit strategy and assessed the impact on the allowances for doubtful debts. • Assessed the changes in the economy with particular reference to the sector where the company predominantly operates and the impact on the collectivity of the trade receivables. Based on the above, we satisfied ourselves that the management had taken reasonable judgements that were materially supported by the available evidence in respect of the receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
INVENTORY PROVISION • Inventory comprises of 26.69% (2019-20 33.76%) of the total assets in the statement of financial position (Balance sheet). • As discussed in the Notes on Accounts, the management has made provision for markdowns against inventory in respect of damaged, unmarketable, unserviceable and have become obsolete. • The allowance for markdown of inventory takes into account the historic information related to sales trends and estimated net realisable value has been applied in respect of the class of inventory stated above. This requires significant management judgement based on past experience, inventory ageing profile as well as different market factors impacting sale of these products. As these factors change each year, this required specific focus on the current year assumptions. Further due to the significance of the inventories and related estimation uncertainty, this is considered as key audit risk. Accordingly the markdown against inventory is considered to be a key audit matter and disclosure is included in the Notes on accounts.	**Our procedure included, among others:** • Compared the provision/valuation methodology applied by the management by comparing to previous year methodology. • Evaluated the assumptions and judgements applied by the management in determining such markdown provision/valuation. • Tested and evaluated historical information, data trends and ageing profiles and shelf lives. • Analysed the provisions by performing analytical procedures on provisioning/valuation levels including against historical experience.

Information Other than the Consolidated Ind AS financial statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 financial statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor’s Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 that 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 system 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 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 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 financial statements, including the disclosures, and whether the consolidated 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 financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 financial statements of three subsidiaries, whose financial statements reflect total assets of ₹32,740.84 lakhs as at March 31, 2021, total revenues of ₹51,484.63 lakhs and net cash inflows amounting to ₹823.10 lakhs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated 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 sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹20.39 lakhs, total revenues of ₹1.43 lakhs and net cash outflow amounting to ₹1,027.77 lakhs as of and for the year ended March 31, 2021, are 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 the subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such UNAUDITED financial information. According to the information and explanations given to us by the management, these financial information are not material to the Group and we concur.

Our opinion on the consolidated financial statements, and our report on 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 of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3), 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 financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 Cash Flows Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 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 incorporated in India is disqualified as on March 31, 2021 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, refer to our separate Report in "Annexure A".

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, the remuneration paid / provided during the year to directors is in accordance with the provisions of section 197 of the Act, in respect of the Holding Company and the Indian subsidiaries.

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group - Refer note no. 39 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2021.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Indian subsidiary companies.

IV. The disclosures in the Consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2021.

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

Venkatasubramanian.S
Partner
Membership No. 219238
UDIN: 21219238AAAADV3155

Place: Chennai
Date : June 10, 2021

Annexure A - 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 financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Shankara Building Products Limited (hereinafter referred to as "the Holding Company"), and its Indian subsidiary companies (the Holding Company and its Indian subsidiaries together referred to as "the Group"), as of that date.

Management's Responsibility for Internal Financial Controls with reference to Financial Statements

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 with reference to financial statements based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the group, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. 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 system 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 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 internal financial controls system with reference to financial statements of the group, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

(3) 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 Over Financial Reporting

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 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, the Holding Company and its Indian subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 three Indian subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

Venkatasubramanian.S
Partner
Membership Number : 219238
UDIN: 21219238AAAADV3155

Place : Chennai
Date : June 10, 2021

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021

(Rupees in lakhs)

Particulars	Note No	As at 31-3-2021	As at 31-03-2020
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4	21,949.06	22,296.50
(b) Capital work-in-progress	4	241.55	17.71
(c) Investment Property	5	861.25	865.64
(d) Right-of-use Asset	6, 41(b)	1,395.82	3,381.71
(e) Goodwill	7(a)	1,404.03	1,404.03
(f) Other Intangible assets	7(b)	-	286.46
(g) Financial Assets			
i) Trade receivables	8	380.65	380.40
ii) Loans	9	941.91	1,123.87
(h) Other non-current assets	10	226.70	185.02
(i) Deferred tax Assets (Net)		-	
Total Non-current assets		**27,400.97**	**29,941.34**
(2) Current Assets			
(a) Inventories	11	31,608.19	40,044.81
(b) Financial Assets			
i) Trade receivables	12	29,508.55	42,847.88
ii) Cash and cash equivalents	13	1,090.40	1,349.64
ii) Bank balances other than (ii) above	14	426.92	733.26
iv) Other financial assets	15	84.18	284.11
(c) Current Tax Asset (Net)	23(c)	-	86.78
(d) Other current assets	16	2,460.64	2,172.34
Total current assets		**65,178.88**	**87,518.82**
Non-current assets held for Sale	30	-	-
Total Assets		**92,579.85**	**1,17,460.16**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	2,284.93	2,284.93
(b) Other Equity	18	49,882.04	48,463.44
Total Equity		**52,166.97**	**50,748.37**
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
i) Borrowings	19	3,782.90	91.61
ii) Lease Liability	20	1,660.78	3,543.51
iii) Other financial liabilities	21	7.25	7.25
(b) Provisions	22	-	21.71
(c) Deferred tax liabilities (Net)	23(d)	589.60	693.28
Total Non-current liabilities		**6,040.53**	**4,357.36**

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021 Contd.

(Rupees in lakhs)

Particulars	Note No	As at 31-3-2021	As at 31-03-2020
(2) Current liabilities			
(a) Financial Liabilities			
i) Borrowings	24	11,304.69	23,814.11
ii) Trade payables	25		
A)Total outstanding dues of Micro Enterprises and Small Enterprises		14.92	76.63
ii)Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		20,540.25	35,958.10
iii) Lease Liability	26	86.91	232.12
iv) Other financial liabilities	27	867.70	1,261.88
(b) Other current liabilities	28	1,134.76	636.25
(c) Provisions	29	35.09	186.38
(d) Current Tax Liabilities(Net)	23(b)	388.03	188.96
Total current liabilities		**34,372.35**	**62,354.43**
Total Equity and Liabilities		**92,579.85**	**1,17,460.16**
Significant accounting policies	1 to 3		

See accompanying notes to the consolidated financial statements

As per our report attached of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place: Chennai
Date : 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place : Bengaluru
Date : 10th June 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

(Rupees in lakhs)

	Particulars	Note No	For the year ended 31-03-2021	For the year ended 31-03-2020
I	Revenue From Operations	31	2,03,836.70	2,63,972.80
II	Other Income	32	621.64	497.93
III	**Total Income (I+II)**		**2,04,458.34**	**2,64,470.73**
IV	**Expenses**			
	Cost of materials consumed	33	45,278.10	62,938.27
	Purchases of Stock-in-Trade		1,37,198.33	1,81,723.60
	Changes in inventories of Finished Goods & Stock-in-Trade	34	5,989.03	(4,839.51)
	Employee benefits expense	35	3,467.08	5,355.25
	Finance costs	36	3,307.76	4,334.70
	Depreciation and amortization expense	36(a)	2,398.11	2,537.24
	Other expenses	37	4,807.01	7,085.05
	Total expenses (IV)		**2,02,445.42**	**2,59,134.60**
V	**Profit before tax from continuing operations (III-IV)**		**2,012.92**	**5,336.13**
VI	Tax expense:	23(a)		
	Current tax		801.04	1,394.18
	Tax - earlier years		(53.33)	(14.13)
	Deferred tax		(119.18)	(256.94)
	Total Tax Expenses		**628.53**	**1,123.11**
VII	**Profit for the year from continuing operations (V-VI)**		**1,384.39**	**4,213.02**
VIII	**Profit / (loss) from Discontinued operations**	30	-	(968.58)
IX	Tax expense relating to discontinued operations		-	(743.32)
X	**Profit / (loss) after tax from Discontinued operations (VIII-IX)**		**-**	**(225.26)**
XI	**Profit for the year (VII+X))**		**1,384.39**	**3,987.76**
XII	**Other Comprehensive Income**			
A	**Items that will not be reclassified to profit or loss**			
	(i) Re-measurements of defined benefit plans		67.66	(29.49)
	(ii) Income tax relating to items that will not be reclassified to Profit or loss		(15.50)	7.42
	Total A		**52.16**	**(22.07)**
B	**Items that will be reclassified to profit or loss**			
	Exchange differences in translating the financial statements of a foreign operation		(17.95)	45.99
	Total B		**(17.95)**	**45.99**
	Total Other Comprehensive Income/(loss) (A+B)		**34.21**	**23.92**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021 Contd.

(Rupees in lakhs)

Particulars	Note No	For the year ended 31-03-2021	For the year ended 31-03-2020
XIII Total Comprehensive Income for the year (XI +XII)		**1,418.60**	**4,011.68**
Total Profit for the year attributable to:			
- Owners of the parent		1,384.39	3,987.76
- Non-controlling interest		-	
		1,384.39	**3,987.76**
Other comprehensive income/(loss) for the year attributable to:			
- Owners of the parent		34.21	23.92
- Non-controlling interest		-	-
		34.21	**23.92**
Total comprehensive income for the year attributable to:			
- Owners of the parent		1,418.60	4,011.68
- Non-controlling interest		-	-
		1,418.60	**4,011.68**
XIV Earning per equity share (for continuing operation) [Face value Rs.10 per share]	38		
Basic (in Rs.)		6.06	18.44
Diluted (in Rs.)		6.06	18.44
XV Earning per equity share (for discontinued operation) [Face value Rs.10 per share]	38		
Basic (in Rs.)		-	(0.99)
Diluted (in Rs.)		-	(0.99)
XVI Earning per equity share (for discontinued & continuing operations) [Face value Rs.10 per share]	38		
Basic (in Rs.)		6.06	17.45
Diluted (in Rs.)		6.06	17.45
Significant accounting policies	1 to 3		

See accompanying notes to the consolidated financial statements

As per our report attached of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place: Chennai
Date : 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place : Bengaluru
Date : 10th June 2021

Consolidated Statement of Changes in Equity for the year ended 31st March 2021

A. Equity Share Capital

(Rupees in lakhs)

Particulars	Note No	Amount
Balance as at 01-04-2019	**17**	**2,284.93**
Changes in equity share capital during the year		**-**
Balance as at 31-03-2020	**17**	**2,284.93**
Changes in equity share capital during the year		**-**
Balance as at 31-03-2021	**17**	**2,284.93**

B. Other Equity (refer note no 18)

Particulars	Note No	Reserve and Surplus					Items of other comprehensive income		Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Items that will not be reclassified to profit and loss	Items that will be reclassified to Profit or loss	
					Surplus in Statement of Profit and Loss	Defined benefit plan	Remeasurements of the net defined benefit plans	Exchange differences on translating the Financial Statements of a foreign operation	
Opening Balance as at 01-04-2019		**18.62**	**11,128.34**	**123.58**	**34,401.52**		**(49.03)**	**2.89**	**45,625.92**
Transition impact of Ind AS 116 (net of income tax)					(210.02)				**(210.02)**
Restated balance as at 01-04-2019		**18.62**	**11,128.34**	**123.58**	**34,191.50**	**-**	**(49.03)**	**2.89**	**45,415.90**
Profit for the year		-	-	-	3,987.76	-		-	**3,987.76**
Other comprehensive income for the year, net of income tax		-	-	-	-		(22.07)	45.99	**23.92**
Transfer to retained earnings						(71.10)	71.10		**-**
Transaction with owners in their capacity as owners									**-**
Dividends paid	49(A)(2)				(799.73)				**(799.73)**
Dividend distribution tax	49(A)(2)	-	-	-	(164.41)	-		-	**(164.41)**
Closing balance as at 31-03-2020		**18.62**	**11,128.34**	**123.58**	**37,215.12**	**(71.10)**	**-**	**48.88**	**48,463.44**

Other Equity Contd.

(Rupees in lakhs)

Particulars	Note No	Reserve and Surplus					Items of other comprehensive income		Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Items that will not be reclassified to profit and loss	Items that will be reclassified to Profit or loss	
					Surplus in Statement of Profit and Loss	Defined benefit plan	Remeasurements of the net defined benefit plans	Exchange differences on translating the Financial Statements of a foreign operation	
Opening balance as at 01-04-2020		**18.62**	**11,128.34**	**123.58**	**37,215.12**	**(71.10)**	**-**	**48.88**	**48,463.44**
Profit for the year		-	-	-	1,384.39	-	-	-	**1,384.39**
Other comprehensive income for the year, net of income tax		-	-	-	-	-	52.16	(17.95)	**34.21**
Others		-	-	-	-	-	-	**-**	**-**
Transfer to retained earnings						52.16	(52.16)	-	**-**
									-
	49(A)(2)								**-**
	49(A)(2)	-	-	-		-		-	**-**
Closing balance as at 31-03-2021		**18.62**	**11,128.34**	**123.58**	**38,599.51**	**(18.94)**	**-**	**30.93**	**49,882.04**

Significant accounting policies 1 to 3

See accompanying notes to the consolidated financial statements

As per our report attached of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place : Chennai
Date : 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place : Bengaluru
Date : 10th June 2021

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2021

(Rupees in lakhs)

Particulars	Note No	For the year ended 31-03-2021	For the year ended 31-03-2020
Cash flow from operating activities			
Profit before tax from Continuing Operations		2,012.92	5,336.13
Profit before tax from Discontinued Operations		-	(968.58)
Profit before tax for the period		2,012.92	4,367.55
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization expense	36(a)	2,398.11	2,604.19
Loss on disposal of property, plant and equipment	37	35.95	33.10
Gain on disposal of property, plant and equipment	32	(14.02)	(11.32)
Unwinding of interest income on rental deposits	32	(80.19)	(116.46)
Interest income	30,32	(47.46)	(48.33)
Unrealised exchange (gain) / loss		(189.48)	81.72
Fair value loss on derivatives not designated as hedges	37	302.84	-
Loss on asset held for sale	30	-	865.09
Interest expense on borrowings	30,36	3,061.52	4,051.06
Interest on Lease liability	36	246.24	279.94
Payables written back	32	(30.80)	-
Bad Debts written off	37	3.40	3.86
Loss Allowance for doubtful trade receivables	37	316.15	246.82
Provision for expenses no longer required written back	32	(15.11)	(20.00)
Gain on termination of lease	32	(174.42)	-
Foreign currency translation reserve		(17.95)	45.99
Operating profit before working capital changes		**7,807.70**	**12,383.21**
Adjustments for :			
Decrease/ (Increase) in inventories		8,436.61	(1,750.24)
Decrease/ (Increase) in trade receivables		13,019.54	(9,724.92)
Decrease/ (Increase) in loans and other financial assets		348.83	383.82
Decrease/ (Increase) in other current assets		(470.23)	783.04
Decrease/ (Increase) in other non-current assets		(4.61)	(72.80)
(Decrease)/ Increase in trade payables		(15,479.57)	(2,281.23)
(Decrease)/ Increase in other financial liabilities		(332.74)	(140.72)
(Decrease)/ Increase in other current liabilities (excluding the current maturities of long-term debt)		529.32	(790.80)
(Decrease)/Increase in provisions		(125.53)	(23.58)
Cash flow from/(used in) operations		**13,729.32**	**(1,234.22)**
Income taxes paid		(426.56)	(1,750.60)
Net cash flows from/(used in) operating activities (A)		**13,302.76**	**(2,984.82)**
Cash flow from investing activities			
Consideration paid for purchase of property, plant and equipment (including capital work-in-progress)		(1,698.37)	(1,926.21)
Proceeds from sale of property, plant and equipment-Continuing operations	4,32,37	540.50	171.05
Proceeds from sale of property, plant and equipment-Discontinued operations	30	-	7,006.05
(Purchase)/proceeds from maturity of bank deposits		306.34	99.44
Interest receipt		39.82	175.31
Net cash flows from/(used in) investing activities (B)		**(811.71)**	**5,525.64**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2021 Contd.

Particulars	Note No	For the year ended 31-03-2021	For the year ended 31-03-2020
Cash flow from financing activities			
Prinicipal element of lease payments and interest on lease liability		(991.99)	(1,128.04)
Proceeds from non current borrowings		3,783.01	-
Repayment of term loans		(164.41)	(227.42)
Current Borrowings availed / (repaid)		(12,319.94)	4,280.87
Interest paid		(3,057.62)	(4,066.91)
Unclaimed dividend - Transfer in/(out)		0.66	0.68
Dividends paid	49(A)(2)		(799.73)
Dividend distribution tax	49(A)(2)	-	(164.41)
Net cash from/(used in) financing activities (C)		**(12,750.29)**	**(2,104.96)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(259.24)**	**435.86**
Cash and cash equivalents - at the beginning of the period		**1,349.64**	**913.78**
Cash and cash equivalents - at the end of the period		**1,090.40**	**1,349.64**
Non cash financing and investing activities			
- Acquisition of Right-of-use assets	6	**14.11**	**1,445.94**
Note: Cash and Cash equivalents in the Cash Flow Statement			
i) Cash on Hand		51.73	136.48
ii) Balance with Banks :	13		
- In Current Account		1,038.67	1,213.16
		1,090.40	**1,349.64**
Significant accounting policies	1 to 3		

See accompanying notes to the consolidated financial statements

As per our report attached of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place: Chennai
Date : 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place : Bengaluru
Date : 10th June 2021

1. GENERAL INFORMATION

Shankara Building Products Limited ('the Company' or 'the Parent') is one of the India's leading organized retailers of home improvement and building products in India. The registered office is situated at G2, Farah Winsford, 133, Infantry Road, Bengaluru – 560001.

The Company's shares are listed on the Bombay Stock Exchange 'BSE' and National Stock Exchange 'NSE'.

The Parent and its subsidiaries (together referred to as "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 materials, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. The Group has operations spread across ten states and one union territory in India.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These consolidated financial statements of the group 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 for the year ended March 31, 2021 (including comparatives) are duly adopted by the Board of Directors in the meeting held on June 10, 2021 by video conferencing as notified by the Ministry of Corporate Affairs vide the Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020 dated December 30, 2020 for consideration of approval by the shareholders.

2.2 Functional and presentation currency

These consolidated financial statements have been prepared and presented in Indian Rupees which is also the Group's functional currency and all amounts have been presented in lakhs with two decimals, except share data and as otherwise stated.

2.3 Basis of preparation and presentation

These consolidated financial statements have been prepared and presented on historical cost convention as a going concern and under accrual basis of accounting except for certain financial assets and liabilities (as per accounting policy below) as per the requirements of Ind AS prescribed under section 133 of the Act and relevant provisions thereon.

Disclosures under Ind AS are made only in respect of material items and in respect of the items that will be useful to the users of financial statements in making economic decisions.

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 transaction under Ind AS 102 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.

Current and Non-Current Classification

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.

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.

2.4 Revenue recognition

2.4.1 Sale of products

Revenue is recognized on fulfilment of performance obligation. In other words, revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognized based on the consideration received or receivable 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.

2.4.2 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 Group 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.

2.4.3 Rental income

Rental income from operating leases (of its investment properties) is recognised on straight-line basis over the term of the relevant lease, except where rentals are structured to increase in line with expected general inflation. 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.

2.4.4 Other Income

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

2.5 Property, plant and equipment

Recognition and measurement

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.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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

Disposal of property, plant and equipment

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.
Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within other gains / (losses).

Depreciation

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 assessed 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.0.05 lakhs are depreciated fully during the year of purchase.

The Group 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.

Capital work-in-progress

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 are classified as capital advances under other non-current assets.

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes, 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 group 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 derecognized. 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.

2.7 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 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 lives 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.

2.8 Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Group 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 Group 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 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.

2.9 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103. 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 Group. 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 are accounted for at carrying value. Transaction costs that the Group 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.

2.10 Leases

Effective April 01, 2019, the group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach method. The group as a lessee has recognised the lease liability based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application (being 01st April, 2019). The Right-of-Use (ROU) asset has been recognised at its carrying amount as if Ind AS 116 has been applied since the commencement date of the lease arrangement by using the incremental borrowing rate as at the transaction date (being 01st April, 2019). The company has not restated the comparatives information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 01st April, 2019.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment of the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term for future periods is reassessed to ensure that the lease term reflects the current economic circumstances. In respect of such long term contracts, Ind AS 116 is applied.

Where the Group is lessor

As per terms of lease agreements there is no substantial transfer of risk and reward of the property to the lessee. Accordingly such leased out assets are treated as belonging to the Group. 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 Group is a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The group has however elected to use the exemptions proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.
For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset whichever shorter.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.11 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 cost of completion and selling expenses.

Stores and spares which do 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.

Raw materials

Raw materials are valued at cost of purchase net of duties and taxes and include all expenses incurred in bringing such materials to the location of its use.

Finished goods

Finished goods include conversion costs in addition to the landed cost of raw materials.

Stock-in-Trade

Stock-in-trade cost includes the purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts

Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

2.12 Employee benefits

In respect of defined contribution plan the Group makes the stipulated contributions to provident fund, employees' state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the Group 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 gains and losses 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 Group 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 Group'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.

The Group recognizes a liability and an expense for bonuses. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.13 Income taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

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 netted against each other 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 reduction in future income tax liability, is considered as an asset if it is probable that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the Group.

2.14 Foreign currency translation

The functional currency of the Group is determined on the basis of the primary economic environment in which it operates. The functional currency of the Group 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.

2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group 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.

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit after tax / (loss) 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 Group to satisfy the exercise of the share options by the employees.

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

2.18 Government grants

Grants from the Government are recognized at their fair market value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available. Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.19 Non-current assets held for sale / distribution to owners and discontinued operations

The Group 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 amortised.

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 for 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.

2.20 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.

Trade receivables are initially recognised when they are originated.

Trade payables are in respect of the amount due on account of goods purchased or services availed in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

a) Financial Assets

(i) Recognition and initial 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 Group 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) De-recognition of financial assets

A financial asset is de-recognised only when;

a. The Group has transferred the rights to receive cash flows from the financial asset or

b. The Group retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Group examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is de-recognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is de-recognised, if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, it is continued to be recognised to the extent of continuing involvement in the financial asset.

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 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 Group 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 Group 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 Group at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances (under trade payables).

Financial guarantee

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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.

(iii) 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 Group 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 Group 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 Group 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 Group.

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.

Valuation techniques that are appropriate are used 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 Group 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.

f) Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising on account of repayment of foreign currency term loan and interest thereon. For the reporting periods under review, the Group has not designated any forward currency contracts as hedging instruments.

2.21 Cash and cash equivalents and cash flow statement

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.

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.

2.22 Dividend on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

2.23 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 available. The operating segments are based on the Group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

2.24 Indian Accounting Standards / amendments issued but not yet effective – Nil

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 Group 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) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. 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.

(iv) 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

(Rupees in lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Capital work-in-progress
Gross carrying amount as at 01-04-2019	**5,296.53**	**7,541.92**	**8,533.15**	**2,959.75**	**998.37**	**289.52**	**160.17**	**25,779.41**	**425.18**
Additions	-	1,195.08	711.90	377.10	21.56	35.54	19.39	2,360.57	1,042.75
Capital Work in progress transferred for capitalisation								-	1,450.22
Disposals/Adjustment	-	-	217.17	3.51	23.18	0.91	4.06	248.83	-
Transferred to Asset held for Sale	-	-	980.75	-	-	-	-	980.75	-
Transferred to Investment property	-	172.90	-	-	-	-	-	172.90	-
Gross carrying amount as at 31-03-2020	**5,296.53**	**8,564.10**	**8,047.13**	**3,333.34**	**996.75**	**324.15**	**175.50**	**26,737.50**	**17.71**
Additions	-	498.90	624.86	248.60	55.79	11.52	4.48	1,444.15	748.86
Capital Work in progress transferred for capitalisation									525.02
Disposals/Adjustment	-	23.92	729.02	18.99	133.13	0.35	-	905.41	-
Transferred to Asset held for Sale								-	-
Transferred to Investment property								-	-
Gross carrying amount as at 31-03-2021	**5,296.53**	**9,039.08**	**7,942.97**	**3,562.95**	**919.41**	**335.32**	**179.98**	**27,276.24**	**241.55**
Accumulated depreciation / amortisation and impairment									
Balance as at 01-04-2019	**-**	**636.28**	**1,665.64**	**549.28**	**229.97**	**120.98**	**56.56**	**3,258.71**	**-**
Depreciation for the year	-	179.06	483.80	314.78	126.71	47.92	47.64	1,199.91	-
Depreciation for the year transferred to discontinued operations	-	-	66.95	-	-	-	-	66.95	-
Transferred to Asset held for Sale	-		18.39					18.39	-
Depreciation on disposals/Adjustment	-	-	28.84	0.73	21.71	0.86	3.86	56.00	-
Transferred to Investment property	-	10.18	-	-	-	-	-	10.18	-
Balance as at 31-03-2020	**-**	**805.16**	**2,169.16**	**863.33**	**334.97**	**168.04**	**100.34**	**4,441.00**	**-**
Depreciation for the year	-	170.40	521.61	335.62	116.95	46.75	37.83	1,229.16	-
Depreciation for the year transferred to discontinued operations								-	-
Transferred to Asset held for Sale								-	-
Depreciation on disposals/Adjustment	-	1.15	234.82	6.26	100.42	0.33	-	342.98	-
Transferred to Investment property								-	-
Balance as at 31-03-2021	**-**	**974.41**	**2,455.95**	**1,192.69**	**351.50**	**214.46**	**138.17**	**5,327.18**	**-**

PROPERTY, PLANT AND EQUIPMENT Contd.

(Rupees in lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Capital work-in-progress
Net Carrying amount									
As at 31-03-2021	**5,296.53**	**8,064.67**	**5,487.02**	**2,370.26**	**567.91**	**120.86**	**41.81**	**21,949.06**	**241.55**
As at 31-03-2020	**5,296.53**	**7,758.94**	**5,877.97**	**2,470.01**	**661.78**	**156.11**	**75.16**	**22,296.50**	**17.71**
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) Certain Property, plant & equipment have been hypothecated as security against long term borrowings and certain current borrowings of the Group(refer note no 19, 24 and 44).

b) 30 years for Factory buildings and 60 years for other buildings.

c) Capital work in-progress represents buildings work under progress.

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

5. INVESTMENT PROPERTY

Particulars	Freehold Land	Buildings	Total
Gross carrying amount as at 01-04-2019	**611.40**	**95.39**	**706.79**
Additions	-	-	-
Disposals	-	-	-
Transferred from property, plant and equipment	-	172.90	172.90
Gross carrying amount as at 31-03-2020	**611.40**	**268.29**	**879.69**
Additions	-	-	-
Disposals	-	-	-
Transferred from property, plant and equipment	-	-	-
Gross carrying amount as at 31-03-2021	**611.40**	**268.29**	**879.69**
Accumulated depreciation and impairment **Balance as at 01-04-2019**	**-**	**1.09**	**1.09**
Depreciation for the year	-	2.78	2.78
Transferred from property, plant and equipment		10.18	10.18
Depreciation on disposals	-	-	-
Balance as at 31-03-2020	**-**	**14.05**	**14.05**
Depreciation for the year	-	4.39	4.39
Transferred from property, plant and equipment		-	-
Depreciation on disposals	-	-	-
Balance as at 31-03-2021	**-**	**18.44**	**18.44**
Net Carrying amount			
As at 31-03-2021	**611.40**	**249.85**	**861.25**
As at 31-03-2020	**611.40**	**254.24**	**865.64**
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	As per Schedule II of the Companies Act, 2013	

Income earned from and expenses incurred on Investment Property

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Rental income from investment properties	15.98	8.89
Less: Direct operating expenses (including repairs and maintenance)	0.70	0.52
Profit from investment properties before depreciation	15.28	8.37
Less: Depreciation	4.39	2.78
Profit from investment property	10.89	5.59

(Rupees in lakhs)

Fair Value

Particulars	31-03-2021	31-03-2020
Investment properties	1,406.20	1,310.52

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.

6. RIGHT-OF-USE ASSET:

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2021	Net Block 31-03-2020
	Balance as at 01-04-2020	Additions	Deletions	Balance as at 31-03-2021	Balance as at 01-04-2020	Depreciation for the year	Depreciation on Deletions	Balance as at 31-03-2021		
Right-of-use Asset - Buildings	5,508.42	14.11	2,472.59	3,049.94	2,126.71	878.10	1,350.69	1,654.12	1,395.82	3,381.71

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2020	Net Block 31-03-2019
	Balance as at 01-04-2019	Additions	Deletions	Balance as at 31-03-2020	Balance as at 01-04-2019	Depreciation for the year	Depreciation on Deletions	Balance as at 31-03-2020		
Right-of-use Asset - Buildings	4,224.82	1,445.94	162.34	5,508.42	1,167.03	986.65	26.97	2,126.71	3,381.71	-

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

7 (a) GOODWILL

Particulars	Amount
Gross carrying amount as at 01-04-2019	**1,404.03**
Additions	-
Disposals	-
Gross carrying amount as at 31-03-2020	**1,404.03**
Additions	-
Disposals	-
Gross carrying amount as at 31-03-2021	**1,404.03**
Accumulated impairment losses **Balance as at 01-04-2019**	**-**
Impairment losses for the year	-
Impairment losses on disposals	-
Balance as at 31-03-2020	-
Impairment losses for the year	-
Impairment losses on disposals	-
Balance as at 31-03-2021	-
Net Carrying amount	
As at 31-03-2021	**1,404.03**
As at 31-03-2020	**1,404.03**

(Rupees in lakhs)

7 (b) OTHER INTANGIBLE ASSETS

Particulars	Brand	Software	Total
Gross carrying amount as at 01-04-2019	**1,077.65**	**45.00**	**1,122.65**
Additions	-	-	-
Disposals	-	-	-
Gross carrying amount as at 31-03-2020	**1,077.65**	**45.00**	**1,122.65**
Additions	-	-	-
Disposals	-	-	-
Gross carrying amount as at 31-03-2021	**1,077.65**	**45.00**	**1,122.65**
Accumulated amortization and impairment Balance as at 01-04-2019	**440.26**	**21.06**	**461.32**
Amortization for the year	359.84	15.03	374.87
Amortization on disposals	-	-	-
Balance as at 31-03-2020	**800.10**	**36.09**	**836.19**
Amortization for the year	277.55	8.91	286.46
Amortization on disposals	-	-	-
Balance as at 31-03-2021	**1,077.65**	**45.00**	**1,122.65**
Net Carrying amount			**-**
As at 31-03-2021	**-**	**-**	**-**
As at 31-03-2020	**277.55**	**8.91**	**286.46**
Useful Life of the asset (In Years)	3 Years	3 Years	
Method of amortization		Straight Line Method	

8. TRADE RECEIVABLES (NON-CURRENT)

Particulars	As at 31-3-2021	As at 31-03-2020
Unsecured:		
(a) Considered Good	-	-
(b) Credit Impaired	761.30	760.80
	761.30	760.80
Less: Allowance for doubtful debts (expected credit loss allowance) *	(380.65)	(380.40)
Total	**380.65**	**380.40**
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member amount to (including "current" Portion)	Nil	Nil

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

***Movement in loss allowance of trade receivables**

Particulars	As at 31-3-2021	As at 31-03-2020
Opening balance	380.40	395.09
Amount written off	-	-
Credit loss allowance	0.25	(14.69)
Closing balance	**380.65**	**380.40**

9. LOANS (NON-CURRENT)

Particulars	As at 31-3-2021	As at 31-03-2020
Unsecured, considered good:		
(a) Security Deposits	785.81	990.42
(b) Deposit with Suppliers	150.00	129.35
(c) Employee advances	6.10	4.10
Total	**941.91**	**1,123.87**

10. OTHER NON-CURRENT ASSETS

Particulars	As at 31-3-2021	As at 31-03-2020
(a) Capital Advances	121.19	84.12
(b) Advances other than capital advances		
- Deposits with Government authorities	105.51	100.90
Total	**226.70**	**185.02**

11. INVENTORIES

Particulars	As at 31-3-2021	As at 31-03-2020
Inventories:(at lower of cost and net realisable value)		
(a) Raw materials	4,240.79	6,612.21
(b) Finished goods *	2,261.63	2,091.01
(c) Stock-in-trade **	24,580.02	30,774.68
(d) Stores and spares	525.75	566.91
Total	**31,608.19**	**40,044.81**

*Includes goods-in-transit amounting to ₹31.15 lakhs (LY ₹20.58 lakhs)
** Includes goods-in-transit amounting to ₹ Nil lakhs (LY ₹35.01 lakhs)

Inventories have been hypothecated as security against certain bank borrowings of the Group (refer note no 19, 24 and 44)

(Rupees in lakhs)

12. TRADE RECEIVABLES (CURRENT)

Particulars	As at 31-3-2021	As at 31-03-2020
Unsecured:		
(A) Trade receivables Considered Good	26,912.54	41,340.56
Less: Allowance for doubtful debts (expected credit loss allowance)	(3.91)	(8.38)
Total A	26,908.63	41,332.18
(B)Trade receivables with signficant increase in credit risk	3,411.37	2,006.78
Less: Allowance for doubtful debts (expected credit loss allowance)	(811.45)	(491.08)
Total B	2,599.92	1,515.70
Total (A+B)	**29,508.55**	**42,847.88**

Movement in loss allowance of trade receivables

Particulars	As at 31-3-2021	As at 31-03-2020
Opening balance	499.46	251.71
Amount written off	-	-
Credit loss allowance	315.90	247.75
Closing balance	**815.36**	**499.46**

The credit period on goods sold ranges from 30 to 60 days without security. No interest is charged on overdue trade receivables.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 soundness, 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 offered as collateral towards borrowings (refer note no 19, 24 and 44).
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.

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

13. CASH AND CASH EQUIVALENTS

Particulars	As at 31-3-2021	As at 31-03-2020
(a) Balances with banks :		
In current account	1,038.67	1,213.16
(b) Cash on hand	51.73	136.48
Total	**1,090.40**	**1,349.64**

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 do not contain any amount that are not available for use by the Group.

14. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-3-2021	As at 31-03-2020
Earmarked balances:		
(a) Fixed Deposits held as margin money	423.08	730.18
(b) With banks in current account (for unclaimed dividends)	3.84	3.08
Total	**426.92**	**733.26**

15. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31-3-2021	As at 31-03-2020
Unsecured, considered good		
(i) Financial assets at fair value through profit and loss		
(a) Forward contract	-	181.93
(ii) Financial assets at amortised cost		
(a) Rent receivable	5.35	9.69
(b) Employee advances*	67.92	89.23
(c) Interest accured on deposits	10.91	3.26
Total	**84.18**	**284.11**

*Includes transaction(s) with related parties - refer note no 47

(Rupees in lakhs)

16. OTHER CURRENT ASSETS

Particulars	As at 31-3-2021	As at 31-03-2020
Advances other than capital advances:		
(a) Advances for purchases	2,233.10	1,395.55
(b) Prepaid Expenses	183.00	230.28
(c) Balances with Government authorities	44.54	546.51
Total	**2,460.64**	**2,172.34**

17. EQUITY SHARE CAPITAL

Particulars	As at 31-3-2021		As at 31-03-2020	
	No.of Shares	Amount	No.of Shares	Amount
Authorised:				
Equity shares of Rs.10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued, subscribed and 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 31-3-2021		As at 31-03-2020	
	No.of Shares	Amount	No.of Shares	Amount
Balance as at the beginning of the year	2,28,49,326	2,284.93	2,28,49,326	2,284.93
Changes in equity share capital 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

(i) 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.

(ii) There are no restrictions attached to equity shares

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31-3-2021		As at 31-03-2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sukumar Srinivas	1,25,72,287	55.02%	1,25,69,287	55.01%
Amansa Holdings Prviate Limted, Singapore	21,59,535	9.45%	21,59,535	9.45%

Notes to the Consolidated Financial Statements (Rupees in lakhs)

d) In the period of five years immediately preceding 31-03-2021:
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.

18. OTHER EQUITY

Particulars	As at 31-3-2021	As at 31-03-2020
Capital Reserve	18.62	18.62
Securities Premium	11,128.34	11,128.34
General Reserve	123.58	123.58
Retained earnings	38,580.57	37,144.02
OTHER COMPREHENSIVE INCOME:		
Exchange differences on translating the Financial Statements of a foreign operation	30.93	48.88
Total	**49,882.04**	**48,463.44**

Capital Reserve
Reserve is primarily created on amalgamation as per statutory requirement.

Securities Premium
This consists of premium realised on issue of shares and will be applied/ utilised in accordance with the provisions of the Companies Act, 2013

General Reserve
General Reserve is an accumulation of retained earnings of the Group, apart from the balance in the statement of profit and loss which can be utilised for meeting future obligations.

Retained earnings
Surplus in Statement of Profit and Loss is part of retained earnings.This is available for distribution to shareholders as dividend and capitalisation.

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.

(Rupees in lakhs)

19. BORROWINGS (NON - CURRENT)

Particulars	As at 31-3-2021	As at 31-03-2020
Term Loans - secured*		
From banks	3,782.90	91.61
Total	**3,782.90**	**91.61**

*Terms and security	Current	Non-current	Total
Vehicle loans - first charge on the vehicles. Loan 1 - outstanding Rs.40.12 lakhs repayable in 8 monthly instalments till November, 2021 - rate of interest 9.7 % p.a; and Loan 2 - outstanding - Rs.39.30 lakhs ; and loan repayable in 6 monthly instalments till September, 2021 - rate of interest 9.5% p.a; Security	79.42	-	79.42
Term Loan 1 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured by second charge on all the existing and future current assets of the company- rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	-	1,741.00	1,741.00
Term Loan 2 - from a bank - under Emergency Credit Line for a period of 60 months (Including 12 months of moratorium) - secured by second charge on stock and book debts - documentation of the charge is yet to be completed by the bank - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	-	317.00	317.00
Term Loan 3 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	-	1,319.00	1,319.00
Term Loan 4 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	-	405.90	405.90

Refer note no 44 for carrying amount of vehicles hypothecated

20. LEASE LIABILITY (NON-CURRENT)

Particulars	As at 31-3-2021	As at 31-03-2020
Lease liability	1,660.78	3,543.51
Total	**1,660.78**	**3,543.51**

21. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31-3-2021	As at 31-03-2020
Rent advance received	7.25	7.25
Total	**7.25**	**7.25**

22. PROVISIONS (NON-CURRENT)

Particulars	As at 31-3-2021	As at 31-03-2020
Provision for employee benefits		
(a) Gratuity (refer note no 45)	-	21.71
Total	**-**	**21.71**

Movement in Provision for employee benefits - gratuity

Particulars	As at 31-3-2021	As at 31-03-2020
Balance at the beginning of the year	21.71	34.86
Add: Provision made during the year	2.07	8.41
Less: Provision no longer required recognised in other income		20.00
Provision utilised / reversed during the year	23.78	1.56
Balance at the end of the year	-	21.71

Notes to the Consolidated Financial Statements (Rupees in lakhs)

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.

Incomes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the 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		For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020
	Continuing Operations		Discontinued Operations		Total	
Current tax:						
Current tax	801.04	1,394.18	-	291.67	801.04	1,685.85
Tax pertaining to earlier years	(53.33)	(14.13)	-	-	(53.33)	(14.13)
	747.71	**1,380.05**	**-**	**291.67**	**747.71**	**1,671.72**
Deferred tax	**(119.18)**	**(256.94)**	**-**	**(1,034.99)**	**(119.18)**	**(1,291.93)**
Total	**628.53**	**1,123.11**	**-**	**(743.32)**	**628.53**	**379.79**

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

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 furnished below:

Particulars	For the year ended 31-3-2021		For the year ended 31-03-2020		For the year ended 31-3-2021		For the year ended 31-3-2020	
	%	Amount	%	Amount	%	Amount	%	Amount
	Continuing Operations		Continuing Operations		Discontinued Operation		Discontinued Operation	
Profit / (loss) before tax:	-	2,012.92	-	5,336.13	-	-	-	(968.58)
Tax using the company's domestic tax rate	25.168%	506.61	25.168%	1,343.00	-	-	-	-
Tax impact on account of								
Expenses not deductible in determining taxable profits	4.28%	86.07	0.61%	32.46	-	-	-	-
Deductions allowable under tax laws	(2.56%)	(51.48)	(0.96%)	(51.37)	-	-	-	-
Ind AS Adjustments	0.00%	0.03	(0.92%)	(49.32)	-	-	-	-
Fair value gain on derivatives not designated as hedges	5.03%	101.16	0.39%	20.57	-	-	-	
Capital gains	-	-	-	-			(30.22%)	292.68
Others	1.96%	39.47	(2.96%)	(158.10)	-	-	-	-
Effective income tax rate/ Tax expense	**33.87%**	**681.86**	**21.31%**	**1,137.24**	**-**	**-**	**(30.22%)**	**292.68**
Particulars	For the year ended 31-3-2021		For the year ended 31-03-2020		For the year ended 31-3-2021		For the year ended 31-3-2020	
	%	Amount	%	Amount	%	Amount	%	Amount
	Continuing Operations		Continuing Operations		Discontinued Operation		Discontinued Operation	
Tax expenses								
- Current tax		801.04		1,394.18		-		291.67
- Deferred tax		(119.18)		(256.94)		-		(1,034.99)
Total tax		**681.86**		**1,137.24**		**-**		**(743.32)**
Add: Tax for earlier years		(53.33)		(14.13)		-		-
Total tax expenses reported for the year		**628.53**		**1,123.11**		**-**		**(743.32)**

Notes to the Consolidated Financial Statements (Rupees in lakhs)

b) Current Tax Liabilities

Particulars	As at 31-3-2021	As at 31-3-2020
Current tax liabilities(Net)*	388.03	188.96

*The above includes ₹35.57 lakhs (previous year ₹38.49 lakhs) remitted into the Government under protest. The disputes are pending disposal before appellate authorities and the management, based on nature of dispute and the opinion of the counsel, is of the view that no provision is necessary as at present.

C) Current Tax Assets

Particulars	As at 31-3-2021	As at 31-3-2020
Current Tax Assets(Net)	-	86.78

d) 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 31-3-2021	As at 31-3-2020
Deferred Tax Liability:		
On account of depreciation for tax purpose	963.12	1,054.67
Deferred Tax Asset:		
Opening adjustments as per Ind AS 116	(72.34)	(72.34)
Expenses allowed on payment basis	6.73	(3.66)
Allowance for doubtful receivables and advances	(285.52)	(205.97)
Ind AS Adjustments	(19.35)	(29.23)
Fair value gain on derivatives not designated as hedges	-	(20.57)
Unrealised profit on intra-group inventory transfer	(3.04)	(29.62)
Deferred Tax (Asset) /Liabilities (Net)	**589.60**	**693.28**

(Rupees in lakhs)

Deferred tax balance (Asset) / Liability in relation to	Balance as at 01-04-2020	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2021
Depreciation under Income Tax Act	1,054.67	(91.55)	-	963.12
Provision for employee benefit	(3.66)	(5.11)	15.50	6.73
Allowance for doubtful receivables and advances	(205.97)	(79.55)	-	(285.52)
Ind AS Adjustments	(29.23)	9.88	-	(19.35)
Fair value gain on derivatives not designated as hedges	(20.57)	20.57	-	-
Adjustment on adoption of Ind AS 116	(72.34)	-	-	(72.34)
Others	(29.62)	26.58	-	(3.04)
Total	**693.28**	**(119.18)**	**15.50**	**589.60**

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-04-2019	Directly charged to equity (On adoption of Ind AS 116)	Restated balance as at 01-04-2019	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2020
Depreciation under Income Tax Act	2,331.05	-	2,331.05	(1,276.38)	-	1,054.67
Provision for employee benefit	(16.26)	-	(16.26)	20.02	(7.42)	(3.66)
Allowance for doubtful receivables and advances	(208.57)	-	(208.57)	2.60	-	(205.97)
Ind AS Adjustments	(16.78)	-	(16.78)	(12.45)	-	(29.23)
Fair value gain on derivatives not designated as hedges	-	-	-	(20.57)	-	(20.57)
Adjustment on adoption of Ind AS 116	-	(72.34)	(72.34)	-	-	(72.34)
Others	(24.47)	-	(24.47)	(5.15)	-	(29.62)
Total	**2,064.97**	**(72.34)**	**1,992.63**	**(1,291.93)**	**(7.42)**	**693.28**

Notes to the Consolidated Financial Statements (Rupees in lakhs)

24 BORROWINGS (CURRENT)

Particulars	As at 31-3-2021	As at 31-3-2020
SECURED		
Loans repayable on demand (from banks)	11,302.79	22,574.06
UNSECURED		
Working Capital loan (from a finance company)	1.90	1,240.05
Total Borrowings	**11,304.69**	**23,814.11**

Terms and Security:

*Working capital loans are repayable on demand and carries interest @ 7.25% to 11.55% and secured by:

a) First charge on the existing and future current assets and certain fixed assets belonging to the Group
b) Guarantee by the Managing Director
c) Rate of interest on loan availed from finance company - 11%

Reconciliation of cashflows from financing activities

Particulars	As at 31-3-2021	As at 31-3-2020
Cash and cash equivalents	1,090.40	1,349.64
Current borrowings	(11,304.69)	(23,814.11)
Non-current borrowings*	(3,862.32)	(243.72)
Net Debt	(14,076.61)	(22,708.19)

* Including current maturities of long-term debt

(Rupees in lakhs)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
Net debt as at 01-04-2019	**913.78**	**(19,269.59)**	**(471.14)**	**(18,826.95)**
Cash flows	435.86	-	-	435.86
Proceeds from borrowings	-	(4,280.87)	227.42	(4,053.45)
Repayment of borrowings	-	-	-	-
Foreign exchange adjustments	-	**(263.65)**	-	**(263.65)**
Net debt as at 31-03-2020	**1,349.64**	**(23,814.11)**	**(243.72)**	**(22,708.19)**

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
Net debt as at 01-04-2020	**1,349.64**	**(23,814.11)**	**(243.72)**	**(22,708.19)**
Cash flows	(259.24)	-	-	(259.24)
Proceeds from borrowings	-	12,319.94	(3,783.01)	8,536.93
Repayment of borrowings	-	-	164.41	164.41
Exchange gain on restatement	-	189.48	-	189.48
Interest Expense	-	-	-	-
Other non-cash movement	-	-	-	-
- Acquisition / Disposals	-	-	-	-
- Fair value Adjustments	-	-	-	-
Net debt as at 31-03-2021	**1,090.40**	**(11,304.69)**	**(3,862.32)**	**(14,076.61)**

Note:
Assets are presented in positive numbers
Liabilities are presented in negative numbers

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

25 TRADE PAYABLES

Particulars	As at 31-3-2021	As at 31-3-2020
(a) Due to Micro and Small Enterprises [refer note no 42]	14.92	76.63
(b) Due to Others		
- Acceptances	13,961.86	11,987.96
- Other than acceptances	6,578.39	23,970.14
Total	**20,555.17**	**36,034.73**

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.

26 LEASE LIABILITY- CURRENT

Particulars	As at 31-3-2021	As at 31-3-2020
Lease liability	86.91	232.12
Total	**86.91**	**232.12**

27 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31-3-2021	As at 31-3-2020
(a) Current maturities of long term debt (refer note no 19)	79.42	152.11
(b) Interest accrued but not due	47.32	36.72
(c) Unclaimed Dividend	3.84	3.18
(d) Employee Benefits payable	386.75	601.35
(e) Other expense payable	350.37	468.52
Total	**867.70**	**1,261.88**

28 OTHER CURRENT LIABILITIES

Particulars	As at 31-3-2021	As at 31-3-2020
(a) Advances from customers (refer note no 46(c))	697.19	502.67
(b) Statutory dues	437.57	133.58
Total	**1,134.76**	**636.25**

29 PROVISIONS (CURRENT)

Particulars	As at 31-3-2021	As at 31-3-2020
Provision for employee benefits		
(a) Gratuity (refer note no 45)	21.79	153.02
(b) Compensated absences	13.30	33.36
Total	**35.09**	**186.38**

Movement in provision for gratuity

Particulars	As at 31-3-2021	As at 31-3-2020
Balance at the beginning of the year	153.02	153.79
Add: Provision made during the year	16.65	109.81
Less: Provision utilised/ reversed during the year	147.88	110.58
Balance at the end of the year	**21.79**	**153.02**

Movement in provision for compensated absences

Particulars	As at 31-3-2021	As at 31-3-2020
Balance at the beginning of the year	33.36	42.73
Add: Provision made during the year	-	53.92
Less: Provision utilised/ reversed during the year	20.06	63.29
Balance at the end of the year	**13.30**	**33.36**

30 NON-CURRENT ASSETS HELD FOR SALE

On 29-03-2019, the shareholders of the wholly owned subsidiary company viz.Taurus Value Steel and Pipes Pvt Ltd consented to the partial sale of assets including land, building and equipments in one of its location, having a net carrying value of ₹6,908.78 lakhs (as mentioned below). The shareholders of the parent Shankara Building Products Ltd also consented to this transaction vide their Extra-Ordinary General Meeting held on 20-05-2019. The transaction was completed and the proceeds were realised in end of May 2019.

Details of non-current assets held for sale as at 31-03-2019 and its disposal in the financial year 2019-2020

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

Particulars	Amount
Freehold land	711.16
Buildings	3,659.38
Property, Plant and Equipment	2,378.85
Furniture and Fixtures	64.23
Vehicles	82.64
Office Equipment	10.33
Computers	2.19
Total as at 31-03-2019	**6,908.78**
Written Down of Value of the assets transferred during the year (refer note no. 4)	962.36
Total Non-current assets held for sale	**7,871.14**
Sale consideration received	7,006.05
Loss on sale	**865.09**

Disclosure pursuant to Ind AS 105

a) Financial performance of discontinued operations

	Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
I	Revenue From Operations	-	11,132.08
II	Other Income	-	0.16
III	**Total Income (I+II)**	-	**11,132.24**
IV	**Expenses**	-	-
	Cost of materials consumed	-	8,756.90
	Purchases of Stock-in-Trade	-	-
	Changes in inventories of Finished Goods	-	1,803.97
	Employee benefits expense	-	170.96
	Finance costs	-	87.54
	Depreciation and amortization expense (refer note no.4)	-	66.95
	Other expenses	-	349.41
	Total expenses (IV)	-	**11,235.73**
V	Profit / (Loss) before tax (III-IV)	-	(103.49)
VI	Loss on sale of assets held for sale (refer note above)	-	(865.09)
VII	Total Profit / (Loss) before tax (V+VI)	-	**(968.58)**
VIII	Tax expense		
	Current tax	-	291.67
	Deferred tax	-	(1,034.99)
		-	**(743.32)**
IX	**Profit / (Loss) after tax (VII-VIII)**	-	**(225.26)**

Notes to the Consolidated Financial Statements (Rupees in lakhs)

The above disclosure includes Intra-group transactions.
The entire profit from discontinued operations is attributable to the owners of the parent.

b) Net cash flows from discontinued operations:

(Disclosed in accordance with para 33(c) Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations")

	Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(i)	Net cash inflows / (outflows) from Operating activities	-	(241.83)
(ii)	Net cash inflows / (outflows) from Investing activities	-	7,006.20
(iii)	Net cash inflows / (outflows) from Financing activities	-	(87.54)
	Net increase in cash generated from discontinued operation	**-**	**6,676.83**

31 REVENUE FROM OPERATIONS

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Sale of traded goods	1,93,667.98	2,47,474.65
(b) Sale of manufactured products	9,568.26	15,627.05
(c) Other Operating Revenues		
- Sale of scrap	600.46	871.10
Total	**2,03,836.70**	**2,63,972.80**

32 OTHER INCOME

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Interest Income	47.46	48.18
(b) Rent received	22.15	54.54
(c) Gain on disposal of property, plant and equipment	14.02	11.32
(d) Gain on termination of lease	174.42	-
(e) Unwinding of interest income on rental deposits	80.19	116.46
(f) Fair value gain on derivatives not designated as hedges	-	181.93
(g) Exchange gain on restatement of liability	189.48	-
(h) Provision for expenses no longer required written back	15.11	20.00
(i) Provision for doubtful debts written off no longer required	-	13.76
(j) Payables written back	30.80	-
(k) Other non-operating income	48.01	51.74
Total	**621.64**	**497.93**

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

33 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Opening stock of Raw Materials	6,612.21	7,561.14
Less: Opening Stock of discontinued operations	-	2,110.28
Total (A)	**6,612.21**	**5,450.86**
Purchases of Raw Materials (B)	42,906.68	64,099.62
Closing stock of Raw Materials	4,240.79	6,612.21
Add: Closing stock of discontinued operations	-	-
Total (C)	**4,240.79**	**6,612.21**
Total (A) + (B) - (C)	**45,278.10**	**62,938.27**

34 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Opening stock of Finished goods	2,091.01	3,589.92
Less: Opening Stock of discontinued operations	-	1,803.97
	2,091.01	**1,785.95**
Less: Closing stock of Finished goods	2,261.63	2,091.01
Total (A)	**(170.62)**	**(305.06)**
Opening stock of Stock-in-Trade	30,739.67	26,205.22
Less:Closing stock of Stock-in-Trade	24,580.02	30,739.67
Total (B)	**6,159.65**	**(4,534.45)**
Total (A) + (B)	**5,989.03**	**(4,839.51)**

(Rupees in lakhs)

35 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Salaries and Wages	3,030.96	4,709.25
(b) Contribution for:		
(i) Provident fund (refer note no 45(a))	247.99	335.70
(ii) Employees' State Insurance (refer note no 45(a))	28.94	55.88
(c) Gratuity (refer note no 45 (b))	86.38	118.22
(d) Welfare Expenses	72.81	136.20
Total	**3,467.08**	**5,355.25**

36 FINANCE COSTS

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Interest Expense on borrowings	2,985.37	3,860.41
(b) Other borrowing costs	76.15	103.11
(c) Exchange differences regarded as an adjustment to borrowing costs	-	91.24
(d) Interest on lease liability	246.24	279.94
Total	**3,307.76**	**4,334.70**

36 (a) DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Note No	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Depreciation			
- Property, plant and equipment	4	1,229.16	1,199.91
- Investment property	5	4.39	2.78
- Right-of-use Asset (net of disposals)	6	878.10	959.68
(b) Amortization of intangible assets	7(b)	286.46	374.87
From Continuing operations		**2,398.11**	**2,537.24**
From Discontinued operations	**30(a)**	**-**	**66.95**
Total		**2,398.11**	**2,604.19**

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

37 OTHER EXPENSES

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Power, Fuel & Water	446.75	693.95
(b) Stores & Spares consumed	496.89	745.33
(c) Rent	337.15	668.01
(d) Repairs and Maintenance		
(i) Buildings	1.49	1.56
(ii) Other Assets	545.35	808.87
(e) Insurance	118.88	108.62
(f) Rates & Taxes	80.11	231.29
(g) Travelling and Conveyance	95.75	198.57
(h) Payment to Auditors (refer note below) **	40.62	37.69
(i) Legal and Professional fees	136.23	223.54
(j) Directors sitting fees	25.97	21.01
(k) Communication Expenses	91.10	145.57
(l) Advertisement & Publicity Expenses	20.02	131.78
(m) Loss Allowance for doubtful trade receivables	316.15	246.82
(n) Material handling charges****	787.30	1,214.28
(o) Freight outwards***	171.36	431.82
(p) Commission Charges	55.80	95.56
(q) Bad Debts written off	3.40	3.86
(r) Loss on disposal of property, plant and equipment	35.95	33.10
(s) Sub contracting	96.39	88.48
(t) Corporate Social Responsibility expenditure (refer note no 50)	203.05	182.43
(u) Exchange Loss	0.24	172.41
(v) Fair value loss on derivatives not designated as hedges	302.84	-
(w) Miscellaneous Expenses *	398.22	600.50
Total	**4,807.01**	**7,085.05**

*Under this head, there is no expenditure which is in excess of 1% of revenue from operations or ₹10 lakhs, whichever is higher.

**Payment to auditors during the year ended 31-03-2020 partly includes the payment made to the predecessor auditor amounting to ₹1.91 lakhs.

***Frieght recovered from customers-Current year-₹674.32 lakhs Previous year-₹939.62 lakhs

****Material handling charges recovered from customers-Current year-₹370.56 lakhs Previous year-₹485.10lakhs.

(Rupees in lakhs)

Note : Breakup for payment to auditors is as under (excluding GST):

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Statutory Audit	24.82	26.13
(b) Tax Audit	3.00	3.45
(c) Limited Review fees	1.00	1.00
(d) Certification charges	8.85	-
(e) Out of Pocket Expenses	2.95	7.11
Total	**40.62**	**37.69**

38 EARNINGS PER SHARE (EPS)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Basic & Diluted		
A. Profit attributable to equity shareholders (in lakhs)		
From Continuing Operations-Basic & Diluted	1,384.39	4,213.02
From Discontined Operations-Basic & Diluted	-	(225.26)
From Continuing & Discontinued Operations-Basic & Diluted	1,384.39	3,987.76
B. Weighted average number of equity shares (in lakhs)	228.49	228.49
C. Basic and Diluted EPS (Rs.) [A/B]		
From Continuing Operations-Basic & Diluted	6.06	18.44
From Discontinued Operations-Basic & Diluted	-	(0.99)
From Continuing & Discontinued Operations-Basic & Diluted	6.06	17.45
Face value per share (Rs.)	10	10

The Group does not have any potential equity shares. Accordingly, basic and diluted earnings per share will remain the same.

39 CONTINGENT LIABILITIES:

Particulars	As at 31-3-2021	As at 31-3-2020
To the extent not provided for:		
(A) In respect of Sales Invoices discounted	361.03	-
(B) Liability disputed but not provided for		
(i) Income tax	81.61	65.41
(ii) Central sales tax	7.18	7.26
(iii) Value added tax	116.02	228.15
(iv) Entry tax	96.57	96.57

Notes to the Consolidated Financial Statements (Rupees in lakhs)

The above disputes are pending in appeal before various forums in the respective department. Outflows, if any, arising out of these claims would depend upon the adjudication of appellate authorities and the Group's rights for further appeals.

Amount remitted against disputed liability

Particulars	As at 31-3-2021	As at 31-3-2020
(i) Income tax	80.57	38.49
(ii) Central sales tax	4.06	3.50
(iii) Value added tax	22.86	20.00
(iv) Entry tax	24.14	24.14

40 COMMITMENTS

Particulars	As at 31-3-2021	As at 31-3-2020
Estimated value of capital commitments towards buildings (Net of advances)	33.50	-
Total	**33.50**	**-**

41 OPERATING LEASE

a) As lessor:

Leasing Arrangements:

The investment properties are leased to tenants under operating leases with rentals payable monthly.

Minimum lease payments receivable on leases of investment properties are as follows:

Particulars	As at 31-3-2021	As at 31-3-2020
Within one year	15.34	15.48
Between 1 and 2 years	9.46	8.39
Between 2 and 3 years	2.53	-
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
Total	27.33	23.87

Notes to the Consolidated Financial Statements (Rupees in lakhs)

b) As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 120 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties.There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Accounting for Leases under Ind AS 116

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Gross carrying amount of Right-of-use assets -Opening	5,508.42	4,224.82
Depreciation charged for the Right-of-use assets	878.10	959.68
Interest expense on lease liability	246.24	279.94
The rental expense relating to short-term leases for which Ind AS 116 has not been applied	337.15	668.01
Additions to Right-of-use assets during the current year	14.11	1,283.59
Deletions to Right-of-use assets during the current year	2,472.59	-
Gross carrying amount of Right-of-use assets -Closing	3,049.94	5,508.42
Total cash outflow for leases for the year	**991.99**	**1,128.04**

Notes to the Consolidated Financial Statements (Rupees in lakhs)

42 ADDITIONAL INFORMATION

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006 (as per information available with the Group):

Particulars	As at 31-3-2021	As at 31-3-2020
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	14.92	76.63
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
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 interest accrued and remaining unpaid at the end of each accounting year and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(Rupees in lakhs)

43 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.

Particulars	31st March 2021			31st March 2020		
	Retail	Channel & Enterprise *	Total	Retail	Channel & Enterprise *	Total
Income						
External Sale	1,18,394.53	85,442.17	2,03,836.70	1,44,187.36	1,19,785.44	2,63,972.80
Segment Revenue	**1,18,394.53**	**85,442.17**	**2,03,836.70**	**1,44,187.36**	**1,19,785.44**	**2,63,972.80**
Segment Result	**6,769.77**	**2,411.06**	**9,180.83**	**11,560.62**	**3,328.35**	**14,888.97**
Other Unallocated Items						
Finance Cost			3,307.76			4,334.70
Unallocable Corporate Expenses (Net)			3,860.15			5,218.14
Profit before tax-from Continuing operations			**2,012.92**			**5,336.13**
Profit before tax-from Dis-continued operations			-			**(968.58)**
Profit before tax from Continued and Dis-continued operations			**2,012.92**			**4,367.55**
OTHER INFORMATION						
Segment assets	28,005.96	34,628.11	62,634.07	38,893.24	46,082.34	84,975.58
Unallocated assets			29,945.78			32,484.58
Total Assets			**92,579.85**			**1,17,460.16**
Segment Liabilities	6,661.69	13,893.48	20,555.17	12,137.05	23,897.68	36,034.73
Unallocated liabilities			19,857.71			30,677.06
Total Liabilities			**40,412.88**			**66,711.79**
Capital Expenditure			1,444.15			2,360.57
Depreciation			2,398.11			2,537.24
Non-cash expenses other than depreciation			3.40			3.86

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

* Revenue from Channel & Enterprise segment are as follows:

Particulars of segment	For the periods ended			
	31st March 2021		31st March 2020	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Channel	42,193.91	-	39,363.83	-
Enterprise	43,248.26	-	80,421.61	-
Total	**85,442.17**	**-**	**1,19,785.44**	**-**

There were no customers the revenue derived from whom exceeded 10% or more of the entity's total revenue.

The Non-current Assets held for Sale is presented within the total assets of the "Channel & Enterprise" segment.

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

44 ASSETS HYPOTHECATED AS SECURITY

The carrying amounts of assets hypothecated as security for current and non-current borrowings are:

Particulars	Note No	As at 31-3-2021	As at 31-03-2020
Current Assets			
A) Financial assets			
(i) First and Second Charge			
- Trade Receivables	12	29,508.55	42,847.88
(ii) Floating Charge			
B) Non Financial assets			
(i) First and Second Charge			
- Inventories (net off goods-in-transit)	11	31,577.04	39,989.22
(ii) Floating Charge			
Total current assets hypothecated as security		61,085.59	82,837.10
Non-Current Assets			
A) Financial assets			
(i) First and Second Charge			
- Trade Receivables	8	380.65	380.40
(ii) Floating Charge			
B) Non Financial assets			
(i) First Charge			
- Vehicles and other movable assets	4	290.99	403.44
- Land and Building	4	4,602.97	4,562.73
- Plant and Equipment	4	5,104.53	5,355.76
(ii) Floating Charge			
Total non-current assets hypothecated as security		10,379.14	10,702.33
Total assets hypothecated as security		71,464.73	93,539.43

45 EMPLOYEE BENEFITS

a) Defined contribution plans

Contribution to Defined contribution plans, recognised as an expense for the year is as under:

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Employer's Contribution to Provident Fund (includes pension fund)	247.99	335.70
Employer's Contribution to Employees' State Insurance	28.94	55.88

* Including expenses pertaining to discontinued operations

b) Defined benefit plan

(i) Gratuity

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 last 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, 1972 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 31-03-2021. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Notes to the Consolidated Financial Statements (Rupees in lakhs)

Gratuity (Funded)

Particulars	As at 31-3-2021	As at 31-3-2020
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	797.57	683.17
Current Service Cost	75.84	96.72
Past Service Cost	-	17.83
Interest Cost	50.14	42.95
Actuarial Loss/(Gain) on obligation	(59.55)	63.21
Transfer In/(Out)	-	(72.40)
Benefits paid	(107.74)	(33.91)
Closing Balance	**756.26**	**797.57**
Less: Fair Value of Plan Assets		
Opening Balance	622.84	514.52
Expected Return on Plan assets less loss on investments	39.60	39.28
Actuarial (Loss)/Gain on Plan Assets	8.12	33.72
Employers' Contribution	174.45	155.57
Benefits paid	(107.74)	(33.91)
Transfer In/(Out)	15.26	(86.34)
Closing Balance	**752.53**	**622.84**
Amount recognized in Balance Sheet (refer note no 22 and 29)*	**3.73**	**174.73**
Particulars	**As at 31-3-2021**	**As at 31-3-2020**
Expenses during the year		
Current Service cost	75.84	96.72
Past Service cost	-	17.83
Interest cost	50.14	42.95
Expected Return on Plan assets	(39.60)	(39.28)
Component of defined benefit cost recognized in statement of profit & loss (refer note no 35)**	**86.38**	**118.22**
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(59.55)	63.21
- Actuarial Loss/(Gain) on Plan Assets	(8.11)	(33.72)
Component of defined benefit cost recognized in other comprehensive income	**(67.66)**	**29.49**
Total		
Actual Return on plan assets	47.72	73.00
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	-	-

* Current year balance of ₹3.73 lakhs is net off ₹18.06 Lakhs paid in advance by two subsidiary companies.

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

Particulars	As at 31-3-2021	As at 31-3-2020
Discount Rate	6.2% - 6.5%	6.2% - 6.4%
Expected rate(s) of salary increase	7.00%	7.00%
Expected return on plan assets	6.3% - 7%	7.00%
Attrition rate	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	

Experience adjustments

Particulars	31-03-2021	31-03-2020	31-03-2019	31-03-2018	31-03-2017
Defined Benefit Obligation	756.26	797.57	683.17	532.63	464.13
Plan Assets	752.53	622.84	514.52	453.75	373.86
Surplus / (Deficit)	(3.73)	(174.73)	(168.65)	(78.88)	(90.27)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	32.60	(27.04)	(49.19)	5.43	(13.17)
Experience Adjustments on Plan Assets – (Loss)/Gain	8.67	33.72	5.06	(10.13)	9.34

The Group expects to contribute ₹22.01 lakhs (previous year ₹174.95 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 29-03-2018, 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 year's expense as required under paragraph 103, Ind AS 19.

Notes to the Consolidated Financial Statements (Rupees in lakhs)

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 31-3-2021		As at 31-3-2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)	-		-	51.49
Discount rate (1% decrease)	55.58	-		-
Future salary growth (1% increase)	54.59	-		-
Future salary growth (1% decrease)	-	48.91	-	
Attrition rate (1% increase)	-	3.91	-	4.34
Attrition rate (1% decrease)	4.23	-		-

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 to 7 years (31-03-2020 - 6 years) as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The expected maturity analysis of the benefit payments of gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
31-03-2021 Defined benefit obligation (Gratuity)	99.77	116.38	318.61	539.95	1,074.71
Total	**99.77**	**116.38**	**318.61**	**539.95**	**1,074.71**
31-03-2020 Defined benefit obligation (Gratuity)	93.18	103.01	382.25	617.24	1,195.68
Total	**93.18**	**103.01**	**382.25**	**617.24**	**1,195.68**

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.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to the Consolidated Financial Statements (Rupees in lakhs)

46 DISCLOSURE ON ACCOUNTING FOR REVENUE FROM CUSTOMERS IN ACCORDANCE WITH IND AS 115

Disaggregated revenue information

A Type of goods and service

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Sale of products	1,93,667.98	2,47,474.65
(b) Sale of Manufactured products	9,568.26	15,627.05
(c) Other operating revenues	600.46	871.10
Total Operating Revenue	2,03,836.70	2,63,972.80
In India	2,03,836.70	2,63,972.80
Outside India	-	-

B Timing of revenue recognition

Particulars	For the year ended 31-03-2021		For the year ended 31-03-2020	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	2,03,836.70	Nil	2,63,972.80	Nil

C Contract Balances

Particulars	As at 31-3-2021	As at 31-3-2020
Contract Assets	-	-
Contract Liabilities	697.19	502.67

D Revenue recognised in relation to contract liabilities

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Revenue recognised in relation to contract liabilities	462.26	792.37

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

E Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Revenue at contracted prices*	2,03,836.70	2,63,972.80
Revenue from contract with customers	2,03,836.70	2,63,972.80
Difference	-	-

F Unsatisfied or partially satisfied performance obligation

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Unsatisfied or partially satisfied performance obligation	Nil	Nil

47 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 till 31.12.2020) Mr. Siddhartha Mundra (Chief Executive Officer till 30.11.2020) Mr. Alex Varghese (Chief Financial Officer) Ms. Ereena Vikram (Company Secretary)
Relatives of Key Managerial Personnel	Mr. Dhananjay Mirlay Srinivas Mrs. Parwathi Mirlay Srikanth
Enterprise in which Key Managerial Personnel have significant influence	Shankara Holdings Private Limited, Bengaluru.
Entities where control exist	Shankara Building Products Employees Gratuity Fund
	Taurus Value Steel & Pipes Private Limited-Gratuity Fund
	Vishal Precision Steel Tubes and Strips Private Limited-Gratuity fund

(Rupees in lakhs)

B Transactions with Related Parties

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Amount contributed to		
Shankara Building Products Employees Gratuity Fund	126.18	121.61
Taurus Value Steel & Pipes Private Limited- Gratuity Fund	1.41	12.50
Vishal Precision Steel Tubes and Strips Private Limited-Gratuity fund	23.42	19.91
Dividend paid to		
Key Managerial Personnel	-	254.51
Relatives of Key Managerial Personnel	-	3.21
Shankara Holdings Private Limited	-	3.32

Remuneration to Key Managerial Personnel (refer note 1 below)	For the year ended 31-03-2021	For the year ended 31-03-2020
Short-term employee benefits		
Managing Director	-	115.19
Whole-time director	57.54	103.45
Chief Executive Officer	50.71	97.78
Chief Financial Officer	23.80	30.41
Company Secretary	8.72	10.36
Remuneration paid to a relative of a Key Managerial Personnel	3.20	0.16
Mr. Dhananjay Mirlay Srinivas (previous year with effect from 14-03-2020)		

Balance Outstanding to/ from related parties	As at 31-3-2021	As at 31-03-2020
Remuneration payable to Key Managerial Personnel		
Whole-time director	2.01	5.50
Chief Executive Officer	-	5.42
Chief Financial Officer	1.77	1.57
Company Secretary	0.68	0.63
Remuneration payable to a relative of a Key Managerial Personnel	0.28	0.16
Guarantees furnished by		
Managing Director	32,500.00	44,450.00

Notes to the Consolidated Financial Statements (Rupees in lakhs)

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.

Amount due to/ from related parties	As at 31-3-2021	As at 31-03-2020
Due from a Whole-time Director	-	0.94
Due from Chief Financial Officer	2.88	2.43

Terms and Conditions

All outstanding credit balances are unsecured and are repayable in cash.

Guarantees furnished by the Managing Director

Personal guarantee has been furnished by the Managing Director of the holding company to the Group to avail working capital facilities from the lender banks.

48 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		**31-03-2021**	**31-03-2020**	
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	India	100%	100%	Manufacturing of steel products
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	India	100%	100%	Manufacturing of steel products
Steel Networks (Holdings) Pte Limited, Singapore	Singapore	100%	100%	Investment holding company
Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu (was a step down subsidiary till 14-10-2019)	India	100%	100%	Manufacturing of roofing sheets

49 FINANCIAL INSTRUMENTS

A. Capital Management

(1) 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 borrowings 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 finance 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.

(Rupees in lakhs)

Particulars	Note No	As at 31-3-2021	As at 31-03-2020
Long term borrowings	19	3,782.90	91.61
Current maturities of long-term debt	27	79.42	152.11
Short term borrowings	24	11,304.69	23,814.11
Less: Cash and cash equivalents	13	(1,090.40)	(1,349.64)
Less: Bank balances other than cash and cash equivalents	14	(426.92)	(733.26)
Net Debt (A)		13,649.69	21,974.93
Total Equity (B)	17,18	52,166.97	50,748.37
Gearing Ratio (A / B)		0.26	0.43

(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 24

(2) Dividends

Particulars	As at 31-3-2021	As at 31-3-2020
Equity Shares		
(i) Final Dividend for the year ended March 31, 2019 of R1.50 per fully paid share	-	342.74
Dividend distribution tax on final dividend	-	70.46
Interim Dividend for the year ended March 31, 2020 of R2.00 per fully paid share	-	456.99
Dividend distribution tax on interim dividend	-	93.95
(ii) Dividends not recognised at the end of the reporting period	-	-

Notes to the Consolidated Financial Statements

(Rupees in lakhs)

B. Categories of financial instruments

Particulars	Note no	As at 31-03-2021		As at 31-03-2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Measured at amortised cost					
Loans	9	941.91	941.91	1,123.87	1,123.87
Other financial assets	15	84.18	84.18	102.18	102.18
Trade receivables	8,12	29,889.20	29,889.20	43,228.28	43,228.28
Cash and cash equivalents	13	1,090.40	1,090.40	1,349.64	1,349.64
Bank balances other than cash and cash equivalents	14	426.92	426.92	733.26	733.26
Total financial assets at amortised cost (A)		**32,432.61**	**32,432.61**	**46,537.23**	**46,537.23**
Measured at fair value through other comprehensive income (B)		-	-	-	-
Measured at fair value through profit and loss					
Derivative asset not designated as hedges					
Foreign exchange forward contracts	15	-	-	181.93	181.93
Measured at fair value through profit and loss (C)		**-**	**-**	**181.93**	**181.93**
Total financial assets (A+B+C)		**32,432.61**	**32,432.61**	**46,719.16**	**46,719.16**

Particulars	Note no	As at 31-03-2021		As at 31-03-2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities					
Measured at amortised cost					
Long term Borrowings *	19,27	3,862.32	3,862.32	243.72	243.72
Short term Borrowings	24	11,304.69	11,304.69	23,814.11	23,814.11
Trade payables	25	20,555.17	20,555.17	36,034.73	36,034.73
Lease Liabilities	20,26	1,747.69	1,747.69	3,775.63	3,775.63
Other financial liabilities**	21,27	795.53	795.53	1,117.02	1,117.02
Total financial liabilities carried at amortised cost (A)		**38,265.40**	**38,265.40**	**64,985.21**	**64,985.21**
Total financial liabilities measured at fair value through other comprehensive income (B)		-	-	-	-
Total financial liabilities measured at fair value through profit and loss (C)		-	-	-	-
Total financial liabilities (A+B+C)		**38,265.40**	**38,265.40**	**64,985.21**	**64,985.21**

* including current maturities of long-term debt

** excluding current maturities of long-term debt

C. Financial risk management

The Group 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

(1) 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.

(i) Currency Risk
Exposure to currency risk

Particulars	As at 31-03-2021		As at 31-03-2020	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised liabilities (in lakhs)	-	-	60.59	4,563.64
Forward exchange contracts (in lakhs)	-	-	60.59	4,563.64
Net Exposure	-	-	-	-

Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

(ii) 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 at prevailing market price. The Group is therefore subject to fluctuations in the prices of steel coil, steel pipes, sanitary wares etc.

Notes to the Consolidated Financial Statements (Rupees in lakhs)

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	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
1% increase in prices of Inventory	(310.82)	(394.78)	(232.60)	(295.42)
1% decrease in prices of Inventory	310.82	394.78	232.60	295.42

(iii) 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 Group's fixed and floating rate borrowings:

Particulars	As at 31-3-2021	As at 31-3-2020
Fixed rate borrowings	3,862.32	243.72
Floating rate borrowings	11,304.69	23,814.11
Total borrowings	**15,167.01**	**24,057.83**
Total Net borrowings as per Financial Statements	**15,167.01**	**24,057.83**
Add: Upfront fees	-	-
Total borrowings	**15,167.01**	**24,057.83**

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	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
100 basis points increase in interest rates	(113.05)	(238.14)	(84.60)	(178.21)
100 basis points decrease in interest rates	113.05	238.14	84.60	178.21

 (Rupees in lakhs)

(2) 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 entity 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.

Year ended 31-03-2021
Expected credit loss for trade receivables under simplified approach

Ageing	Less than 180 days	More than 181 days	Total
Gross carrying amount - Trade receivables	26,130.21	4,955.00	31,085.21
Expected credit losses (Loss allowance provision) - trade receivables	-	(1,196.01)	(1,196.01)
Carrying amount of trade receivables (net of impairment)	26,130.21	3,758.99	29,889.20

Year ended 31-03-2020
Expected credit loss for trade receivables under simplified approach

Ageing	Less than 180 days	More than 181 days	Total
Gross carrying amount - Trade receivables	39,674.21	4,433.93	44,108.14
Expected credit losses (Loss allowance provision) - trade receivables	-	(879.86)	(879.86)
Carrying amount of trade receivables (net of impairment)	39,674.21	3,554.07	43,228.28

(3) 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 Group has access to the following undrawn borrowing facilities at the end of the reporting period:

Financing arrangements

Particulars	As at 31-3-2021	As at 31-3-2020
Floating Rate		
- Expiring within one year	11,382.96	8,825.95
- Expiring beyond one year	-	-
	11,382.96	8,825.95

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 Group may be required to pay.

(Rupees in lakhs)

Liquidity exposure as at 31-03-2021

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
Financial assets					
Loans	9	-	-	941.91	941.91
Other financial assets	15	84.18	-	-	84.18
Trade receivables	8,12	29,508.55	380.65	-	29,889.20
Cash and cash equivalents	13	1,090.40	-	-	1,090.40
Bank balances other than cash and cash equivalents	14	426.92	-	-	426.92
Total financial assets		**31,110.05**	**380.65**	**941.91**	**32,432.61**
Financial liabilities					
Long term Borrowings *	19,27	79.42	3,782.90	-	3,862.32
Short term Borrowings	24	11,304.69	-	-	11,304.69
Trade payables	25	20,555.17	-	-	20,555.17
Lease Liabilities	20,26	86.91	1,660.78	-	1,747.69
Other financial liabilities**	21,27	788.28	7.25	-	795.53
Total financial liabilities		**32,841.47**	**5,450.93**	**-**	**38,265.40**

* including current maturities of long-term debt

**excluding current maturities of long-term debt

(Rupees in lakhs)

Liquidity exposure as at 31-03-2020

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
Financial assets					
Loans	9	-	-	1,123.87	1,123.87
Other financial assets	15	102.18	-	-	102.18
Trade receivables	8,12	42,847.88	380.40	-	43,228.28
Cash and cash equivalents	13	1,349.64	-	-	1,349.64
Bank balances other than cash and cash equivalents	14	733.26	-	-	733.26
					-
Derivative Assets					-
Foreign exchange forward contracts	15	181.93	-	-	181.93
Total financial assets		**45,214.89**	**380.40**	**1,123.87**	**46,719.16**
Financial liabilities					
Long term Borrowings *	19,27	152.11	91.61	-	243.72
Short term Borrowings	24	23,814.11	-	-	23,814.11
Trade payables	25	36,034.73	-	-	36,034.73
Lease Liabilities	20,26	232.12	3,543.51	-	3,775.63
Other financial liabilities**	21,27	1,109.77	7.25	-	1,117.02
Total financial liabilities		**61,342.84**	**3,642.37**	**-**	**64,985.21**

* including current maturities of long-term debt

**excluding current maturities of long-term debt

Collateral

The Group has hypothecated 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 no 19, 24 and 44)

(Rupees in lakhs)

D. level wise disclosure of financial instruments

Particulars	Note no	As at 31-03-2021				As at 31-03-2020			
		Carrying Value	Fair Value			Carrying Value	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets									
Loans	9	941.91			785.81	1,123.87			990.42
Other financial assets	15	84.18				102.18			
Trade receivables	8,12	29,889.20				43,228.28			
Cash and cash equivalents	13	1,090.40				1,349.64			
Bank balances other than cash and cash equivalents	14	426.92				733.26			
Derivative Assets									
Foreign exchange forward contracts	15					181.93		181.93	
Total financial assets		**32,432.61**	-	-	**785.81**	**46,719.16**	-	**181.93**	**990.42**
Financial liabilities									
Long term Borrowings *	19,27	3,862.32				243.72			
Short term Borrowings	24	11,304.69				23,814.11			
Trade payables	25	20,555.17				36,034.73			
Lease Liabilities	20,26	1,747.69				3,775.63			
Other financial liabilities**	21,27	795.53				1,117.02			
Total financial liabilities		**38,265.40**	-	-	-	**64,985.21**	-	-	-

* including current maturities of long-term debt

**excluding current maturities of long-term debt

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.

50 CORPORATE SOCIAL RESPONSIBILITY

a) Gross amount required to be spent by the Group during the year - ₹150.77 lakhs (Previous year: ₹148.91 lakhs)

b) Amount spent during the year:

Particulars	Amount required to be spent for the year ended 31-03-2021	Amount spent in cash	Amount yet to be paid in cash
a) Construction / acquisition of any assets	-	-	-
b) On purpose other than (a) above	148.91	203.05	-
Particulars	**Amount required to be spent for the year ended 31-03-2020**	**Amount spent in cash**	**Amount yet to be paid in cash**
a) Construction / acquisition of any assets	-		-
b) On purpose other than (a) above	170.39	182.43	-
Amount paid is included under Other expenses (refer note no 37)			

The above aggregated CSR expenditure disclosed are relating to Parent and its subsidiaries.

51 Amendments to Schedule III:

The amendment to Schedule III vide notification no. F. No. 17/62/2015-CL-V Vol-I dated March 24, 2021 issued by the Ministry of Corporate Affair are applicable only with effect from April 01, 2021. Hence the financial statements have been prepared in accordance with the provisions that existed prior to the amendment, for the year under review.

(Rupees in lakhs)

52 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the entity	2020 - 21							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated Profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent:								
Shankara Building Products Limited, Bengaluru	67.03%	34,965.80	72.10%	998.10	106.41%	36.41	72.92%	1,034.51
Subsidiaries- Indian :								
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	19.34%	10,091.13	5.38%	74.45	(13.73%)	(4.70)	4.92%	69.75
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	13.13%	6,847.75	14.73%	203.86	20.54%	7.03	14.87%	210.89
Centurywells Roofing India Private Limited, Kancheepuram (was a subsidiary of Steel Networks (Holdings) Pte Limited, Singapore till 14-10-2019)	5.15%	2,685.19	13.41%	185.69	(14.07%)	(4.82)	12.75%	180.87
Subsidiary- Foreign:								
Steel Networks (Holdings) Pte Limited, Singapore	0.02%	12.61	(4.55%)	(62.98)	(52.45%)	(17.95)	(5.71%)	(80.93)
Inter-company elimination & consolidation adjustments	(4.67%)	(2,435.51)	(1.07%)	(14.73)	53.30%	18.24	0.25%	3.51
Total	**100.00%**	**52,166.97**	**100.00%**	**1,384.39**	**100.00%**	**34.21**	**100.00%**	**1,418.60**

(Rupees in lakhs)

Additional information, as required under Schedule III to the Companies Act, 2013 - Continued

Name of the entity	2019-20							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated Profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent:								
Shankara Building Products Limited, Bengaluru	66.86%	33,931.29	68.41%	2,727.99	(79.47%)	(19.01)	67.53%	2,708.98
Subsidiaries- Indian :								
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	19.75%	10,021.37	(1.97%)	(78.71)	(6.27%)	(1.50)	(2.00%)	(80.21)
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	13.08%	6,636.86	19.57%	780.53	0.58%	0.14	19.46%	780.67
Centurywells Roofing India Private Limited (Subsidiary of Steel Networks (Holdings) Pte Limited, Singapore), Kancheepuram	4.93%	2,504.32	12.41%	494.98	(7.11%)	(1.70)	12.30%	493.28
Subsidiary- Foreign:								
Steel Networks (Holdings) Pte Limited, Singapore	2.05%	1,038.69	1.04%	41.31	192.27%	45.99	2.17%	87.30
Inter-company elimination & consolidation adjustments	(6.67%)	(3,384.16)	0.54%	21.66	0.00%	-	0.54%	21.66
Total	**100.00%**	**50,748.37**	**100.00%**	**3,987.76**	**100.00%**	**23.92**	**100.00%**	**4,011.68**

Notes to the Consolidated Financial Statements (Rupees in lakhs)

53 NOTE ON IMPACT OF COVID-19

The Group has considered the possible effects of COVID-19 in the preparation of these financials. Due to lockdowns the Group's operations were hampered considerably for a period of time during the year. This had an impact on customer demand, supply chain, company personnel having access to factories and offices. The Group also considered the impact of the pandemic on the recoverability of the carrying value of its assets and assessed that these values can be recovered as at 31st March, 2021. The pandemic continues to unfold and the impact on the Group's future financial results is currently uncertain. The Group will monitor the situation closely and is taking all necessary measures to safeguard the same. Further, the Group is also maintaining a strict Covid protocol as per Government guidelines and is taking all measures to ensure the safety and health of its employees and their families.

As per our report attached of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place: Chennai
Date: 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C. Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place: Bengaluru
Date: 10th June 2021

Shankara
Building Products Limited

Standalone Audit Report and Financials | 2020 - 2021





To the Members of Shankara Building Products Limited, Bengaluru - 560001.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of Shankara Building Products Limited, Bengaluru ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone 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 "the 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company, as at March 31, 2021, its profit and 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 the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those SAs 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 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 the 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 Standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Standalone Ind AS

Key audit matter	How the matter was addressed in our audit
DISCOUNT FROM SUPPLIER The company avails discount from its suppliers which are based on oral negotiations, considering prevailing steel prices. In relation to calculation of discount receivable, 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.	**We have performed the following procedures:** ● Comparative analysis of movement of discount receivable during current year with that of previous year. ● We verified the reasonableness by comparing rate of discount availed with invoice rate. ● Verified on sample basis credit notes issued by supplier and debit notes raised on supplier, for discounts previously recognized, that provides a documentary 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.

Key audit matter	How the matter was addressed in our audit
INVENTORY EXISTENCE AND VALUATION Inventory is held in various locations by the Company. 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. Hence, inventory quantities and valuation is identified as a key audit Matter.	**We have performed the following procedures:** ● We have attended inventory counts at certain locations, 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. ● 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.

As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the Financial Statements.

financial statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the 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 in the 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 the 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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, the Board of Directors 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.

Those Board of Directors are 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 these 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

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.

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 standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flows statement 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 Ind AS specified under section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, refer to 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, the remuneration paid / provided during the year to directors is in accordance with the provisions of section 197 of the Act

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 as at March 31, 2021 on its financial position in its Standalone Ind AS financial statements - refer note 39 to the Standalone Ind AS financial statements;

ii. the Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. The disclosures in the Standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these Standalone Ind AS financial statements since they do not pertain to the financial year ended March 31, 2021.

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

Venkatasubramanian.S
Partner
Membership No. 219238
UDIN: 21219238AAAADU3034

Place: Chennai
Date : June 10, 2021

Annexure 1 referred to in our report under "Report on Other Legal and Regulatory requirements Para 1" of even date on the accounts for the year ended March 31, 2021

i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) Fixed assets are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) On the basis of examination of records of the company, the title deeds of immovable properties are held in the name of the company.

ii. The inventory has been physically verified at reasonable intervals during the year by the management. The discrepancies between the physical stocks and the book were not material and have been properly dealt with in the books of account.

iii. The company had granted unsecured, interest bearing advance to one party, in earlier financial years, covered in the register maintained under section 189 of the Act.

The grant of advance is based on mutual understanding and there is no schedule of repayment of principal and interest. The advance of ₹16.03 lakhs is received in full during the year and only the interest of ₹0.15 lakhs is outstanding

iv. According to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Act with respect to loans, investments, guarantees and security, as applicable.

v. The company has not accepted any deposit as mentioned in the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the paragraph of clause 3(v) of the Order is not applicable.

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.

vii. (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax (including Tax Deducted at Source), Duty of Customs, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities wherever applicable. We have observed belated remittances of income tax deducted at source, provident fund, employees' state insurance and profession tax on a few occasions.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Duty of Customs, Goods and Service Tax and Cess were in arrears, as at March 31, 2021 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, duty of customs, duty of excise, value added tax, cess and goods and service tax on account of any dispute, are as follows:

Name of the statute: Income Tax Act, 1961			
Assessment year	**Nature of dues**	**Amount (₹In lakhs)**	**Forum where the dispute is Pending**
2008-2009	Income Tax*	36.20	High Court of Karnataka
2014-2015	Income Tax	8.65	The Assessing Officer, Bengaluru
2015-2016	Income Tax**	45.41	The Assessing Officer, Bengaluru

*out of it, ₹35.57 lakhs has been remitted by the company under protest
** ₹45.00 lakhs remitted by the company

Name of the statute: The Maharashtra Value Added Tax Act, 2002			
Financial year	**Nature of dues**	**Amount (₹In lakhs)**	**Forum where the dispute is Pending**
2010-2011	Value added tax*	40.50	Joint Commissioner of Sales Tax, Appeal (IV), Bandra (E)
2012-2013	Value added tax**	75.51	Maharashtra Sales Tax Tribunal, Mumbai.

* out of it, ₹5 lakhs has been remitted by the company under protest

** out of it, ₹17.86 lakhs has been remitted by the company under protest

Name of the statute: The Central Sales Tax, 1958			
Financial year	**Nature of dues**	**Amount (₹In lakhs)**	**Forum where the dispute is Pending**
2012-2013	Central sales tax*	7.18	Maharashtra Sales Tax Tribunal, Mumbai.

* out of it, ₹4.06 lakhs has been remitted by the company under protest

viii. The company has not defaulted in repayment of loans or borrowings to banks. The company did not borrow or avail loan from Government or financial institution and has not issued any debenture. Hence the question of delay in repayment of dues to Government, financial institution and debenture holder does not arise.

ix. (a) The company has not raised any money by the way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting on utilization of such money does not arise.

(b) 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. Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on the company by its officers or employees or by the company has been noticed or reported during the course of our audit.

xi. According to the information and explanation 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. The Company is not a Nidhi company and as such this clause of the Order is not applicable.

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 the sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the Standalone Ind AS financial statements as required under applicable accounting standards.

xiv. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013. Hence reporting under this clause does not arise.

xv. In our opinion and 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 them.

(P.T.O)

xvi. The company does not require registration under section 45-IA of the Reserve Bank of India Act, 1934. Hence matters relating to transfer to Statutory Reserve are not applicable.

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

Venkatasubramanian.S
Partner
Membership Number : 219238
UDIN: 21219238AAAADU3034

Place: Chennai
Date : June 10, 2021

Annexure - 2 Independent Auditors' Report To The Members On The Standalone Financial Statements Of Shankara Building Products Limited, Bengaluru For The Year Ended March 31, 2021

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 standalone financial statements of Shankara Building Products Limited, Bengaluru ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls with reference to Financial Statements

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements 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 Companies Act, 2013.

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements, both issued by the Institute of Chartered Accountants of India. 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 system 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 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 system 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;

I. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

II. 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

III. 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 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 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at Mach 31, 2021, based on;

i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.

ii. continuous adherence to Company's policies.

iii. existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made and cash and bank balances.

iv. existing system to prevent and detect fraud and errors.

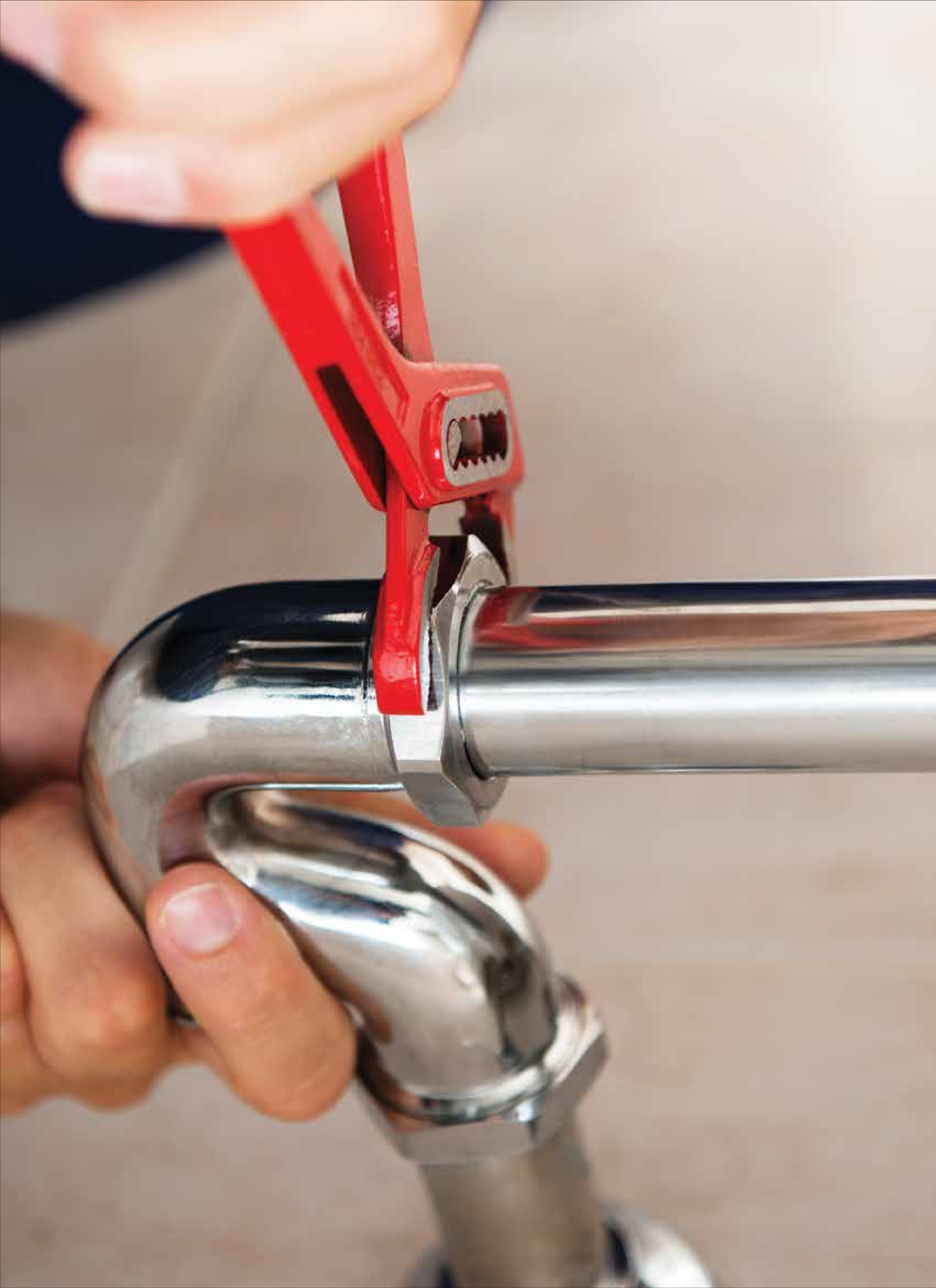
v. accuracy and completeness of Company's accounting records; and

vi. existing capacity to prepare timely and reliable financial information

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

Venkatasubramanian.S
Partner
Membership Number : 219238
UDIN: 21219238AAAADU3034

Place: Chennai
Date : June 10, 2021



SEPARATE (i.e. STANDALONE) BALANCE SHEET AS AT 31st MARCH 2021

(Rupees in lakhs)

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4	13,937.10	13,993.20
(b) Capital work-in-progress	4	219.09	14.54
(c) Investment Property	5	1,031.24	1,037.15
(d) Right-of-use Asset	6, 41(b)	1,175.42	2,974.03
(e) Intangible assets	7	-	286.46
(f) Financial Assets			
(i) Investments	8	3,899.13	4,837.96
(ii) Trade receivables	9	370.87	374.37
(iii) Loans	10	700.77	893.12
(g) Other non-current assets	11	137.47	120.36
Total Non-current assets		**21,471.09**	**24,531.19**
(2) Current assets			
(a) Inventories	12	24,592.13	30,961.79
(b) Financial Assets			
(i) Trade receivables	13	28,020.15	40,454.12
(ii) Cash and cash equivalents	14	177.17	232.25
(iii) Bank balances other than (ii) above	15	80.17	122.14
(iv) Loans	16	-	4.35
(v) Other financial assets	17	91.21	274.05
(c) Other current assets	18	711.49	988.49
Total current assets		**53,672.32**	**73,037.19**
Total Assets		**75,143.41**	**97,568.38**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	19	2,284.93	2,284.93
(b) Other Equity	20	32,680.87	31,646.36
Total Equity		**34,965.80**	**33,931.29**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	7,377.00	91.61
(ii) Lease Liability	22	1,365.09	3,089.49
(iii) Other financial liabilities	23	7.25	7.25
(b) Provisions	24	37.58	27.75
(c) Deferred tax liabilities (Net)	25 (c)	34.32	31.28
Total Non-current liabilities		**8,821.24**	**3,247.38**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	10,421.93	16,305.67
(ii) Trade payables:-	27		
(A) total outstanding dues of micro enterprises and small enterprises ; and		14.92	76.63
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		18,810.83	41,925.37
(iii) Lease Liability	28	86.91	232.12
(iv) Other financial liabilities	29	692.01	940.59
(b) Other current liabilities	30	1,040.86	579.58
(c) Provisions	31	21.09	140.79
(d) Current Tax Liabilities(Net)	25(b)	267.82	188.96
Total current liabilities		**31,356.37**	**60,389.71**
Total Equity and Liabilities		**75,143.41**	**97,568.38**
Significant accounting policies	1 to 3		

See accompanying notes to the standalone financial statements

As per our report attached of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place : Chennai
Date : 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place : Bengaluru
Date : 10th June 2021

SEPARATE (i.e STANDALONE) STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

(Rupees in lakhs)

	Particulars	Note No.	For the Year ended 31-03-2021	For the Year ended 31-03-2020
I	Revenue From Operations	32	1,95,724.03	2,49,384.49
II	Other Income	33	565.19	433.40
III	**Total Income (I+II)**		**1,96,289.22**	**2,49,817.89**
IV	**Expenses**			
	Cost of materials consumed	34	195.57	294.57
	Purchases of Stock-in-Trade		1,77,878.67	2,36,194.50
	Changes in inventories of Finished goods and Stock-in-Trade	34(a)	6,772.39	(4,503.95)
	Employee benefits expense	35	2,707.03	4,137.74
	Finance costs	36	2,175.33	3,169.44
	Depreciation and amortization expense	36(a)	1,737.84	1,860.22
	Other expenses	37	3,474.76	5,096.04
	Total expenses (IV)		**1,94,941.59**	**2,46,248.56**
V	Profit before exceptional items and tax-(III-IV)		1,347.63	3,569.33
VI	Exceptional items	50	49.90	-
VII	Profit before tax (V+VI)		1,397.53	3,569.33
VIII	Tax expense:	25 (a)		
	Current tax		462.40	941.84
	Tax relating to earlier years		(53.77)	-
	Deferred tax		(9.20)	(100.50)
			399.43	**841.34**
IX	**Profit for the year (VII-VIII)**		**998.10**	**2,727.99**
X	**Other Comprehensive Income**			
A	**Items that will not be reclassified to profit or loss**			
	(i) Re-measurements of the defined benefit plans		48.65	(25.41)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(12.24)	(6.40)
	Total A		**36.41**	**(19.01)**
B	**Items that will be reclassified to profit or loss**		-	-
	(i) Effective portion of cash flow hedges			
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total B		-	-
	Total Other Comprehensive Income/(loss) (A+B)		**36.41**	**(19.01)**
XI	**Total Comprehensive Income for the year (IX+X)**		**1,034.51**	**2,708.98**
XII	**Earning per equity share: [Face value Rs.10 per share]**	38		
	Basic (in Rs.)		4.37	11.94
	Diluted (in Rs.)		4.37	11.94
	Significant accounting policies	1 to 3		

See accompanying notes to the standalone financial statements

As per our report attached of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place : Chennai
Date : 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C. Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place : Bengaluru
Date : 10th June 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2021

(Rupees in lakhs)

Particulars	Note No	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Cash flow from operating activities			
Profit before tax		1,397.53	3,569.33
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization expense	36(a)	1,737.84	1,860.22
Loss on disposal of property, plant & equipment	37	25.77	21.03
Gain on disposal of property, plant & equipment	33	(5.22)	(8.87)
Gain on termination of lease	33	(163.49)	-
Unwinding of interest income on rental deposits	33	(78.75)	(86.19)
Interest income	33	(7.57)	(12.45)
Unrealised exchange (gain) / loss	33,36,37	(189.48)	81.72
Fair value loss on derivatives not designated as hedges	37	302.84	
Realised exchange Loss	37	0.24	
Interest expense on Borrowings	36	1,952.95	2,833.30
Fair valuation of financial guarantee (Expenses)	37	9.84	9.43
Fair valuation of financial guarantee (Income)	33	(9.84)	(9.43)
Interest on Lease liability	36	222.38	244.90
Bad Debts written off	37	3.24	3.84
Exceptional items	50	(49.90)	-
Payables written back	33	(30.80)	
Provision for expenses no longer required written back	33	(15.11)	(20.00)
Provision for doubtful advances written back	33	(11.68)	-
Loss Allowance for doubtful trade receivables	37	260.58	227.54
Operating profit before working capital changes		**5,351.37**	**8,714.37**
Adjustments for :			
(Increase) / Decrease in inventories		6,369.66	(4,673.37)
(Increase) / Decrease in trade receivable		12,173.65	(12,304.44)
Decrease/ (Increase) in loans and other financial assets		154.77	3,502.00
Decrease/ (Increase) in other current assets		277.00	213.78
Decrease/ (Increase) in other non-current assets		(4.61)	(23.56)
(Decrease)/ Increase in trade payables		(23,176.25)	12,709.97
(Decrease)/ Increase in other financial liabilities		(192.25)	(39.41)
(Decrease)/ Increase in other current liabilities (excluding the current maturity of non-current borrowings)		492.08	(270.46)
(Decrease)/Increase in provisions		(125.71)	(0.89)
Cash flow from/(used in) operations		**1,319.71**	**7,827.99**
Income taxes paid		(260.00)	(992.93)
Net cash flows from/(used in) operating activities (A)		**1,059.71**	**6,835.06**
Cash flow from investing activities			
Consideration paid for purchase of property, plant & equipment (Including capital work-in-progress and capital advances)		(894.48)	(1,608.90)
Investment in a subsidiary			(1,001.02)
Receipt of advances from Steel network (holdings) Pte Ltd		15.94	-
Proceeds from capital reduction in subsidiary		998.56	-
Proceeds from sale of property, plant & equipment	4,37,33	71.74	95.03
(Purchase)/proceeds from maturity of bank deposits		41.97	(13.26)
Interest receipt		3.76	13.42
Net cash flows from/(used in) investing activities (B)		**237.49**	**(2,514.73)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2021 Contd.

(Rupees in lakhs)

Particulars	Note No	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Cash flow from financing activities			
Prinicipal element of lease payments and interest on lease liability		(927.43)	(1,003.14)
Proceeds from term loans		7,377.11	-
Repayment of term loans		(164.41)	(227.42)
Current Borrowings availed / (repaid)		(5,694.26)	117.20
Interest paid		(1,943.95)	(2,848.22)
Unclaimed dividend - Transfer in/(out)		0.66	0.68
Dividends paid	48 (A)(2)		(799.73)
Dividend distribution tax	48 (A)(2)	-	(164.41)
Net cash flows from/(used in) financing activities (C)		**(1,352.28)**	**(4,925.04)**
Net increase/(decrease) in cash and cash equivalents(A+B+C)		**(55.08)**	**(604.71)**
Cash and cash equivalents - at the beginning of the period		**232.25**	**836.96**
Cash and cash equivalents - at the end of the period		**177.17**	**232.25**
Non cash financing and investing activities			
- Acquisition of Right-of-use assets	6	**14.11**	**1,177.10**
Note: Cash and Cash equivalents in the Cash Flow Statement comprise of the following (refer note no 14) :-			
i) Cash on Hand		46.57	124.64
ii) Balance with Banks :			
- In Current Account		130.60	107.61
		177.17	**232.25**

Significant accounting policies

See accompanying notes to the standalone financial statements

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 SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place : Chennai
Date : 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place : Bengaluru
Date : 10th June 2021

SEPARATE (i.e STANDALONE) STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021

(Rupees in lakhs)

A. Equity Share Capital

Particulars	Note No	Amount
Balance as at 01-04-2019	19	2,284.93
Changes in equity share capital during the year		-
Balance as at 31-03-2020	19	2,284.93
Changes in equity share capital during the year		-
Balance as at 31-03-2021	19	2,284.93

B. Other Equity (refer note no 20)

Particulars	Note No	Reserve and Surplus					Items of other comprehensive income	Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Remeasurements of Net defined benefit Liability / Asset	
					Surplus in Statement of Profit and Loss	Defined benefit plan		
Opening balance as at 01-04-2019		**18.62**	**11,128.34**	**123.58**	**18,853.67**		**(34.49)**	**30,089.72**
Transition impact of Ind AS 116 (net of income tax)					(188.20)			**(188.20)**
Restated balance as at 01-04-2019		**18.62**	**11,128.34**	**123.58**	**18,665.47**	**-**	**(34.49)**	**29,901.52**
Profit for the year		-	-	-	2,727.99			2,727.99
Other comprehensive income for the year, net of income tax		-	-	-	-		(19.01)	(19.01)
Transfer to retained earnings						(53.50)	53.50	-
Transaction with owners in their capacity as owners								
Dividends paid	48 (A)(2)				(799.73)			(799.73)
Dividend distribution tax	48 (A)(2)	-		-	(164.41)	-	-	(164.41)
Closing balance as at 31-03-2020		**18.62**	**11,128.34**	**123.58**	**20,429.32**	**(53.50)**	**-**	**31,646.36**

Particulars	Note No	Reserve and Surplus					Items of other comprehensive income	Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Remeasurements of Net defined benefit Liability / Asset	
					Surplus in Statement of Profit and Loss	Defined benefit plan		
Opening balance as at 01-04-2020		**18.62**	**11,128.34**	**123.58**	**20,429.32**	**(53.50)**	**-**	**31,646.36**
Profit for the year		-	-	-	998.10	-	-	998.10
Other comprehensive income for the year, net of income tax		-	-	-			36.41	36.41
Transfer to retained earnings						36.41	(36.41)	-
Closing balance as at 31-03-2021		**18.62**	**11,128.34**	**123.58**	**21,427.42**	**(17.09)**	**-**	**32,680.87**
Significant accounting policies	**1 to 3**							
See accompanying notes to the standalone financial statements								

As per our report attached of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place : Chennai
Date : 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place : Bengaluru
Date : 10th June 2021

STANDALONE ACCOUNTING POLICIES

1. GENERAL INFORMATION

Shankara Building Products Limited (“SBPL” or “the company”) is a public listed company incorporated and domiciled in India. The registered office is situated at G2, Farah Winsford, 133, Infantry Road, Bengaluru – 560001.

The company's shares are listed on the Bombay Stock Exchange ‘BSE’ and National Stock Exchange ‘NSE’.

Shankara Building Products Limited is one of the India's leading organized retailers 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 materials, 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.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These Standalone 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 Standalone financial statements for the year ended March 31, 2021 (including comparatives) are duly adopted by the Board of Directors in the meeting held on June 10, 2021 by video conferencing as notified by the Ministry of Corporate Affairs vide the Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020 dated December 30, 2020 for consideration of approval by the shareholders.

2.2 Functional and presentation currency

These standalone financial statements have been prepared and presented in Indian Rupees and all amounts have been presented in lakhs with two decimals, except share data and as otherwise stated.

2.3 Basis of preparation and presentation

These financial statements have been prepared and presented under accrual basis of accounting and as a going concern on historical cost convention or fair values as per the requirements of Ind AS prescribed under section 133 of the Act and relevant provisions thereon.

Disclosures under Ind AS are made only in respect of material items and in respect of the items that will be useful to the users of financial statements in making economic decisions.

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 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.

Current and Non-Current Classification

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.

2.4 Revenue recognition

2.4.1 Sale of products

Revenue is recognized on fulfilment of performance obligation. In other words, revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.

Revenue is measured at the fair value of the consideration received and receivable. Revenue is recognized based on the consideration received and receivable 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.

2.4.2 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.

2.4.3 Rental income

Rental income from operating leases (of company's investment properties) is recognised on straight-line basis over the term of the relevant lease, except where rentals are structured to increase in line with expected general inflation. 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.

2.4.4 Other Income

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.

2.5 Property, plant and equipment

Recognition and measurement

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.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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

Disposal of property, plant and equipment

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.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within other gains / (losses).

Depreciation

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 assessed 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.0.05 lakhs are depreciated fully during the year of purchase.

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.

Capital work-in-progress

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 are classified as capital advances under other non-current assets.

2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes, 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 derecognized.

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.

2.7 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 lives 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.

2.8 Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Board 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.

2.9 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103. 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 are 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.

2.10 Leases

Effective April 01, 2019, the company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach method. The company as a lessee has recognised the lease liability based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application (being 01st April, 2019). The Right-of-Use (ROU) asset has been recognised at its carrying amount as if Ind AS 116 has been applied since the commencement date of the lease arrangement by using the incremental borrowing rate as at the transaction date (being 01st April, 2019). The company has not restated the comparatives information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 01st April, 2019.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment of the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term for future periods is reassessed to ensure that the lease term reflects the current economic circumstances. In respect of such long term contracts, Ind AS 116 is applied.

Where the company is lessor

As per terms of lease agreements there is no substantial transfer of risk and reward of the property to the lessee. Accordingly such leased out assets are treated as belonging to the company. 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 a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The company has however elected to use the exemptions provided by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset whichever shorter.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances Indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an Individual asset basis unless the asset does not generate cash flows that are largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.11 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 cost of completion and selling expenses.

Stores and spares which do 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.

Raw materials

Raw materials are valued at cost of purchase net of duties and taxes and include all expenses incurred in bringing such materials to the location of its use.

Finished goods

Finished goods include conversion costs in addition to the landed cost of raw materials.

Stock in Trade

Stock in trade cost includes the purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts.

Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

2.12 Employee benefits

In respect of defined contribution plan the company makes the stipulated contributions to provident fund, employees' 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 gains and losses 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.

The company recognizes a liability and an expense for bonus. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.13 Income taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

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 netted against each other 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 reduction in future income tax liability, is considered as an asset if it is probable that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the Company. The Company has exercised option to pay income tax u/s. 115BAA of the Income Tax Act, 1961 from the financial year 2019-2020. Hence the provisions relating to MAT are not applicable to the Company.

2.14 Foreign currency translation

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.

2.15 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.

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit after tax / (loss) 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.

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

2.18 Government grants

Grants from the Government are recognized at their fair market value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available. Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.19 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

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed, 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 for 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.

2.20 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.

Trade receivables are initially recognised when they are originated.

Trade payables are in respect of the amount due on account of goods purchased or services availed in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

a) Financial Assets

(i) Recognition and initial 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) De-recognition of financial assets
A financial asset is de-recognised only when;

a. The entity has transferred the rights to receive cash flows from the financial asset or

b. The entity retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the entity examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is de-recognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is de-recognised, if the entity has not retained control of the financial asset. Where the entity retains control of the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(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 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 at 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).

Financial guarantee

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of profit or loss are included within finance costs or finance income.

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 statement of profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

(iii) 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 Board assesses at each date of balance sheet whether a financial asset or a group of financial assets is required to be 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 Board 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.

Valuation techniques that are appropriate in the circumstances are used 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.

f) Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising on account of repayment of foreign currency term loan and interest thereon. For the reporting periods under review, the company has not designated any forward currency contracts as hedging instruments.

2.21 Cash and cash equivalents and cash flow statement

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with 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.

Cash flows are reported using the Indirect method, whereby profit/ (loss) before tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.

2.22 Dividend on ordinary shares

The entity 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. The amount so authorised is recognised directly in equity.

2.23 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 available. The operating segments are based on the entity's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

2.24 Indian Accounting Standards / amendments issued but not yet effective – Nil

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 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 Board has 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) 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 Discounted Cash Flow 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

(Rupees in lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Capital work-in-progress
Gross carrying amount as at 01-04-2019	**4,707.32**	**4,904.38**	**497.40**	**2,826.72**	**960.58**	**264.97**	**144.95**	**14,306.32**	**116.30**
Additions	-	1,132.14	122.28	376.80	21.56	34.27	18.60	1,705.65	1,039.58
Disposals	-	-	111.98	-	23.18	0.91	4.06	140.13	-
Capital Work in progress transferred for capitalisation	-	-	-	-	-	-	-	-	1,141.34
Transferred to Investment property	-	172.90	-	-	-	-	-	172.90	-
Gross carrying amount as at 31-03-2020	**4,707.32**	**5,863.62**	**507.70**	**3,203.52**	**958.96**	**298.33**	**159.49**	**15,698.94**	**14.54**
Additions	-	355.66	24.26	239.92	48.65	11.32	4.32	684.13	620.35
Disposals	-	23.92	25.28	18.99	133.13	0.35	-	201.67	-
Capital Work in progress transferred for capitalisation	-	-	-	-	-	-	-	-	415.80
Transferred to Investment property	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31-03-2021	**4,707.32**	**6,195.36**	**506.68**	**3,424.45**	**874.48**	**309.30**	**163.81**	**16,181.40**	**219.09**
Accumulated depreciation and impairment									
Balance as at 01-04-2019	**-**	**195.88**	**66.77**	**500.20**	**204.26**	**104.52**	**48.97**	**1,120.60**	**-**
Depreciation for the year	-	83.21	34.07	298.93	121.73	45.18	45.14	628.26	
Depreciation on disposals	-	-	6.51	-	21.71	0.86	3.86	32.94	
Transferred to Investment property		10.18						10.18	
Balance as at 31-03-2020	**-**	**268.91**	**94.33**	**799.13**	**304.28**	**148.84**	**90.25**	**1,705.74**	**-**
Depreciation for the year	-	95.79	34.08	322.61	114.17	45.57	35.72	647.94	
Depreciation on disposals	-	1.15	1.22	6.26	100.42	0.33	-	109.38	
Transferred to Investment property		-						-	
Balance as at 31-03-2021	**-**	**363.55**	**127.19**	**1,115.48**	**318.03**	**194.08**	**125.97**	**2,244.30**	**-**

Property, Plant And Equipment Contd.

(Rupees in lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Capital work-in-progress
Net Carrying amount									
As at 31-03-2021	**4,707.32**	**5,831.81**	**379.49**	**2,308.97**	**556.45**	**115.22**	**37.84**	**13,937.10**	**219.09**
As at 31-03-2020	**4,707.32**	**5,594.71**	**413.37**	**2,404.39**	**654.68**	**149.49**	**69.24**	**13,993.20**	**14.54**
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) Certain immovable properties (viz land and buildings) have been hypothecated as security against the loans availed by the subsidiary companies (refer note no 44)

b) Certain vehicles have been hypothecated as security against the long term borrowings availed by the company (refer note no 21 and 44)

c) Capital work-in-progress represents buildings work under progress.

Notes to the Standalone Financial Statements

5. INVESTMENT PROPERTIES

(Rupees in lakhs)

Particulars	Freehold Land	Buildings	Total
Gross carrying amount as at 01-04-2019	**697.40**	**187.01**	**884.41**
Additions	-	-	-
Disposals	-	-	-
Transferred from property, plant and equipment	-	172.90	**172.90**
Gross carrying amount as at 31-03-2020	**697.40**	**359.91**	**1,057.31**
Additions	-	-	-
Disposals	-	-	-
Transferred from property, plant and equipment	-	-	-
Gross carrying amount as at 31-03-2021	**697.40**	**359.91**	**1,057.31**
Accumulated depreciation and impairment			
Balance as at 01-04-2019	**-**	**5.67**	**5.67**
Depreciation for the year	-	4.31	4.31
Depreciation on disposals	-	-	-
Transferred from property, plant and equipment		10.18	10.18
Balance as at 31-03-2020	**-**	**20.16**	**20.16**
Depreciation for the year	-	5.91	5.91
Depreciation on disposals	-	-	-
Transferred from property, plant and equipment	-	-	-
Balance as at 31-03-2021	**-**	**26.07**	**26.07**
Net Carrying amount			
As at 31-03-2021	**697.40**	**333.84**	**1,031.24**
As at 31-03-2020	**697.40**	**339.75**	**1,037.15**
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	As per Schedule II of the Companies Act, 2013	

Income earned from and expenses incurred on Investment Property

Particulars	For the year ended	
	31-03-2021	31-03-2020
Rental income from investment properties	32.70	25.27
Less: Direct operating expenses (including repairs and maintenance)	1.34	0.86
Profit from investment properties before depreciation	31.36	24.41
Less: Depreciation	5.91	4.31
Profit from investment property	25.45	20.10

Fair Value

Particulars	As at 31-03-2021	As at 31-03-2020
Investment properties	1,695.77	1,604.31

Estimation of fair value

The best evidence of fair values is current prices in an active market for similar properties. Since investment properties are leased out by the Company, the market rate for sale/purchase of such premises are representative of fair values. Company'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.

6. RIGHT-OF-USE ASSET:

(Rupees in lakhs)

Particulars	Gross Block				Accumulated depreciation				Net Block	Net Block
	Balance as at 01-04-2020	Additions	Deletions	Balance as at 31-03-2021	Balance as at 01-04-2020	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2021	31-03-2021	31-03-2020
Right-of-use Asset - Buildings	4,862.98	14.11	2,210.32	2,666.77 -	1,888.95	797.53	1,195.13	1,491.35	1,175.42	2,974.03
Total	**4,862.98**	**14.11**	**2,210.32**	**2,666.77**	**1,888.95**	**797.53**	**1,195.13**	**1,491.35**	**1,175.42**	**2,974.03**

Particulars	Gross Block				Accumulated depreciation				Net Block	Net Block
	Balance as at 01-04-2019	Additions	Deletions	Balance as at 31-03-2020	Balance as at 01-04-2019	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2020	31-03-2020	31-03-2019
Right-of-use Asset - Buildings	3,685.88	1,177.10	-	4,862.98 -	1,036.17	852.78	-	1,888.95	2,974.03	-
Total	**3,685.88**	**1,177.10**	**-**	**4,862.98**	**1,036.17**	**852.78**	**-**	**1,888.95**	**2,974.03**	**-**

Notes to the Standalone Financial Statements

7. INTANGIBLE ASSETS

(Rupees in lakhs)

Particulars	Brand	Software	Total
Gross carrying amount as at 01-04-2019	**1,077.65**	**45.00**	**1,122.65**
Additions	-	-	-
Disposals	-	-	-
Gross carrying amount as at 31-03-2020	**1,077.65**	**45.00**	**1,122.65**
Additions	-	-	-
Disposals	-	-	-
Gross carrying amount as at 31-03-2021	**1,077.65**	**45.00**	**1,122.65**
Accumulated Amortization and impairment			
Balance as at 01-04-2019	**440.26**	**21.06**	**461.32**
Amortization for the year	**359.84**	**15.03**	374.87
Amortization on disposals	-	-	-
Balance as at 31-03-2020	**800.10**	**36.09**	**836.19**
Amortization for the year	277.55	8.91	286.46
Amortization on disposals	-	-	-
Balance as at 31-03-2021	**1,077.65**	**45.00**	**1,122.65**
Net Carrying amount			
As at 31-03-2021	**-**	**-**	**-**
As at 31-03-2020	**277.55**	**8.91**	**286.46**
Useful Life of the asset (In Years)	3 Years	3 Years	
Method of amortization	Straight Line Method		
Remaining amortization period (In Years)	-	-	

8. INVESTMENTS (Non-current)

(Rupees in lakhs)

Particulars	Face Value	As at 31-03-2021			As at 31-03-2020		
		No.of Shares / units	Amount	Proportion of ownership	No.of Shares / units	Amount	Proportion of ownership
Investment in Equity Instruments:							
Unquoted (At cost or deemed cost):							
Subsidiaries:							
(a) Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	Rs. 100 each	3,50,000	1,325.00	100%	3,50,000	1,325.00	100%
Deemed equity in Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka. (Refer note 3 below)			26.84			22.84	
(b) Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	Rs. 10 each	15,10,100	1,501.00	100%	15,10,100	1,501.00	100%
Deemed equity in Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana.(Refer note 3 below)			3.28			5.68	
(c) Steel Network (Holdings) Pte Ltd, Singapore (refer note 1 below)	USD 1 each	47,640	29.86	100%	15,55,919	975.00	100%
Deemed equity in Steel Network (Holdings) Pte Ltd, Singapore.(Refer note 3 below)			-			4.95	
(d) Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu (refer note 2 below)	Rs. 100 each	1,99,920	1,001.02	100%	1,99,920	1,001.02	100%
Deemed equity in Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu.(Refer note 3 below)			15.66			2.47	
Total			**3,902.66**			**4,837.96**	
Less: Provision for diminution in value of investment in a subsisdiary viz. Steel Network (Holdings) Pte Limited			3.53			-	
Total			**3,899.13**			**4,837.96**	

(Rupees in lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Aggregate amount of unquoted investment	3,899.13	4,837.96

Note:

1) The share capital in the wholly owned subsidiary, Steel Network (Holdings) Pte Ltd, Singapore, has been reduced to 47,640 shares. The holding company viz. Shankara Building Products Limited has received a consideration of ₹998.57 lakhs towards this on 15-04-2020.

2) Centurywells Roofing India Private Limited, Kancheepuram was a wholly owned subsidiary of Steel Network (Holdings) Pte Ltd, Singapore till 14-10-2019.

3) The amount shown as deemed equity investments as per Ind AS 109 is in respect of financial guarantee given without any consideration.

Notes to the Standalone Financial Statements

(Rupees in lakhs)

9. TRADE RECEIVABLE (NON-CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
Unsecured:		
(a) Considered Good	-	-
(b) Credit Impaired	741.74	748.74
	741.74	748.74
Less: Allowance for doubtful debts (expected credit loss allowance)	(370.87)	(374.37)
Total	**370.87**	**374.37**
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member amount to (including "current" portion)	Nil	Nil

Movement in loss allowance of trade receivables

Particulars	As at 31-03-2021	As at 31-03-2020
Opening balance	374.37	385.43
Amount written off	-	-
Credit loss allowance	(3.50)	(11.06)
Closing balance	370.87	374.37

10. LOANS (NON-CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
Unsecured:		
Considered good:		
(a) Security Deposits	572.56	776.52
(b) Deposit with Suppliers	122.11	112.50
(c) Employee advances	6.10	4.10
Total	**700.77**	**893.12**

(Rupees in lakhs)

Disclosure of loans and advances granted to subsidiaries as per Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015

Name of the company	As at 31-03-2021	As at 31-03-2020
a) Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana		
- Amount outstanding (including current portion)	-	-
- Maximum amount outstanding during the year	-	3,333.34
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil
b) Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka		
- Amount outstanding	-	-
- Maximum amount outstanding during the year	-	41.11
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil
c) Steel Networks Holdings Pte Limited, Singapore		
- Amount outstanding (including current portion)	0.15	16.18
- Maximum amount outstanding during the year	16.33	16.18
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil

11. OTHER NON-CURRENT ASSETS

Particulars	As at 31-03-2021	As at 31-03-2020
(i) Capital advances (refer note below)	81.19	68.69
(ii) Advances other than capital advances	-	-
(a)Deposits with Government authorities	56.28	51.67
Total	**137.47**	**120.36**

Borrowing costs of ₹6.70 Lakhs capitalised during the year in capital advances. Interest rate of 9.75% is used to determine the amount of borrowing costs eligible for capitalisation.

12. INVENTORIES

Particulars	As at 31-03-2021	As at 31-03-2020
Inventories:(at lower of cost and net realisable value)		
(a) Raw materials	-	131.72
(b) Stock-in-trade *	24,592.13	30,795.14
(c) Finished Goods	-	19.09
(d) Stores and spares	-	15.84
Total	**24,592.13**	**30,961.79**

* Includes goods-in-transit amounting to ₹585.30 lakhs (LY ₹5.01 lakhs)
(refer note no. 47(b) for related party transactions in relation to goods-in-transit)
Inventories have been hypothecated as security against certain bank borrowings of the company (refer note no 21, 26 and 44)

Notes to the Standalone Financial Statements

13. TRADE RECEIVABLE (CURRENT)

(Rupees in lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Unsecured:		
(A) Trade receivables - Considered Good	25,685.11	39,052.92
Less: Allowance for doubtful debts (Expected credit loss allowance)	(3.73)	(7.45)
Total A	**25,681.38**	**39,045.47**
(B) Trade receivables with signficant increase in credit risk	3,062.78	1,864.86
Less: Allowance for doubtful debts (Expected credit loss allowance)	(724.01)	(456.21)
Total B	**2,338.77**	**1,408.65**
Total (A+B)	**28,020.15**	**40,454.12**

Movement in loss allowance of trade receivables

Particulars	As at 31-03-2021	As at 31-03-2020
Opening balance	463.66	225.06
Amount written off	-	-
Credit loss allowance	264.08	238.60
Closing balance	727.74	463.66

The credit period on goods sold ranges from 30 to 60 days without security. No interest is charged on overdue trade receivable.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 soundness, 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 offered as collateral towards borrowings (refer note no 21, 26 and 44).

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date when 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.

(Rupees in lakhs)

14. CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2021	As at 31-03-2020
(a) Balances with Banks:		
In current account	130.60	107.61
(b) Cash on hand	46.57	124.64
Total	**177.17**	**232.25**

15. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2021	As at 31-03-2020
Earmarked balances:		
(a) Fixed Deposits held as margin money	76.33	119.06
(b) With banks in current account (for unclaimed dividends)	3.84	3.08
Total	**80.17**	**122.14**

16. LOANS (CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
Unsecured:		
Advance to a Subsidiary*		
Considered good	-	4.35
Total	**-**	**4.35**

*Refer note no 47

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 do not contain any amount that are not available for use by the company.

17. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
Unsecured, considered good		
(i) Financial assets at fair value through profit and loss		
(a) Forward contract	-	181.93
(ii) Financial assets at amortised cost		
(a) Rent receivable*	25.18	10.59
(b) Employee advances*	62.22	81.38
(c) Interest receivable from a subsidiary**	0.15	0.15
(d)Interest accured on fixed deposits	3.66	-
Total	**91.21**	**274.05**

*Includes transaction(s) with related parties - refer note no 47
**Refer note no 47.

Notes to the Standalone Financial Statements (Rupees in lakhs)

18. OTHER CURRENT ASSETS

Particulars	As at 31-03-2021	As at 31-03-2020
Advances other than capital advances:		
(a) Advances for purchases	564.11	310.41
(b) Pre payments and others	146.33	219.57
(c) Balances with Government authorities	1.05	458.51
Total	**711.49**	**988.49**

19. EQUITY SHARE CAPITAL

Particulars	As at 31-03-2021		As at 31-03-2020	
	No.of Shares	Amount	No.of Shares	Amount
Authorised: Equity shares of Rs.10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued, subscribed and 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 31-03-2021		As at 31-03-2020	
	No.of Shares	Amount	No.of Shares	Amount
Balance as at the beginning of the year	2,28,49,326	2,284.93	2,28,49,326	2,284.93
Changes in equity share capital 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

(i) 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.

(ii) There are no restrictions attached to equity shares

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Notes to the Standalone Financial Statements (Rupees in lakhs)

Name of Shareholder	As at 31-03-2021		As at 31-03-2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sukumar Srinivas	1,25,72,287	55.02%	1,25,69,287	55.01%
Amansa Holdings Private Limited, Singapore	21,59,535	9.45%	21,59,535	9.45%

d) In the period of five years immediately preceding 31-03-2021

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.

20. OTHER EQUITY

Particulars	As at 31-03-2021	As at 31-03-2020
Capital Reserve	18.62	18.62
Securities Premium	11,128.34	11,128.34
General Reserve	123.58	123.58
Retained earnings	21,410.33	20,375.82
Total	**32,680.87**	**31,646.36**

General Reserve

General Reserve is an accumulation of retained earnings of the Company, apart from the balance in the statement of profit and loss which can be utilised for meeting future obligations.

Capital Reserve

Reserve is primarily created on amalgamation as per statutory requirement.

Securities Premium

This consists of premium realised on issue of shares and will be applied/ utilised in accordance with the provisions of the Companies Act, 2013.

Notes to the Standalone Financial Statements (Rupees in lakhs)

Retained earnings

Surplus in Statement of Profit and Loss is part of retained earnings.This is available for distribution to shareholders as dividend and capitalisation.

21. BORROWINGS (NON - CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
SECURED		
(a) Term loan from banks*	3,377.00	91.61
UNSECURED		
(b) Loan from a related party viz a subsidiary. (refer note no 47)	4,000.00	-
Total	**7,377.00**	**91.61**

Terms and security	Current	Non-current	Total
"Vehicle loans - first charge on the vehicles. Loan 1 - outstanding ₹40.12 lakhs repayable in 8 monthly instalments till November, 2021 - rate of interest 9.7 % p.a; and Loan 2 - outstanding - ₹39.30 lakhs ; and loan repayable in 6 monthly instalments till September, 2021 - rate of interest 9.5% p.a; Security"	79.42		79.42
Term Loan 1 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured by second charge on all the existing and future current assets of the company- rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	-	1,741.00	1,741.00
Term Loan 2 - from a bank - under Emergency Credit Line for a period of 60 months (Including 12 months of moratorium) - secured by second charge on stock and book debts - documentation of the charge is yet to be completed by the bank - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	-	317.00	317.00
Term Loan 3 - from a bank - under Emergency Credit Line for a period of 60 months (including 12 months of moratorium) - secured primarily by charge on existing and future current assets of the company- second charge on the primary security pari passu with current assets - rate of Interest 7% pa - repayable in 48 equated monthly installments post moratorium period.	-	1,319.00	1,319.00
The term is for 60 months from the date of loan disbursement. There will be a moratorium of one year on the principal amount. From the second year onwards the company will pay a sum of ₹2 lakhs per month till the end of the tenure of the loan. Interest of 7% shall be calculated accordingly. The balance loan amount may be extended as agreed by the Lender and company with necessary diligence as thought fit at that time.However, the Lender has the right to call the entire loan amount giving 60 days notice to the company.	-	4,000.00	4,000.00

*Refer note no 44 for carrying amount of vehicles hypothecated

22. LEASE LIABILITY (NON-CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
Lease liability	1,365.09	3,089.49
Total	**1,365.09**	**3,089.49**

23. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
Rent advance received	7.25	7.25
Total	**7.25**	**7.25**

24. PROVISIONS (NON-CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
Financial guarantee liability	37.58	27.75
Total	**37.58**	**27.75**

Provision is made in respect of financial guarantees furnished to lender of subsidiaries. The Company does not foresee any outflow in near future. Refer note 48(C)(2)(ii) for details.

Movement in provision for financial guarantee liability

Particulars	As at 31-03-2021	As at 31-03-2020
Balance at the beginning of the year	27.75	37.18
Add: Provision made during the year	37.58	27.75
Less: Cost of investment in subsidiaries	27.75	37.18
Balance at the end of the year	**37.58**	**27.75**

25. 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.

Incomes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the 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.

The Company has opted to exercise the option permitted under section 115BAA of the Income-tax Act, 1961. Accordingly, the Company has made a provision for Income tax and re-measured its deferred tax at the rate prescribed by the section.Income tax is charged at 22% plus surcharge of 10% plus health and education cess of 4%.

As the company has exercised the option, there is a reduction in the income tax expense and deferred tax liability for the year ended March 31, 2020 by ₹326.80 lakhs and ₹12.17 lakhs.

Notes to the Standalone Financial Statements

(Rupees in lakhs)

a) Income tax expenses

Particulars	For the year ended	
	31-03-2021	31-03-2020
Current tax:		
Current tax	462.40	941.84
Tax pertaining to earlier years	(53.77)	-
Deferred tax	(9.20)	(100.50)
Total	**399.43**	**841.34**

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 furnished below:

Particulars	For the year ended		For the year ended	
	31-03-2021	31-03-2021	31-03-2020	31-03-2020
	%	Amount	%	Amount
Profit before tax		1,397.53		3,569.33
Tax using the company's domestic tax rate	25.17%	351.73	25.17%	898.33
Tax impact on account of:				
Depreciation under Income-tax Act				
Provision for doubful debts disallowable				
Expenses allowed only on payment basis				
Expenses not deductible in determining taxable profits	3.24%	45.23	0.39%	14.01
Deductions allowable under tax laws	(3.22%)	(44.95)	(1.18%)	(42.25)
Others - Ind AS adjustments	0.00%	0.03	(1.38%)	(49.32)
Fair value gain on derivatives not designated as hedges	7.24%	101.16	0.58%	20.57
Effective income tax rate/ Tax expense	**32.43%**	**453.20**	**23.57%**	**841.34**

Particulars	For the year ended		For the year ended	
	31-03-2021	31-03-2021	31-03-2020	31-03-2020
	%	Amount	%	Amount
Tax expenses:				
- Current tax		462.40		941.84
- Deferred tax		(9.20)		(100.50)
Total tax		**453.20**		**841.34**
Add: Tax for earlier years		**(53.77)**		**-**
Total tax expenses reported for the year		**399.43**		**841.34**

b) Current Tax Liabilities

Particulars	As at 31-03-2021	As at 31-03-2020
Current tax liabilities(Net)*	267.82	188.96

* The above includes ₹35.57 lakhs (previous year ₹38.49 lakhs) remitted into government under protest. The disputes are pending disposal before appellate authorities and the management, based on nature of dispute and the opinion of the counsel, is of the view that no provision is necessary as at present.

Notes to the Standalone Financial Statements (Rupees in lakhs)

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 31-03-2021	As at 31-03-2020
Deferred Tax Liability:		
On account of depreciation for tax purpose	383.64	356.76
Deferred Tax Asset:		
Opening adjustments as per Ind AS 116	(64.82)	(64.82)
Expenses allowed on payment basis	-	(3.78)
Allowance for doubtful receivables and advances	(276.50)	(210.92)
Ind AS adjustments	(8.00)	(25.39)
Fair value gain on derivatives not designated as hedges	-	(20.57)
Deferred Tax (Asset)/Liabilities (Net)	**34.32**	**31.28**

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-04-2020	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2021
Depreciation under income tax act	356.76	26.88	-	383.64
Provision for employee benefit	(3.78)	(8.46)	12.24	-
Allowance for doubtful receivables and advances	(210.92)	(65.58)	-	(276.50)
Ind AS adjustments	(25.39)	17.39	-	(8.00)
Fair value gain on derivatives not designated as hedges	(20.57)	20.57	-	-
Adjustment on adoption of Ind AS 116	(64.82)	-	-	(64.82)
Total	**31.28**	**(9.20)**	**12.24**	**34.32**

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-04-2019	Directly charged to equity (On adoption of Ind AS 116)	Restated balance as at 01-04-2019	Recognised/ (reversed) through profit and loss	Recognised in/reclassified from other comprehensive income	Balance as at 31-03-2020
Depreciation under income tax act	439.00	-	439.00	(82.24)	-	356.76
Provision for employee benefit	(11.83)	-	(11.83)	14.45	(6.40)	(3.78)
Allowance for doubtful receivables and advances	(213.33)	-	(213.33)	2.41	-	(210.92)
Ind AS adjustments	(10.84)	-	(10.84)	(14.55)	-	(25.39)
Fair value gain on derivatives not designated as hedges	-	-	-	(20.57)	-	(20.57)
Adjustment on adoption of Ind AS 116	-	(64.82)	(64.82)	-	-	(64.82)
Total	**203.00**	**(64.82)**	**138.18**	**(100.50)**	**(6.40)**	**31.28**

Notes to the Standalone Financial Statements

(Rupees in lakhs)

26. BORROWINGS (CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
SECURED		
Loan repayable on demand (from banks)	10,421.93	16,305.67
Total	**10,421.93**	**16,305.67**

Terms and Security:

Working capital loans are repayable on demand and carries interest @ 7.25% to 11% p.a. and secured by:

a) First charge on the existing and future current assets belonging to the company.
b) Guarantee by the Managing Director.

Reconciliation of cashflows from financing activities

Particulars	As at 31-03-2021	As at 31-03-2020
Cash and cash equivalents	177.17	232.25
Current borrowings	(10,421.93)	(16,305.67)
Non-current borrowings*	(7,456.42)	(243.72)
Net Debt	(17,701.18)	(16,317.14)

* Including current maturities of long-term debt

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
Net debt as at 01-04-2019	**836.96**	**(15,924.82)**	**(471.14)**	**(15,559.00)**
Net cashflows	(604.71)	-	-	**(604.71)**
Proceeds from borrowings	-	(117.20)	-	**(117.20)**
Repayment of borrowings	-	-	227.42	**227.42**
Foreign exchange adjustments	-	(263.65)	-	**(263.65)**
Net debt as at 31-03-2020	**232.25**	**(16,305.67)**	**(243.72)**	**(16,317.14)**
Net debt as at 01-04-2020	**232.25**	**(16,305.67)**	**(243.72)**	**(16,317.14)**
Net cashflows	(55.08)	-		**(55.08)**
Proceeds from borrowings	-	-	(7,377.11)	**(7,377.11)**
Repayment of borrowings	-	5,694.26	164.41	**5858.67**
Exchange gain on restatement	-	189.48		**189.48**
Net debt as at 31-03-2021	**177.17**	**(10,421.93)**	**(7,456.42)**	**(17,701.18)**

Note:
Assets are presented in positive numbers
Liabilities are presented in negative numbers

Notes to the Standalone Financial Statements (Rupees in lakhs)

27. TRADE PAYABLES

Particulars	As at 31-03-2021	As at 31-03-2020
(a) Due to Micro and Small Enterprises [refer note no 43]	14.92	76.63
(b) Due to Others		
- Acceptances	7,340.00	5,572.56
- Other than acceptances	11,470.83	36,352.81
Total	18,825.75	42,002.00

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.
Refer note no 47(c) for related party transactions

28. LEASE LIABILITY (CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
Lease liability	86.91	232.12
Total	**86.91**	**232.12**

29. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
(a) Current maturities of long-term debt (refer note no 21)	79.42	152.11
(b) Interest accrued but not due	45.84	30.14
(c) Unclaimed Dividend	3.84	3.18
(d) Employee Benefits payable	335.01	501.40
(e) Other expense payable	227.90	253.76
Total	**692.01**	**940.59**

30. OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2021	As at 31-03-2020
(a) Advances from customers (refer note no 46(c))	642.01	467.63
(b) Statutory dues	398.85	111.95
Total	**1,040.86**	**579.58**

(Rupees in lakhs)

31. PROVISIONS (CURRENT)

Particulars	As at 31-03-2021	As at 31-03-2020
Provision for employee benefits		
(a) Gratuity (refer note no 45) *	21.09	125.68
(b) Compensated absences **	-	15.11
Total	**21.09**	**140.79**

*** Movement in provision for employee benefits - gratuity**

Particulars	As at 31-03-2021	As at 31-03-2020
Balance at the beginning of the year	125.68	121.61
Add: Provision made during the year	23.02	125.68
Less: Provision utilised/ reversed during the year	127.61	121.61
Balance at the end of the year	21.09	125.68

**** Movement in provision for compensated absences**

Particulars	As at 31-03-2021	As at 31-03-2020
Balance at the beginning of the year	15.11	13.86
Add: Provision made during the year	-	45.21
Less: Provision reversed during the year	15.11	43.96
Balance at the end of the year	-	15.11

32. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
(a) Sale of traded goods	1,95,596.71	2,49,374.15
(b) Sale of manufactured products	127.32	10.34
Total	1,95,724.03	2,49,384.49

33. OTHER INCOME

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
(a) Interest Income	7.57	12.45
(b) Rent received	45.36	69.46
(c) Gain on disposal of property, plant & equipment	5.22	8.87
(d) Fair valuation of financial guarantee	9.84	9.43
(e) Gain on termination of lease	163.49	-
(f) Unwinding of interest income on rental deposits	78.75	86.19
(g) Fair value gain on derivatives not designated as hedges	-	181.93
(h) Provision for expenses no longer required written back	15.11	20.00
(i) Exchange gain on restatement of liability	189.48	-
(j) Provision for doubtful advances written back	11.68	-
(k)Payables written back	30.80	-
(l) Other non-operating income	7.89	45.07
Total	**565.19**	**433.40**

(Refer note no. 47 for related party transactions.)

Notes to the Standalone Financial Statements

(Rupees in lakhs)

34. COST OF MATERIALS CONSUMED

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Opening stock of Raw Materials	131.72	-
Add: Purchases of Raw Materials	63.85	426.29
	195.57	**426.29**
Less: Closing stock of Raw Materials	-	131.72
Total	**195.57**	**294.57**

34 a) CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Opening stock of Finished goods	19.09	-
Less: Closing stock of Finished goods	-	19.09
Total (A)	**19.09**	**(19.09)**
Opening stock of Stock-in-Trade	30,760.13	26,275.27
Less: Closing stock of Stock-in-Trade	24,006.83	30,760.13
Total (B)	**6,753.30**	**(4,484.86)**
Total (A + B)	**6,772.39**	**(4,503.95)**

35. EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
(a) Salaries and Wages	2,357.83	3,603.72
(b) Contribution to:		
(i) Provident fund (refer note no 45(a))	200.93	268.81
(ii) Employees' state insurance (refer note no 45(a))	24.30	47.26
(c) Gratuity (refer note no 45(b))	71.67	117.19
(d) Welfare Expenses	52.30	100.76
Total	**2,707.03**	**4,137.74**

(Rupees in lakhs)

36. FINANCE COSTS

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
(a)Interest expense on borrowings	1,907.58	2,774.87
(b)Other borrowing costs	45.37	58.43
(c)Exchange differences regarded as an adjustment to borrowing costs	-	91.24
(d)Interest on lease liability	222.38	244.90
Total	**2,175.33**	**3,169.44**

36 (a) DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Note No	For the Year ended 31-03-2021	For the Year ended 31-03-2020
(a) Depreciation			
- Property, plant & equipment	4	647.94	628.26
- Investment property	5	5.91	4.31
- Right-of-use Asset	6	797.53	852.78
(b) Amortization of intangible assets	7	286.46	374.87
Total		**1,737.84**	**1,860.22**

Notes to the Standalone Financial Statements (Rupees in lakhs)

37. OTHER EXPENSES

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
(a) Power, Fuel & Water	94.76	149.32
(b) Rent (refer note no 41(b))	327.96	681.92
(c) Repairs and Maintenance		
(i) Buildings	1.49	1.56
(ii) Other Assets	512.64	756.59
(d) Insurance	105.19	92.39
(e) Rates & Taxes	63.59	133.96
(f) Travelling and Conveyance	79.27	170.03
(g) Payment to Auditors (refer note below)**	31.80	27.11
(h) Legal and Professional fees	98.13	187.32
(i) Directors sitting fees	21.25	12.50
(j) Communication Expenses	83.44	134.57
(k) Advertisement & Publicity Expenses	19.80	131.49
(l) Loss Allowance for doubtful trade receivables	260.58	227.54
(m) Material handling charges****	787.28	1,214.18
(n) Freight Outwards***	136.10	296.95
(o) Commission Charges	53.00	92.99
(p) Bad Debts written off	3.24	3.84
(q) Loss on sale of property, plant and equipment	25.77	21.03
(r) Sub Contracting	35.02	11.14
(s) Corporate Social Responsibility expenditure (refer note no 49)	109.76	55.86
(t) Exchange Loss	0.24	172.41
(u)Fair value loss on derivatives not designated as hedges	302.84	-
(v) Fair valuation of financial guarantee	9.84	9.43
(w)Miscellaneous Expenses *	311.77	511.91
Total	**3,474.76**	**5,096.04**

*Under this head, there is no expenditure which is in excess of 1% of revenue from operations or ₹10 lakhs, whichever is higher.

** Payment to auditors during the year ended 31-03-2020 partly includes the payment made to the predecessor auditor amounting to ₹1.91 lakhs.

***Frieght recovered from customers-Current year-₹483.05 Lakhs Previous year-₹698.21 lakhs.
****Material handling charges recovered from customers-Current year-₹370.56 Lakhs Previous year-₹485.10 Lakhs

Note : Breakup for payment to auditors is as under (excluding GST):

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
(a) Statutory Audit	17.50	17.50
(b) Tax Audit	1.50	1.50
(c) Limited Review fees	1.00	1.00
(d) Certification charges	8.85	-
(e) Out of Pocket Expenses	2.95	7.11
Total	**31.80**	**27.11**

38. EARNINGS PER SHARE (EPS)

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Basic & Diluted		
A Profit attributable to equity shareholders (in lakhs)	998.10	2,727.99
B Weighted average number of equity shares (in lakhs)	228.49	228.49
C Basic and Diluted EPS (Rs.) [A/B]	4.37	11.94
Face value per share (Rs.)	10.00	10.00

The company does not have any potential equity shares. Accordingly, basic and diluted earnings per share would remain the same.

39. CONTINGENT LIABILITIES:

Particulars	As at 31-03-2021	As at 31-03-2020
To the extent not provided for:		
(A) In respect of Sales Invoices discounted	361.03	-
(B) Liability disputed but not provided for		
(i) Income tax*	81,61	65.41
(ii) Central sales tax	7.18	7.26
(iii) Value added tax*	116.02	228.15
Total	**271.61**	**300.82**

* These cases are pending in appeal at various forums in the respective department. Outflows, if any, arising out of these claims would depend upon the adjudication of appellate authorities and the Company's rights for further appeals.

Refer Note below for amount remitted against disputed liability

Particulars	As at 31-03-2021	As at 31-03-2020
(i) Income tax	80.57	38.49
(ii) Central sales tax	4.06	3.50
(iii) Value added tax	22.86	20.00

Notes to the Standalone Financial Statements

(Rupees in lakhs)

40. COMMITMENTS

Particulars	As at 31-03-2021	As at 31-03-2020
Estimated value of capital commitments towards buildings (Net of advances)	33.50	Nil

The Company from time to time provides need based support to subsidiaries towards working capital and other requirements.

41. OPERATING LEASE

a) As lessor:

Leasing Arrangements:

The investment properties are leased to tenants under operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Within one year	33.87	31.82
Between 1 and 2 years	27.86	22.45
Between 2 and 3 years	21.86	10.94
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
	83.59	**65.21**

b) As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 144 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The reporting entity makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

For the short-term and low value leases, the reporting entity recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

(Rupees in lakhs)

Accounting for leases under Ind AS 116

Particulars	As at / For the Year ended 31-03-2021	As at / For the Year ended 31-03-2020
Opening Gross carrying amount of right of use assets	4,862.98	3,685.88
Depreciation charged for the Right-of-use assets	797.53	852.78
Interest expense on lease liability	222.38	244.90
The rental expense relating to short-term leases for which Ind AS 116 has not been applied	327.96	681.92
Additions to Right-of-use assets during the current year	14.11	1,177.10
Deletions to Right-of-use assets during the current year	2,210.32	-
Closing Gross carrying amount of right of use assets	2,666.77	4,862.98

Total cash outflow for leases for the year	927.43	1,003.14

42. Segment Reporting

The segment revenue, segment results or the segment assets of the manufacturing segment does not exceed the 10% of the total revenue from operations, total profit or total assets of the entity respectively. Hence the segment results for the separate (i.e. standalone) financial statements are not presented.

43. Additional Information

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

Particulars	As at 31-03-2021	As at 31-03-2020
(i) the principal amount and the interest due there on remaining unpaid to any supplier at the end of each accounting year;	14.92	76.63
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to the Standalone Financial Statements (Rupees in lakhs)

44. Assets hypothecated as security:

The carrying amount of assets hypothecated as security for current and non-current borrowings are:

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
Current Assets			
A) Financial assets			
(i) First and Second Charge			
-Trade Receivables	13	28,020.15	40,454.12
(ii) Floating Charge		-	-
B) Non Financial assets			
(i) First and Second Charge			
- Inventories (net off goods-in-transit)	12	24,006.83	30,926.78
(ii) Floating Charge		-	-
Total current assets hypothecated as security		**52,026.98**	**71,380.90**
Non-Current Assets			
A) Financial assets			
(i) First and Second Charge			
- Trade Receivables	9	370.87	374.37
(ii) Floating Charge		-	-
B) Non Financial assets		-	-
(i) First Charge		-	-
- Vehicles	4	269.63	333.34
- Land and Building	4	1,952.19	1,962.60
(ii) Floating Charge		-	-
Total non-current assets hypothecated as security		**2,592.69**	**2,670.31**
Total assets hypothecated as security		**54,619.68**	**74,051.21**

45. Employee benefits

a) Defined contribution plans

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Employer's Contribution to Provident Fund (includes pension fund)	200.93	268.81
Employer's Contribution to Employee State Insurance	24.30	47.26

b) Defined benefit plan

(i) Gratuity

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,1972 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.

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 31-03-2021. 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 31-03-2021	As at 31-03-2020
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	610.36	441.40
Current Service Cost	63.33	75.71
Past Service Cost	-	17.83
Interest Cost	38.48	32.08
Actuarial Loss/(Gain) on obligation	(43.20)	48.15
Transfer In/(Out)	0.40	16.92
Benefits paid	(79.58)	(21.73)
Closing Balance	**589.79**	**610.36**
Less: Fair Value of Plan Assets		
Opening Balance	467.76	319.79
Expected Return on Plan assets less loss on investments	30.14	25.35
Actuarial (Loss)/Gain on Plan Assets	5.45	22.74
Transfer In/ (Out)	18.75	-
Employers' Contribution	126.18	121.61
Benefits paid	(79.58)	(21.73)
Closing Balance	**568.70**	**467.76**
Amount recognized in Balance Sheet (refer note no 31) *	**21.09**	**142.60**

Notes to the Standalone Financial Statements

(Rupees in lakhs)

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Expenses during the year		
Current Service cost	63.33	75.71
Past Service cost	-	17.83
Interest cost	38.48	32.08
Expected Return on Plan assets	(30.14)	(25.35)
Component of defined benefit cost recognized in statement of profit & loss (refer note no 35) **	**71.67**	**100.27**
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(43.20)	48.15
- Actuarial Loss/(Gain) on Plan Assets	(5.45)	(22.74)
Component of defined benefit cost recognized in other comprehensive income	**(48.65)**	**25.41**
Total		
Actual Return on plan assets	35.59	48.09
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	-	-

*Including ₹16.92 lakhs is payable to a subsidiary in last year.

**Excluding ₹16.92 lakhs borne by a subsidiary in last year.

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

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Discount Rate (pa)	6.20%	6.30%
Expected rate(s) of salary increase (pa)	7.00%	7.00%
Expected return on plan assets (pa)	6.30%	7.00%
Attrition rate (pa)	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	

(Rupees in lakhs)

Experience adjustments

Particulars	31-03-2021	31-03-2020	31-03-2019	31-03-2018	31-03-2017
Defined Benefit Obligation	589.79	610.36	441.40	332.97	289.07
Plan Assets	568.70	467.76	319.79	286.34	253.52
Surplus / (Deficit)	(21.09)	(142.60)	(121.61)	(46.63)	(35.55)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	47.28	(19.89)	(52.47)	3.63	2.82
Experience Adjustments on Plan Assets – (Loss)/Gain	5.45	22.74	3.83	(7.32)	7.06

The Company expects to contribute ₹21.09 lakhs (previous year ₹142.60 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 (2012-14) 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 required 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 analysis 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			
	For the Year ended 31-03-2021		For the Year ended 31-03-2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)		37.73	-	38.98
Discount rate (1% decrease)	43.03	-	44.53	-
Future salary growth (1% increase)	42.26		43.78	-
Future salary growth (1% decrease)	-	37.79	-	39.08
Attrition rate (1% increase)	-	3.31	-	3.59
Attrition rate (1% decrease)	3.57	-	3.85	-
Mortality (increase in expected life time by 1 year)	0.04	-	0.03	-
Mortality (increase in expected life time by 3 years)	0.12	-	0.10	-

Notes to the Standalone Financial Statements (Rupees in lakhs)

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 6.5 years (31-03-2020 - 6.5 years) as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The expected maturity analysis of the benefit payments of gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 3 - 5 years	Next 5 years	Total
31-03-2021					
Defined benefit obligation (Gratuity)	81.05	93.68	257.38	423.17	855.28
Total	**81.05**	**93.68**	**257.38**	**423.17**	**855.28**
31-03-2020					
Defined benefit obligation (Gratuity)	73.39	79.13	302.01	491.82	946.35
Total	**73.39**	**79.13**	**302.01**	**491.82**	**946.35**

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.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

46. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

Disaggregated revenue information

A. Type of goods and service

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
(a) Sale of products	1,95,596.71	2,49,374.15
(b) Sale of Manufactured products	127.32	10.34
Total Operating Revenue	**1,95,724.03**	**2,49,384.49**
In India	1,95,724.03	2,49,384.49
Outside India	-	-

(Rupees in lakhs)

B. Timing of revenue recognition

Particulars	For the Year ended 31-03-2021		For the Year ended 31-03-2020	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	1,95,724.03	Nil	2,49,384.49	Nil

C. Contract Balances

Particulars	As at 31-03-2021	As at 31-03-2020
Contract Assets	-	-
Contract Liabilities	642.01	467.63

D. Revenue recognised in relation to contract liabilities

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Revenue recognised in relation to contract liabilities	427.22	700.66

E. Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Revenue at contracted prices	1,95,724.03	2,49,384.49
Revenue from contract with customers	1,95,724.03	2,49,384.49
Difference	-	-

F. Unsatisfied or partially satisfied performance obligation

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Unsatisfied or partially satisfied performance obligation	Nil	Nil

Notes to the Standalone Financial Statements

(Rupees in lakhs)

47. 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, Kutbullapur Mandal, Telangana
	Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka
	Steel Networks (Holdings) Pte Limited, Singapore
	Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu (was a step down subsidiary till 14-10-2019)
Other related parties and their relationship where transaction exists:	
Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. C.Ravikumar (Whole-time-Director)
	Mr. R.S.V.Sivaprasad (Whole-time Director till 31.12.2020)
	Mr. Siddhartha Mundra (Chief Executive Officer till 30.11.2020)
	Mr. Alex Varghese (Chief Financial Officer)
	Ms. Ereena Vikram (Company Secretary)
Relatives of Key Managerial Personnel	Mr. Dhananjay Mirlay Srinivas
	Mrs. Parwathi Mirlay Srikanth
Enterprise in which Key Managerial Personnel have significant influence	Shankara Holdings Private Limited, Bengaluru
Entities where control exist	Shankara Building Products Employees Gratuity Fund

(Rupees in lakhs)

Related Party Disclosures Contd.

B. Transactions with Related Parties	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Purchase of Goods from (refer note 1 below)		
Taurus Value Steel & Pipes Private Limited	5,089.72	14,447.56
Vishal Precision Steel Tubes and Strips Private Limited	24,050.88	31,694.44
Centurywells Roofing India Private Limited	12,125.03	14,483.68
Sale of Goods to (refer note 2 below)		
Taurus Value Steel & Pipes Private Limited	4.09	58.34
Vishal Precision Steel Tubes and Strips Private Limited	1,197.71	790.82
Centurywells Roofing India Private Limited	676.42	179.25
Rent paid to		
Taurus Value Steel & Pipes Private Limited	3.00	23.07
Vishal Precision Steel Tubes and Strips Private Limited	3.00	-
Interest received from		
Steel Networks (Holdings) Pte Limited	0.15	0.15
Interest paid to		
Taurus Value Steel & Pipes Private Limited	17.64	-
Rent received from		
Taurus Value Steel & Pipes Private Limited	3.47	3.11
Vishal Precision Steel Tubes and Strips Private Limited	1.26	1.26
Centurywells Roofing India Private Limited	18.48	12.86
Purchase of Assets from		
Vishal Precision Steel Tubes and Strips Private Limited	8.00	32.76
Centurywells Roofing India Private Limited	6.42	39.46

Notes to the Standalone Financial Statements

(Rupees in lakhs)

Transactions with Related Parties	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Sale of Assets to		
Centurywells Roofing India Private Limited	28.18	52.56
Capital reduction by a wholly owned subsidiary viz.Steel Networks Holdings Pte Limited, Singapore.		
Consideration received on reduction of Share capital		
Steel Networks (Holdings) Pte Limited	998.58	-
Advances granted to /(repaid by)		
Taurus Value Steel & Pipes Private Limited	-	(3,333.34)
Vishal Precision Steel Tubes and Strips Private Limited	-	(41.11)
Steel Networks (Holdings) Pte Limited	(16.03)	4.35
Goods-in-transit from		
Taurus Value Steel & Pipes Private Limited	61.58	
Vishal Precision Steel Tubes and Strips Private Limited	491.22	
Centurywells Roofing India Private Limited	32.50	
Unsecured loan availed		
Taurus Value Steel & Pipes Private Limited	4,000.00	-
Acquisition of equity shares		
Centurywells Roofing India Private Limited	-	1,003.49
Contribution to employee related trusts made during the year		
Shankara Building Products Employees Gratuity Fund	126.18	121.61
Reimbursement of expenses to		
Taurus Value Steel & Pipes Private Limited	-	16.92
Dividend paid to		
Key Managerial Personnel	-	254.51
Relatives of Key Managerial Personnel	-	3.21
Shankara Holdings Private Limited	-	3.32
Guarantees and collaterals furnished/(closed) by the Company on behalf of:		
Taurus Value Steel & Pipes Private Limited	(1,500.00)	(9,800.00)
Vishal Precision Steel Tubes and Strips Private Limited	-	(270.00)

(Rupees in lakhs)

Remuneration paid to Key Managerial Personnel (refer note 3 below)	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Short-term employee benefits		
Managing Director	-	115.19
Whole-time director	57.54	103.45
Chief Executive Officer	50.71	97.78
Chief Financial Officer	23.80	30.41
Company Secretary	8.72	10.36
Remuneration paid to Relatives of Key Managerial Personnel (previous year with effect from 14.03.2020)	3.20	0.16

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

Notes to the Standalone Financial Statements

(Rupees in lakhs)

C.

Balance Outstanding to/ from related parties	As at 31-03-2021	As at 31-03-2020
Trade Payables		
Taurus Value Steel & Pipes Private Limited	155.58	8,771.39
Centurywells Roofing India Private Limited	2,625.65	2,339.21
Vishal Precision Steel Tubes and Strips Private Limited	2,954.75	2,867.18
Rent payable		
Vishal Precision Steel Tubes and Strips Private Limited	3.31	0.27
Taurus Value Steel & Pipes Private Limited	3.31	-
Remuneration payable to Key Managerial Personnel		
Whole-time director	2.01	5.50
Chief Executive Officer	-	5.42
Chief Financial Officer	1.77	1.57
Company Secretary	0.68	0.63
Remuneration payable to a relative of a Key Managerial Personnel	0.28	0.16
Rent Receivable		
Taurus Value Steel & Pipes Private Limited	3.84	0.31
Vishal Precision Steel Tubes and Strips Private Limited	1.39	0.11
Centurywells Roofing India Private Limited	14.62	1.19
Advance to		
Steel Networks (Holdings) Pte Limited*	-	16.03
Interest Receivable from		
Steel Networks (Holdings) Pte Limited	0.15	0.15
Loan Payable		
Taurus Value Steel & Pipes Private Limited	4,000.00	-
Assets hypothecated as security against the loans availed by		
Taurus Value Steel & Pipes Private Limited	794.53	791.89
Centurywells Roofing India Private Limited	1,157.65	1,170.71
Guarantees & Collaterals furnished to		
(Refer note no 48 (C)(2) for maximum exposure)		
Taurus Value Steel & Pipes Private Limited	2,000.00	3,500.00
Vishal Precision Steel Tubes and Strips Private Limited	7,750.00	7,750.00
Centurywells Roofing India Private Limited	4,000.00	4,000.00
Guarantees & Collaterals furnished by		
Taurus Value Steel & Pipes Private Limited	9,500.00	5,500.00
Vishal Precision Steel Tubes and Strips Private Limited	9,500.00	5,500.00
Centurywells Roofing India Private Limited	9,500.00	5,500.00
Guarantees furnished by		
Managing Director	25,750.00	36,200.00
Due from a Whole-time Director	-	0.94
Due from Chief Financial Officer	2.88	2.43

* Provision of ₹11.68 lakhs has been made in the last year

Notes to the Standalone Financial Statements (Rupees in lakhs)

Terms and Conditions
All outstanding balances are unsecured and are repayable in cash

Guarantees furnished to subsidiaries:
Guarantees provided to the lenders of the subsidiaries are for availing working capital facilities from the lender banks.

Guarantees furnished by subsidiaries:
Guarantees provided to the lenders of the company are for availing working capital facilities from the lender banks.

Guarantees furnished by managing director:
Personal guarantee furnished by the managing director to the company are for availing working capital facilities from the lender banks.

48. Financial Instruments

A. Capital Management

(1) 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 borrowings from bank and 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 finance 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	Note No.	As at 31-03-2021	As at 31-03-2020
Long term borrowings	21	7,377.00	91.61
Current maturities of long-term debt	29	79.42	152.11
Short term borrowings	26	10,421.93	16,305.67
Less: Cash and cash equivalents	14	(177.17)	(232.25)
Less: Bank balances other than cash and cash equivalents	15	(80.17)	(122.14)
Net Debt (A)		17,621.01	16,195.00
Total Equity (B)	19,20	34,965.80	33,931.29
Gearing Ratio (A / B)		0.50	0.48

i) Equity includes all capital and reserves of the Company that are managed as capital.

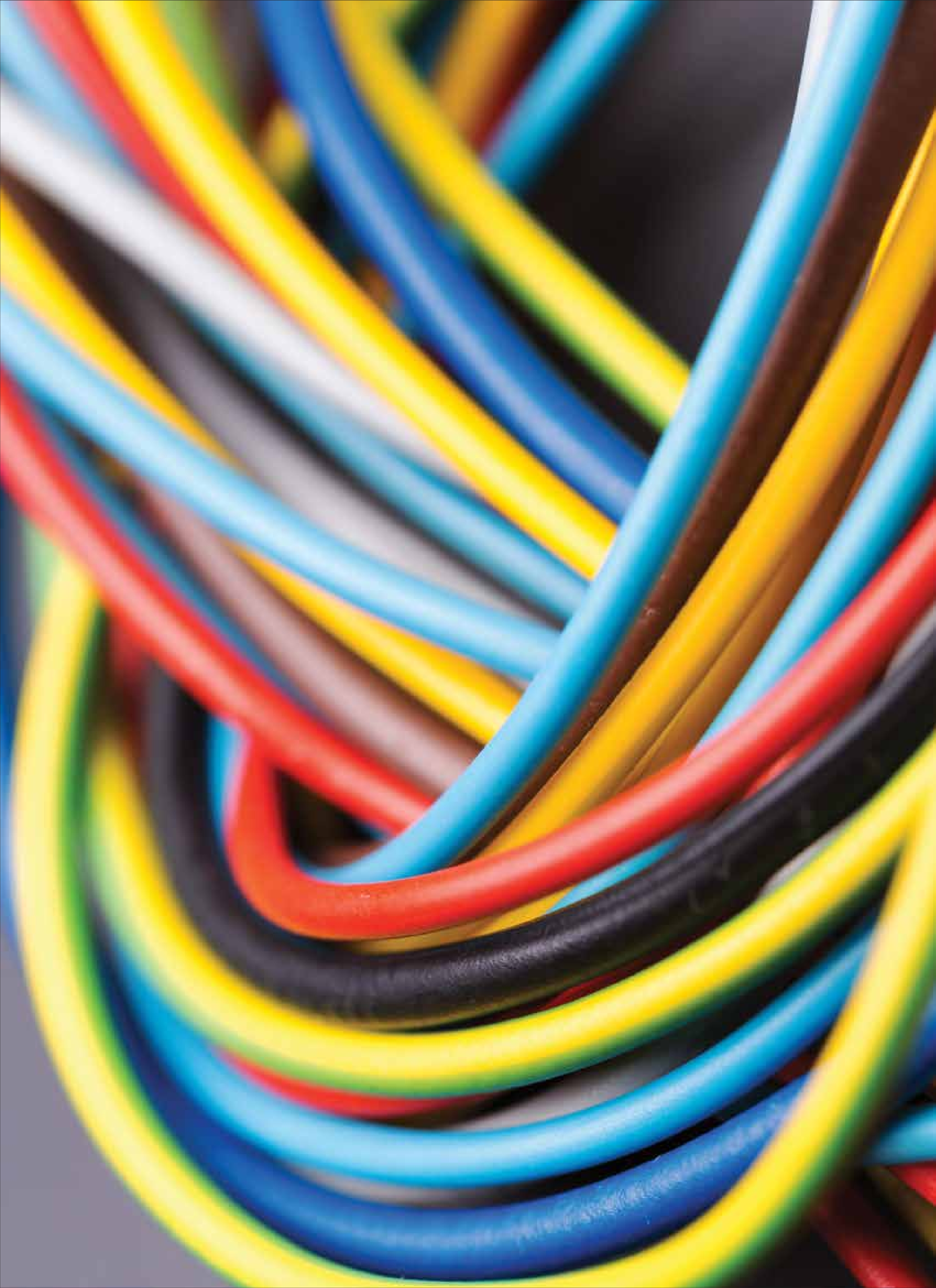
ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 21 and 26

Notes to the Standalone Financial Statements

(Rupees in lakhs)

(2) Dividends

Particulars	As at 31-03-2021	As at 31-03-2020
Equity Shares		
(i) Final Dividend for the year ended March 31,2019 of ₹1.50 per fully paid share	-	342.74
Dividend distribution tax on final dividend	-	70.46
Interim Dividend for the year ended March 31,2020 of ₹2.00 per fully paid share	-	456.99
Dividend distribution tax on interim dividend	-	93.95
(ii) Dividend not recognised at the end of the reporting period	-	-



Notes to the Standalone Financial Statements

(Rupees in lakhs)

B. Categories of financial instruments

Particulars	Note No	As at 31-03-2021		As at 31-03-2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Measured at amortised cost					
Loans	10,16	700.77	700.77	897.47	897.47
Other financial assets	17	91.21	91.21	92.12	92.12
Trade receivables	9,13	28,391.02	28,391.02	40,828.49	40,828.49
Cash and cash equivalents	14	177.17	177.17	232.25	232.25
Bank balances other than cash and cash equivalents	15	80.17	80.17	122.14	122.14
Non-current Investments	8	3,899.13	3,899.13	4,837.96	4,837.96
Total financial assets at amortised cost (A)		**33,339.47**	**33,339.47**	**47,010.43**	**47,010.43**
Total financial assets measured at fair value through other comprehensive income (B)		-	-	-	-
Measured at fair value through profit and loss					
Derivative asset not designated as hedge					
Foreign exchange forward contracts	17	-	-	181.93	181.93
Total financial assets measured at fair value through profit and loss (C)		-	-	**181.93**	**181.93**
Total financial assets (A+B+C)		**33,339.47**	**33,339.47**	**47,192.36**	**47,192.36**
Financial liabilities					
Measured at amortised cost					
Long term Borrowings *	21,29	7,456.42	7,456.42	243.72	243.72
Short term Borrowings	26	10,421.93	10,421.93	16,305.67	16,305.67
Trade payables	27	18,825.75	18,825.75	42,002.00	42,002.00
Lease Liabilities	22,28	1,452.00	1,452.00	3,321.61	3,321.61
Other financial liabilities**	23,29	619.84	619.84	795.73	795.73
Total financial liabilities carried at amortised cost (A)		**38,775.94**	**38,775.94**	**62,668.73**	**62,668.73**
Total financial liabilities measured at fair value through profit and loss (B)		-	-	-	-
Total financial liabilities measured at fair value through other comprehensive income (C)		-	-	-	-
Total financial liabilities (A+B+C)		**38,775.94**	**38,775.94**	**62,668.73**	**62,668.73**

* including current maturities of long-term debt

** excluding current maturities of long-term debt

(Rupees in lakhs)

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:
- Market risk
- Credit risk; and
- Liquidity risk"

(1) 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.

(i) Currency Risk

Exposure to currency risk

Particulars	As at 31-03-2021		As at 31-03-2020	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised liabilities (in lakhs)	-	-	60.59	4,563.64
Forward exchange contracts (in lakhs)	-	-	60.59	4,563.64
Net Exposure	**-**	**-**	**-**	**-**

Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

(ii) 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 at prevailing market price. The Company is therefore subject to fluctuations in the prices of steel coil, steel pipes,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.

Notes to the Standalone Financial Statements

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	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
1% increase in prices of Inventory	(245.92)	(309.46)	(184.03)	(231.57)
1% decrease in prices of Inventory	245.92	309.46	184.03	231.57

(iii) 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 31-03-2021	As at 31-03-2020
Fixed rate borrowings	7,456.42	243.72
Floating rate borrowings	10,421.93	16,305.67
Total borrowings	**17,878.35**	**16,549.39**
Total Net borrowings as per Financial Statements	17,878.35	16,549.39
Add: Upfront fees	-	-
Total borrowings	**17,878.35**	**16,549.39**

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	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
100 basis points increase in interest rates	(104.22)	(163.06)	(77.99)	(122.02)
100 basis points decrease in interest rates	104.22	163.06	77.99	122.02

(2)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, advances and financial guarantees furnished to the lenders of the subsidiaries.

Notes to the Standalone Financial Statements (Rupees in lakhs)

(i) 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.

Year ended 31-03-2021

Expected credit loss for trade receivables under simplified approach

Ageing	Less than 180 days	More than 181 days	Total
Gross carrying amount - Trade receivables	24,938.91	4,550.72	29,489.63
Expected credit losses (Loss allowance provision) - trade receivables	-	(1,098.61)	(1,098.61)
Carrying amount of trade receivables (net of impairment)	**24,938.91**	**3,452.11**	**28,391.02**

Year ended 31-03-2020

Expected credit loss for trade receivables under simplified approach

Ageing	Less than 180 days	More than 181 days	Total
Gross carrying amount - Trade receivables	37,573.36	4,093.16	41,666.52
Expected credit losses (Loss allowance provision) - trade receivables	-	(838.03)	(838.03)
Carrying amount of trade receivables (net of impairment)	**37,573.35**	**3,255.13**	**40,828.49**

(ii) Financial guarantees furnished :

"The company has furnished Corporate guarantee to the lenders of the subsidiaires for availing working capital facilities.
Maximum amount of exposure if the guarantee is called on, in the event of default:"

As at 31-03-2021	As at 31-03-2020
6,710.00	**13,873.00**

The company does not anticipate any downfall in the current level of performance of the subsidiaries in the near future. The networth of the subsidiaries are sufficient enough to manage in the event of default.

Notes to the Standalone Financial Statements (Rupees in lakhs)

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 company has access to the following undrawn borrowing facilities at the end of the reporting period:

Financing arrangements

Particulars	As at 31-03-2021	As at 31-03-2020
Floating Rate		
- Expiring within one year	9,006.50	7,392.00
- Expiring beyond one year	-	-

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.

Liquidity exposure as at 31-03-2021

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
Financial assets					
Loans	10,16	-	-	700.77	700.77
Other financial assets	17	91.21	-	-	91.21
Trade receivables	9,13	28,020.15	370.87	-	28,391.02
Cash and cash equivalents	14	177.17	-	-	177.17
Bank balances other than cash and cash equivalents	15	80.17	-	-	80.17
Non-current Investments	8	-	-	3,899.13	3,899.13
Derivative Assets					
Foreign exchange forward contracts	17	-	-	-	-
Total financial assets		**28,368.70**	**370.87**	**4,599.90**	**33,339.47**
Financial liabilities					
Long term Borrowings *	21,29	79.42	7,377.00	-	7,456.42
Short term Borrowings	26	10,421.93	-	-	10,421.93
Trade payables	27	18,825.75	-	-	18,825.75
Lease Liabilities	22,28	1,365.09	86.91		1,452.00
Other financial liabilities**	23,29	612.59	7.25	-	619.84
Total financial liabilities		**31,304.78**	**7,471.16**	**-**	**38,775.94**

* including current maturities of long-term debt
**excluding current maturities of long-term debt

Notes to the Standalone Financial Statements (Rupees in lakhs)

Liquidity exposure as at 31-03-2020

Particulars	Note No.	< 1 year	1-5 years	> 5 years	Total
Financial assets					
Loans	10,16	4.35	-	893.12	897.62
Other financial assets	17	92.12	-	-	92.12
Trade receivables	9,13	40,454.12	374.37	-	40,828.49
Cash and cash equivalents	14	232.25	-	-	232.25
Bank balances other than cash and cash equivalents	15	122.14	-	-	122.14
Non-current Investments	8	-	-	4,837.96	4,837.96
Derivative Assets					
Foreign exchange forward contracts	17	181.93	-	-	181.93
Total financial assets		**41,086.91**	**374.37**	**5,731.08**	**47,192.36**
Financial liabilities					
Long term Borrowings *	21,29	152.11	91.61	-	243.72
Short term Borrowings	26	16,305.67	-	-	16,305.67
Trade payables	27	42,002.00	-	-	42,002.00
Lease Liabilities	22,28	3,089.49	232.12		3,321.61
Other financial liabilities**	23,29	788.48	7.25	-	795.73
Total financial liabilities		**62,337.75**	**330.98**	-	**62,668.73**

* including current maturities of long-term debt

**excluding current maturities of long-term debt

The amount of guarantees given on behalf of subsidiaries included in note no. 24 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 hypothecated 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 no 21, 26 and 44)

Notes to the Standalone Financial Statements

(Rupees in lakhs)

D. Level wise disclosure of financial instruments

Particulars	Note No	As at 31-03-2021				As at 31-03-2020			
		Carrying Value	Fair Value			Carrying Value	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets									
Loans	10,16	700.77	-	-	572.56	897.47	-	-	776.52
Other financial assets	17	91.21	-	-	-	92.12	-	-	-
Trade receivables	9,13	28,391.02	-	-	-	40,828.49	-	-	-
Cash and cash equivalents	14	177.17	-	-	-	232.25	-	-	-
Bank balances other than cash and cash equivalents	15	80.17	-	-	-	122.14	-	-	-
Non-current Investments	8	3,899.13	-	-	-	4,837.96	-	-	-
Derivative Assets									
Foreign exchange forward contracts	17	-	-	-	-	181.93	-	181.93	-
Total financial assets		**33,339.48**	-	-	**572.56**	**47,192.36**	-	**181.93**	**776.52**
Financial liabilities									
Long term Borrowings *	21,29	7,456.42	-	-	-	243.72	-	-	-
Short term Borrowings	26	10,421.93	-	-	-	16,305.67	-	-	-
Trade payables	27	18,825.75	-	-	-	42,002.00	-	-	-
Lease Liabilities	22,28	1,452.00	-	-	-	3,321.61	-	-	-
Other financial liabilities**	23,29	619.84	-	-	-	795.73	-	-	-
Total financial liabilities		**38,775.94**	-	-	-	**62,668.73**	-	-	-

*** including current maturities of long-term debt**
****excluding current maturities of long-term debt**

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.

49. CORPORATE SOCIAL RESPONSIBILITY

a) Gross amount required to be spent by Company during the year - ₹79.02 lakhs
(Previous year: ₹76.84 lakhs)

b) Amount spent during the year:

Particulars	Amount required to be spent for the year ended 31-03-2021	Amount spent in cash	Amount yet to be paid in cash
a) Construction / acquisition of any assets	-	-	-
b) On purpose other than (a) above	79.02	109.76	-

Particulars	Amount required to be spent for the year ended 31-03-2020	Amount spent in cash	Amount yet to be paid in cash
a) Construction / acquisition of any assets	-	-	-
b) On purpose other than (a) above	76.84	55.86	-

Amount paid is included under Other expenses (refer note no 37)

50. Exceptional Items

Capital reduction by a wholly owned subsidiary viz.Steel Networks Holdings Pte Limited, Singapore.

Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
Net Gain on Capital reduction		
Exchange Gain on realisation of proceeds	**165.15**	-
Less: Loss on reduction in the value of shares .	**111.72**	-
Net Gain on Capital reduction (Credit)	**53.43**	-
Provision for diminution in value of investments(Debit)	**(3.53)**	-
Total	**49.90**	-

51. Amendments to Schedule III:

The amendment to Schedule III vide notification no. F. No. 17/62/2015-CL-V Vol-I dated March 24, 2021 issued by the Ministry of Corporate Affair are applicable only with effect from April 01, 2021. Hence the financial statements have been prepared in accordance with the provisions that existed prior to the amendment, for the year under review.

Notes to the Standalone Financial Statements (Rupees in lakhs)

52. Note on impact of COVID-19

"The Company has considered the possible effects of COVID-19 in the preparation of these financials. Due to lockdowns, the company's operations were hampered considerably for a period of time during the year. This had an impact on customer demand, supply chain, company personnel having access to factories and offices.

The Company also considered the impact of the pandemic on the recoverability of the carrying value of its assets and assessed that these values can be recovered as at 31st March, 2021.

The pandemic continues to unfold and the impact on the Company's future financial results is currently uncertain.

The Company will monitor the situation closely and is taking all necessary measures to safeguard the same.

Further, the Company is also maintaining a strict COVID-19 protocol as per Government guidelines and is taking all measures to ensure the safety and health of its employees and their families. "

As per our report attached of even date

For SUNDARAM & SRINIVASAN
Chartered Accountants
ICAI Firm Reg.No: 004207S

VENKATASUBRAMANIAN.S
Partner
Membership No: 219238

Place: Chennai
Date: 10th June 2021

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Whole-time Director
DIN: 01247347

Alex Varghese
Chief Financial Officer

Ereena Vikram
Company Secretary
ACS Membership No: 33459

Place: Bengaluru
Date: 10th June 2021

www.shankarabuildpro.com

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