

Date: 5<sup>th</sup> May, 2017

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

Scrip Code: - 540425

To  
**National Stock Exchange of India Limited**  
5<sup>th</sup> Floor, Exchange Plaza  
Bandra (E)  
Mumbai-400051

Scrip Symbol- SHANKARA

Dear Sir/Madam,

**Sub: - Intimation for Investor Release**

Please find enclosed a copy of the Investor release with respect to the audited financial results for year ended 31<sup>st</sup> March, 2017

Kindly take the same on record.

Thanking You

Yours faithfully

**For Shankara Building Products Limited**

*Ereena Vikram*

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**Company Secretary & Compliance Officer**



## **Shankara Building Products Limited announces FY17 Results**

**PAT at Rs. 60.27 Crs, growth of 48 % YoY  
Declares Dividend of 2.75 per equity share  
Dividend payout increased from 8% to 10%**

Shankara Building Products Limited (SBPL) (BSE Scrip ID – 540425), a leading organized retailer of home improvement and building products in India, today announced its audited consolidated Q4 & FY17 Results.

Particulars (Rs crs)	Q4-FY17	Q4-FY16	Change	FY17	FY16	Change
Net Sales	600.39	570.82	5.18%	2,310.14	2,035.92	13.47%
EBITDA	45.66	41.42	10.24%	154.37	119.57	29.10%
<i>EBITDA Margin %</i>	<i>7.61%</i>	<i>7.26%</i>	<i>35 bps</i>	<i>6.68%</i>	<i>5.87%</i>	<i>81 bps</i>
PAT	19.04	17.17	10.89%	60.27	40.73	47.97%
<i>PAT %</i>	<i>3.17%</i>	<i>3.01%</i>	<i>16 bps</i>	<i>2.61%</i>	<i>2.00%</i>	<i>61 bps</i>
<i>Debt to Equity</i>	-	-		<i>0.57</i>	<i>0.77</i>	
<i>ROCE</i>	-	-		<i>23.15%</i>	<i>21.42%</i>	<i>173bps</i>

### **RETAIL SALES:**

Retail Sales grew by 21.41% from Rs. 807.76 crores for FY16 to Rs. 980.73 crores for FY17. Retail Sales contributed 42.45% of the total revenue of the Company. Segmental margin improved by 32 bps to 9.91%. Same store sales grew by 19.43%.

For FY17 revenue per sq. ft. stood at Rs. 25,736 per sq. ft. Average rental cost for leased outlets was Rs.16.13 per sq.ft. per month. Retail lease expense as a percentage of total revenue was 0.58 %. Major portion of sales came from Tier III cities 40.05% followed by Tier I cities 35.30% and Tier II cities 24.65% cities. 21 new products covering 6,662 SKUs were introduced this year, totaling to 74 products with 19,230 SKUs. Due to comprehensive range of products and SKUs, growth and profitability in this segment was further enhanced.

Average ticket size per transaction was of Rs. 23,244. We executed 4,21,926 number of sale transactions in FY17.

As on date, the total operating stores are 108 and the Total area at store level stood at 3,88,270 sq.ft .

Generally, the Break – even period estimated for all new stores is around 12 months.

#### **CHANNEL SALES:**

FY17 Channel Sales stood at Rs.569.87 crores, down by 0.49%. It contributed 24.67% of the consolidated revenue of the Company. Number of dealers for the year ended March 31, 2017 was 1,924.

#### **ENTERPRISE SALES**

FY17 Enterprise Sales stood at Rs.759.51 crores, up by 15.87%. It contributed 32.88 % of the consolidated revenue of the Company.

#### **Update on Processing Facilities**

The Company has 12 facilities with combined capacity of 3,24,400 MTPA. The capacity utilization for FY17 was 93.77%. Overall sales were Rs. 1,253 Crores, growth of 24.76 % over last year.

The Company has 44 trucks for the year while having warehouses totaling to 56. This will enhance the efficiency of our business model.

#### **Subsidiary Update**

During FY17, Vishal Precision Steel Tubes and Strips Private Limited (VPSPL), Company's subsidiary (99.89% owned) had a turnover of Rs.410.26 crores versus Rs.321.46 crores last year. Out of this, 86.29% of total sales was made to SBPL.

Taurus Value Steel & Pipes Private Limited (TVSPPL), Company's subsidiary (99.99% owned) had a turnover of Rs.675.80 crores versus Rs.546.56 crores last year. Out of this, 65.19% of total sales was made to SBPL.

Centurywells Roofing India Private Limited (CRIPL), Company's subsidiary (100% owned) had a turnover of Rs.167.12 crores versus Rs. 136.44 crores last year. Out of this, 57.60% of total sales was made to SBPL.

**Commenting on the financial results of FY17, Managing Director, Mr. Sukumar Srinivas says,** "We have been highly successful in creating a Business model to tap the modern trends in the Homes and Buildings Retail segment in India. With a one stop solution, we are a preferred choice for customers and influencers for building and home improvement needs. Our FY17 performance is a reflection of this position which will continue to strengthen as we move ahead. Our IPO was a stellar success and reinforces our faith in the brand that we have established in the market place. For FY18 we shall continue to deepen our retail and channel reach which coupled with the addition of newer products and SKUs create a compelling choice for customers to associate themselves with Shankara Buildpro. We would work to grow our stores in numbers while maintain our low operating cost structure in terms of building larger and a fully integrated retail network. The warehouses and fleet of trucks will act as Hub and Spoke machinery to support our retail expansion to create a highly efficient and scalable delivery model."

#### **About Shankara Building Products Limited**

Shankara Building Products is one the leading organized retailers of home improvement and building products in India based on number of stores, operating under the brand name '**Shankara Buildpro**'. As on date, the Company has 108 Shankara Buildpro stores spread across 9 states and 1 union territory in India. The Company caters to a large customer base across various end-user segments in urban and semi-urban markets through multi-channel sales approach, processing facilities, supply chain and logistics capabilities.

For more information about please visit [www.shankarabuildpro.com](http://www.shankarabuildpro.com)

**Safe harbor statement:**

*Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.*

**For further details please contact:**

**Shankara Building Products Ltd.**

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