SHANKARA STANDALONE

ANNUAL REPORT-2023-24

Shankara
Building Products Ltd.

Corporate Information

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

Company Secretary
Ms. Ereena Vikram

Chief Financial Officer
Mr. Alex Varghese

Registered Office
G2, Farah Winsford
133, Infantry Road
Bengaluru-560001

Corporate Office
No.21/1 & 35-A-1, Hosur Main Road
Electronic City Post, Veerasandra
Bengaluru-560100

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

Internal Auditors
M/s GRSM & Associates
Chartered Accountants
No. 8/90, 1st Floor
Pampa Mahakavi Road
Shankarapuram
Bengaluru - 560004

Secretarial Auditor
K. Jayachandran
Company Secretary
No. 1181, 6th Main
'A' Block, 2nd Stage
Rajajinagar
Bengaluru - 560 010

Bankers
Citibank NA.
HDFC Bank Ltd.
Standard Chartered Bank.
Kotak Mahindra Bank Ltd.
IDFC Bank Ltd.
Federal Bank Ltd.
IndusInd Bank Ltd.
Yes Bank Ltd.
South Indian Bank Ltd.
ICICI Bank Ltd.

Registrar and Share Transfer Agent
M/s KFin Technologies Limited
Selenium Tower B, Plot Nos. 31 & 32
Financial District, Nanakramguda,
Serilingampally Mandal
Hyderabad - 500 032, Telangana

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

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF SHANKARA BUILDING PRODUCTS LIMITED, BENGALURU FOR THE YEAR ENDED MARCH 31, 2024

To the Members of
Shankara Building Products Limited, Bengaluru

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, 2024, 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 Material accounting policies information 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company, as at March 31, 2024, its profit and other comprehensive income, the 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

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CHARTERED ACCOUNTANTS

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 period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit matter	**How the matter was addressed in our audit**
<u>INVENTORY EXISTENCE AND VALUATION</u> 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 reviewed the Inventory verification reports of the Internal auditors for all the quarters. Also during the year the Management has performed Inventory verification in some locations and have provided us with the inventory verification report • Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.

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Key Audit matter	How the matter was addressed in our audit
	• 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.

We confirm the adequacy of disclosures made in the Financial Statements.

Information Other than the Standalone Ind AS 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 are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, 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

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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 are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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:

SUNDARAM & SRINIVASAN
New No:4,
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CHENNAI
600 018.
CHARTERED ACCOUNTANTS

- 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 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.

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF SHANKARA BUILDING PRODUCTS LIMITED, BENGALURU FOR THE YEAR ENDED MARCH 31, 2024

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

(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 read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid / provided during the year to directors is in accordance with the provisions of section 197 read with Schedule V to the Act.

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF SHANKARA BUILDING PRODUCTS LIMITED, BENGALURU FOR THE YEAR ENDED MARCH 31, 2024

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, 2024 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 contractS 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. a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts (refer note no. 53.), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note no. 54 to financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management under sub-clause (a) and (b) above, contain any material misstatement.

v. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with the Section 123 of the Companies Act, 2013 to the extent it applies to payment of Dividend. The Board has not declared interim dividend during the year. However, the Board at its meeting held today ie. May 20 , 2024 has recommended a final dividend of Rs. 3.00 /- per equity share (face value of Rs. 10/- each) which is subject to the approval of the shareholders in the ensuing Annual General Meeting. The dividend declared is in accordance with the provisions of the section 123 of the Act to the extent it applies to declaration of dividend.

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF SHANKARA BUILDING PRODUCTS LIMITED, BENGALURU FOR THE YEAR ENDED MARCH 31, 2024

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

K. Srinivasan

Srinivasan K
Partner
Membership No. 209120
UDIN: 24209120BKBKIB6861

Place: Bengaluru
Date : May 20 , 2024

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

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, 2024

(i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment 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) Based on our verification of the registered sale deed provided to us, we report that, the title deeds of all immovable properties of the Company (included under Property, Plant and Equipment and Investment Property) are held in the name of the company as at the balance sheet date. In respect of title deeds hypothecated with a Bank, which were not verified by us, we relied on the confirmation received from the bank in respect of the said title deeds.

(d) The company has not revalued its Property, Plant and Equipment (including Right-of-Use asset) or intangible assets or both during the year.

(e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

SUNDARAM & SRINIVASAN
New No:4,
Old No:23,
CPR ROAD,
CHENNAI
600 018.
CHARTERED ACCOUNTANTS

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, 2024

(ii) (a) The inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The discrepancies between the physical stocks and the book stocks were not material (less than 10% in the aggregate for each class of inventory) and have been properly dealt with in the books of accounts.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Banks on the basis of security of current assets. The Quarterly returns filed by the company with such banks are in agreement with books of account of the company.

(iii) During the year, the company has made investment in a subsidiary, provided advances in the nature of loans to its wholly owned subsidiaries, renewed guarantees and securities, furnished to banks on behalf of its wholly owned subsidiaries for availing /renewing the working capital facilities by its subsidiaries . The Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to firms, Limited Liability Partnerships or any other parties .

(a) During the year the company has provided advances in the nature of loans to its wholly owned subsidiaries ,renewed guarantee and securities furnished to banks on behalf of its wholly owned subsidiaries for availing /renewing the working capital facilities by its subsidiaries.

(A) Rs in Crore

Particulars	Advance in the nature of loans	Guarantee *	Security*
Aggregate amount during the year -Wholly Owned Subsidiaries	10.27	90.75	12.97
Balance outstanding at the balance sheet date (ie 31.03.2024) -Wholly Owned Subsidiaries	Nil	90.75	12.97

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

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, 2024

*The Company has furnished Guarantee and Security in the preceding previous years in respect of the working capital facilities availed by its wholly owned subsidiaries and the working capital facilities are being renewed year on year.

(B) The Company has not granted loan or provided advance or security or furnished guarantee to parties other than subsidiaries ,joint ventures and associates.

(b) The Investment made, guarantees provided, security given and the terms and conditions of the grant of advances in the nature of loans are not prejudicial to the company's interest.

(c) In respect of advances in the nature of loans provided by the company to its wholly owned subsidiaries , the schedule of repayment of principal and payment of interest has not been stipulated as the said loans and interest are repayable on demand. Hence we do not comment on para 3 (iii) (c) (d) (e)

(d) During the Year , the company has granted loans in the nature of advances repayable on demand , the details of which are given below :-

Particulars	Aggregate amount of advances in the nature of loan granted	% of total loan granted	Advances in the nature of loans granted to Related Parties
Related parties as defined in Clause (76) of section 2 of the Companies Act, 2013	10.27	100 %	10.27

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

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, 2024

(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 clause (v) of para 3 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 (PF), Employees' State Insurance (ESI), 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 delays in remittances of Professional Tax, ESI and PF in some of the branches in the year 2023-24.

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, 2024 for a period of more than six months from the date they became payable.

SUNDARAM & SRINIVASAN
New No:4,
Old No:23,
CPR ROAD,
CHENNAI
600 018.
CHARTERED ACCOUNTANTS

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, 2024

(b) According to the information and explanation given to us, the dues outstanding with respect to Income Tax, Goods and Service Tax on account of any dispute, is as follows:

Name of the statute: Income Tax Act, 1961			
Financial year	**Nature of dues**	**Amount (Rs. In crore)**	**Forum where the dispute is Pending**
2019-2020	Income Tax and Interest	0.15	Commissioner of Income Tax (Appeals)/NFAC.

Name of the statute: Goods and Services Tax Act, 2017			
Financial year	**Nature of dues**	**Amount (Rs. In crore) ***	**Forum where the dispute is Pending**
2017-18	CGST ,SGST , interest and Penalty	0.80	Joint Commissioner of Commercial Taxes ,Appeals , Bengaluru
2017-18	CGST ,SGST and Penalty	0.02	Additional \Joint Commissioner of Central Taxes ,Appeals , Bengaluru
2018-19	CGST ,SGST Interest and Penalty	0.86	Joint Commissioner of Commercial Taxes ,Appeals , Bengaluru

*Out of it Rs 0.09 Crore has been remitted during the year by the company under protest.

(viii) According to the information and explanations furnished to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

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, 2024

(ix) (a) The company has neither defaulted in repayment of loans or other borrowings nor in payment of interest thereon to any lender.

(b) The company has not been declared wilful defaulter by any bank or financial institution or Government or any government authority.

(c) The term loans availed by the company were utilized for the purpose for which it were obtained.

(d) The funds raised on short term basis have not been utilized for long term purposes.

(e) The company has not availed any funds from any entity or person on account of or to meet the obligations of its wholly owned subsidiaries.
The company does not have a joint venture or an associate.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries. The company does not have a joint venture or an associate.

(x) (a) The Company has not raised money by way of initial public issue offer or further public offer (including debt instruments) and hence the question of utilization of money raised by way of initial public offer does not arise.

(b) The Company has made preferential allotment of 14,00,000 (Fourteen lakhs) shares at a price of Rs 750 per share (including a premium of Rs 740 per share) during the year by converting 14,00,000 (Fourteen Lakhs) Share Warrants which were allotted during the year 2022-23,. This aggregate to Rs 105 crores . The preferential allotment of shares by the company is in compliance with section 42 and Section 62 of the Companies Act, 2013 Based upon the audit procedures performed and as per the information and explanations given by the management , funds raised have been utilized for the purpose for which the funds were raised.

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

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, 2024

(xi) (a) Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the year.

(b) In view of what is stated in point no. xi (a) above, no report under sub-section 12 of section 143 of Companies Act, 2013 has been filed in Form ADT-4 during the year.

(c) According to information furnished to us, the company has not received any whistle-blower complaints during the year.

(xii) The Company is not a Nidhi Company. Therefore, para 3(xii) of the Order is not applicable to the Company

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in note no 47 to the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued for the period under audit have been considered by us.

(xv) According to the information and explanations furnished to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, the provisions of para 3 (xvi) (a) and (b) are not applicable to the company.

(b) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence provisions of para 3 (xvi) (c) is not applicable to the company

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

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, 2024

(c) In our opinion, there is no core investment company within the Group (including the company) (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under para 3 (xvi)(d) of the Order is not applicable.

(xvii) The company has not incurred cash loss in the financial year as well as in the immediately preceding financial year.

(xviii) During the year, there has been no resignation of statutory auditors. Accordingly, reporting under this para 3 (xviii) is not applicable.

(xix) According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) (a) The Company has spent the amount prescribed under section 135 of the Act before the year end. Hence the question of unspent CSR amount does not arise.

(b) The Company did not spend any CSR amount in any ongoing project. Hence reporting under this clause does not arise.

SUNDARAM & SRINIVASAN
New No: 4,
Old No: 23,
CPR ROAD,
CHENNAI
600 018.
CHARTERED ACCOUNTANTS

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, 2024

(xxi) Based on the Companies (Auditor's Report) Order (CARO) report, issued by the statutory auditors of the three wholly owned subsidiary companies incorporated in India and CARO report issued by us in respect of one wholly owned subsidiary company incorporated in India, included in the consolidated financial statements, we report that there are no qualifications or adverse remarks in those audit reports.

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

K.Srinivasan

Srinivasan K
Partner
Membership Number : 209120
UDIN: 24209120BKBKIB6861

Place: Bengaluru
Date : May 20, 2024

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

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

ANNEXURE - 2 referred to in our report under "Report on Other Legal and Regulatory requirements Para 2 "(f) " of even date on the accounts for the year ended March 31, 2024

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, 2024 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 The Institute of Chartered Accountants of India (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

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ANNEXURE - 2 referred to in our report under "Report on Other Legal and Regulatory requirements Para 2 (f) " of even date on the accounts for the year ended March 31, 2024

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")

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;

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

ANNEXURE - 2 referred to in our report under "Report on Other Legal and Regulatory requirements Para 2 (f) " of even date on the accounts for the year ended March 31, 2024

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")

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.

SUNDARAM & SRINIVASAN
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ANNEXURE - 2 referred to in our report under "Report on Other Legal and Regulatory requirements Para 2 (f) " of even date on the accounts for the year ended March 31, 2024

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")

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, 2024, 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

K.Srinivasan

Srinivasan K
Partner
Membership Number : 209120
UDIN: 24209120BKBKIB6861

Place:Bengaluru
Date : May 20, 2024

SUNDARAM & SRINIVASAN
New No:4,
Old No:23,
CPR ROAD,
CHENNAI
600 018.
CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LIMITED
G - 2, FARAH WINSFORD, 133, INFANTRY ROAD, BENGALURU - 560 001
CIN : L26922KA1995PLC018990 **PHONE : 080 4011 7777**
WEBSITE : www.shankarabuildpro.com **E MAIL ID : compliance@shankarabuildpro.com**

SEPARATE (i.e. STANDALONE) BALANCE SHEET AS AT 31ST MARCH 2024

(Rupees in Crores)

Particulars	Note No	As at 31-03-2024	As at 31-03-2023
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4	195.48	178.79
(b) Capital work-in-progress	4(a)	-	2.34
(c) Investment Property	5	9.33	11.20
(d) Right-of-use Asset	6, 41(b)	2.41	3.00
(e) Intangible assets	7	-	-
(f) Intangible assets under development	8	2.89	1.33
(g) Financial Assets			
(i) Investments	9	38.62	38.70
(ii) Trade receivables	10	2.69	2.79
(iii) Loans	11	0.06	0.06
(iv) Other financial assets	12	7.67	7.97
(h) Other non-current assets	13	3.97	3.21
Total Non-current assets		**263.12**	**249.39**
(2) Current assets			
(a) Inventories	14	348.16	336.25
(b) Financial Assets			
(i) Trade receivables	15	633.56	500.02
(ii) Cash and cash equivalents	16	28.22	5.71
(iii) Bank balances other than (ii) above	17	1.22	1.84
(iv) Other financial assets	18	1.36	1.30
(c) Other current assets	19	31.06	17.00
Total current assets		**1,043.58**	**862.12**
Total Assets		**1,306.70**	**1,111.51**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	24.25	22.85
(b) Other Equity	21	576.96	435.19
Total Equity		**601.21**	**458.04**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	14.40	64.59
(ia) Lease Liabilities	23	1.59	3.46
(ii) Other financial liabilities	24	0.19	0.12
(b) Provisions	25	0.26	0.35
(c) Deferred tax liabilities (Net)	26(c)	3.78	3.54
Total Non-current liabilities		**20.22**	**72.06**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	61.00	45.83
(ia) Lease Liabilities	28	1.19	0.52
(ii) Trade payables:-	29		
(A) total outstanding dues of micro enterprises and small enterprises ; and		21.33	105.66
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		564.01	402.96
(iii) Other financial liabilities	30	9.87	9.43
(b) Other current liabilities	31	23.08	11.20
(c) Provisions	32	0.54	0.71
(d) Current Tax Liabilities(Net)	26(b)	4.25	5.10
Total current liabilities		**685.27**	**581.41**
Total Equity and Liabilities		**1,306.70**	**1,111.51**
Material accounting policies information	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

K. Shinivas

Srinivasan K
Partner
Membership No: 209120

Place: Bengaluru
Date: May 20, 2024

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI, 600 018.

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: May 20, 2024

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

Shankara
Building Products Ltd.

SHANKARA BUILDING PRODUCTS LIMITED
G - 2, FARAH WINSFORD, 133, INFANTRY ROAD, BENGALURU - 560 001
CIN : L26922KA1995PLC018990 **PHONE : 080 4011 7777**
WEBSITE : www.shankarabuildpro.com **E MAIL ID : compliance@shankarabuildpro.com**

SEPARATE (i.e STANDALONE) STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in Crores)

	Particulars	Note No.	For the Year ended 31-03-2024	For the Year ended 31-03-2023
I	Revenue From Operations	33	4,862.73	4,036.22
II	Other Income	34	6.68	7.31
III	**Total Income (I+II)**		**4,869.41**	**4,043.53**
IV	**Expenses**			
	a) Purchases of Stock-in-Trade		4,649.27	3,901.63
	b) Changes in inventories of Stock-in-Trade	34(a)	(14.58)	(50.09)
	c) Employee benefits expense	35	45.34	39.09
	d) Finance costs	36	31.66	22.05
	e) Depreciation and amortization expense	36(a)	9.46	9.71
	f) Other expenses	37	55.34	44.89
	Total expenses (IV)		**4,776.49**	**3,967.28**
V	**Profit before exceptional items and tax [III-IV]**		92.92	76.25
VI	Exceptional items		-	-
VII	**Profit before tax [V+VI]**		92.92	76.25
VIII	Tax expense:	26(a)		
	(1) Current tax		22.62	16.92
	(2) Tax relating to earlier years		0.29	0.11
	(3) Deferred tax		0.15	2.20
	Total Tax Expense		**23.06**	**19.23**
IX	**Profit for the year (VII-VIII)**		**69.86**	**57.02**
X	**Other Comprehensive Income**			
A	**Items that will not be reclassified to profit or loss**			
	(i) Re-measurements of the defined benefit plans	45(b)	0.36	0.14
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.09)	(0.04)
	Total A		**0.27**	**0.10**
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 (A+B)		**0.27**	**0.10**
XI	**Total Comprehensive Income for the year (IX+X)**		**70.13**	**57.12**
XII	**Earning per equity share: [Face value Rs.10 per share]**	38		
	(1) Basic (in Rs.)		29.85	24.95
	(2) Diluted (in Rs.)		29.85	24.95
	Material accounting policies information	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

K. Srinivasan

Srinivasan K
Partner
Membership No: 209120

Place: Bengaluru
Date: May 20, 2024

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

Alex Varghese
Chief Financial Officer

Place: Bengaluru
Date: May 20, 2024

C.Ravikumar
Whole-time Director
DIN: 01247347

Ereena Vikram
Company Secretary
ACS Membership No: 33459

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Shankara Building Products Ltd.

SHANKARA BUILDING PRODUCTS LIMITED
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CIN : L26922KA1995PLC018990 **Ph: 080 4011 7777, Fax- 080 4111 9317**
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in Crores)

Particulars	Note No	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Cash flow from operating activities			
Profit before tax		92.92	76.25
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization expense	36(a)	9.46	9.71
Loss on sale of property, plant & equipment	37	0.05	0.06
Profit on sale of property, plant & equipment \ Investment property	34	(1.25)	(0.07)
Gain on termination of lease	34	(0.29)	(0.74)
Unwinding of interest income on rental deposits	34	(0.33)	(0.46)
Interest income	34	(1.21)	(0.23)
Write off of property, plant and equipment	37	0.28	-
Interest expense on Borrowings	36	30.94	21.08
Fair valuation of financial guarantee (Expenses)	37	0.13	0.09
Fair valuation of financial guarantee (Income)	34	(0.13)	(0.09)
Interest on Lease liability	36	0.24	0.46
Bad Debts written off (PY Rs.23,709)	37	1.01	0.00
Payables written back	34	(1.73)	(0.04)
Provision for doubtful debts no longer required written back	34	-	(5.00)
Provision for damaged goods	37	0.50	-
Provision for diminution in the value of Investments	37	-	0.06
Provision for expenses no longer required written back	34	(0.05)	-
Loss Allowance for doubtful trade receivables	37	3.32	-
Operating profit before working capital changes		**133.86**	**101.08**
Adjustments for :			
(Increase) / Decrease in inventories		(12.41)	(52.87)
(Increase) / Decrease in trade receivable		(137.78)	(159.48)
Decrease/ (Increase) in loans and other financial assets		0.54	**(1.01)**
Decrease/ (Increase) in other current assets		(14.06)	(7.41)
Decrease/ (Increase) in other non-current assets		0.11	(0.27)
(Decrease)/ Increase in trade payables		78.46	207.46
(Decrease)/ Increase in other financial liabilities		0.07	2.22
(Decrease)/ Increase in other current liabilities (PY Rs.45,506)		11.88	(0.00)
(Decrease)/Increase in provisions		(1.83)	(0.40)
Cash flow from/(used in) operations		**58.84**	**89.32**
Income taxes paid		(21.74)	(14.11)
Net cash flows from/(used in) operating activities (A)		**37.10**	**75.21**
Cash flow from investing activities			
Consideration paid for purchase of property, plant & equipment (Including capital work-in-progress and capital advances)		(24.31)	(39.15)
Purchase of software (Including intangible assets under development)	8	(1.56)	(1.28)
Investment in a subsidiary		(0.01)	-
Proceeds from sale of property, plant & equipment / Investment property		3.89	0.66
(Purchase)/proceeds from maturity of bank deposits		0.62	(1.00)
Interest receipt		1.24	0.20
Net cash flows from/(used in) investing activities (B)		**(20.13)**	**(40.57)**

SUNDARAM & SRINIVASAN
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in Crores)

Particulars	Note No	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Cash flow from financing activities			
Money received against Share warrants* (CY 75%, PY 25%)		78.75	26.25
Prinicipal element of lease payments		(1.79)	(2.98)
Interest on Lease liability	36	(0.24)	(0.46)
Proceeds from term loans		-	0.95
Repayment of term loans		(8.07)	(7.53)
Repayment of term loan to a subsidiary		(39.74)	(0.24)
Current Borrowings availed/ (repaid)		12.79	(22.59)
Interest paid		(30.46)	(21.29)
Unclaimed dividend - Transfer in/(out) (PY Rs.28,757)		0.01	0.00
Dividends paid	48 (A)(2)	(5.71)	(2.29)
Net cash flows from/(used in) financing activities (C)		**5.54**	**(30.18)**
Net increase/(decrease) in cash and cash equivalents(A+B+C)		**22.51**	**4.46**
Cash and cash equivalents - at the beginning of the year		**5.71**	**1.25**
Cash and cash equivalents - at the end of the year		**28.22**	**5.71**
Non cash financing and investing activities			
- Acquisition of Right-of-use assets	6	**1.52**	**0.65**
Note: Cash and Cash equivalents in the Cash Flow Statement comprise of the following :-			
i) Cash on Hand	16	0.86	0.52
ii) Balance with Banks :			
- In Current Account and cash credit account		27.36	5.19
		28.22	**5.71**
Material accounting policies information	1 to 3		

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

See accompanying notes to the standalone financial statements

The above Statement of Cash Flow 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

Srinivasan K
Partner
Membership No: 209120

Place: Bengaluru
Date: May 20, 2024

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: May 20, 2024

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Shankara
Building Products Ltd.

SHANKARA BUILDING PRODUCTS LIMITED
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SEPARATE (i.e STANDALONE) STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in Crores)

A. Equity Share Capital

(1) Year ended 31st March 2024 (refer note no 20)

Balance at the beginning i.e. 01st April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end i.e. 31st March 2024
22.85	-	22.85	1.40	24.25

(2) Year ended 31st March 2023 (refer note no 20)

Balance at the beginning i.e. 01st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end i.e. 31st March 2023
22.85	-	22.85	-	22.85

B. Other Equity (refer note no 21)

(1) Year ended 31st March 2024

Particulars	Note No	Reserves and Surplus					Other Items of other comprehensive income	Money received against Share warrants *	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			
Balance at the beginning i.e. 01st April 2023		0.19	111.28	1.24	296.24	(0.01)	0.00	26.25	435.19
Profit for the year		-	-	-	69.86				69.86
Other comprehensive income for the year, net of income tax		-	-	-	-		0.27		0.27
Dividend Paid	48 (A)(2)	-	-	-	(5.71)				(5.71)
Transfer to retained earnings				-		0.27	(0.27)		-
Issue of shares on conversion of share warrant		-	103.60	-	-	-	-	(26.25)	77.35
Balance at the end i.e. 31st March 2024		0.19	214.88	1.24	360.39	0.26	0.00	-	576.96

* Refer Note no 20(f)

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE *

Shankara
Building Products Ltd.

SHANKARA BUILDING PRODUCTS LIMITED
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SEPARATE (i.e STANDALONE) STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

(2) Year ended 31st March 2023

(Rupees in Crores)

Particulars	Note No	Reserves and Surplus					Other Items of other comprehensive income	Money received against Share warrants *	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			
Balance at the beginning i.e. 01st April 2022		**0.19**	**111.28**	**1.24**	**241.51**	**(0.11)**	**0.00**		**354.11**
Profit for the year					57.02				57.02
Other comprehensive income for the year, net of income tax							0.10	-	0.10
Dividends paid	48(A) (2)	-	-	-	(2.29)				(2.29)
Transfer to retained earnings		-	-	-	-	0.10	(0.10)	-	-
Money received against Share warrants								26.25	26.25
Balance at the end i.e. 31st March 2023		**0.19**	**111.28**	**1.24**	**296.24**	**(0.01)**	**0.00**	**26.25**	**435.19**

*** Refer Note no 20(f)**

Material accounting policies information- 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

Srinivasan K
Partner
Membership No: 209120

Place: Bengaluru
Date: May 20, 2024

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

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: May 20, 2024

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

MATERIAL ACCOUNTING POLICIES INFORMATION– STANDALONE FINANCIAL STATEMENTS

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 G-2, 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. MATERIAL ACCOUNTING POLICIES INFORMATION

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, 2024 (including comparatives)are duly adopted by the Board of Directors in the meeting held on May 20, 2024 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 crore 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, wherever applicable, as per the requirements of Ind AS prescribed under section 133 of the Act and relevant provisions thereon.

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SHANKARA BUILDING PRODUCTS * BANGALORE

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 Board 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 or directly to the customer, as the case may be.

2.4.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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SHANKARA BUILDING PRODUCTS LTD. BANGALORE

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 out 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.

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SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

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.0.0005 crore (Rs. 5,000/-) 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, and but not for sale in the ordinary course of business and not used 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.

2.71 Intangible assets under development

An intangible asset is an identifiable non-monetary asset without physical substance. The cost of an internally generated intangible asset comprises all

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SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management.

An intangible asset arising from development shall be recognized if :

i) there is technical feasibility of completing it so that it will be available for use
ii) the entity intends to complete it and use it or sell it
iii) the entity has ability to use or sell it

iv) technical, financial and other resources are available to the entity to complete it

v) the entity is able to measure reliably the expenditure attributable to the intangible asset during its development.

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 atleast annually, and whenever there is an Indication that the asset may be impaired.

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

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

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

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.

2.10 Leases

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

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

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.

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

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.

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

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

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

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.

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

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.

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 minimum alternate tax (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:

SUNDARAM & SRINIVASAN
New No:4,
Old No:23,
CPR ROAD,
CHENNAI
600 018.
CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD.
BANGALORE

-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

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No: 4, Old No: 23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

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 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 Company 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;

New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

- 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, 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.

2.19 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 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

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

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 λ

- 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.

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

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.

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

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

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

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 i.e. trade payables and are included in total outstanding due of creditors other than micro enterprises and small enterprises.

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 principal 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, including 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

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

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 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

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

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.

2.20 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 extraordinary items and tax is appropriately classified for the effects of transactions

SUNDARAM & SRINIVASAN * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS *

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

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.

2.21 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.

2.22 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).

2.23 Indian Accounting Standards / amendments issued but not yet effective –

i) New standard – Nil

ii) Amendments to existing Ind AS : The Ministry of Corporate Affairs ("MCA") notified amendments to the existing standards – (Indian Accounting Standards) Rules, 2023 on March 31, 2023. These amendments are effective for the financial year beginning from April 1, 2023.

Ind AS - 101 First-time Adoption of Indian Accounting Standards

Ind AS –102 Share-based payment

Ind AS --103 Business Combinations

Ind AS--107 Financial Instruments : Disclosures

Ind AS --109 Financial Instruments

Ind AS – 115 Revenue from Contracts with Customers.

Ind AS – 1 Presentation of Financial Statements

Ind AS – 8 Accounting

Ind AS - 12 Income Taxes

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Ind AS - 34 Interim Financial Reporting

The Company has evaluated the amendment and the impact of the ammendment is insignificant in the Standalone financial statements.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

(i) Useful lives of property, plant and equipment

The Board 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

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(iv) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the identifiable intangible assets and contingent consideration to be measured at fair value in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the business. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by Independent valuation experts.

(v) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(vi) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the 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.

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
Gross carrying amount as at 01-04-2022	**51.90**	**70.04**	**5.40**	**36.30**	**9.93**	**4.07**	**2.30**	**179.94**
Additions	14.34	13.38	0.19	5.47	2.80	0.48	0.41	37.07
Disposals	0.07	0.27	0.22	0.17	0.65	0.02	0.01	1.41
Gross carrying amount as at 31-03-2023	**66.17**	**83.15**	**5.37**	**41.60**	**12.08**	**4.53**	**2.70**	**215.60**
Additions	1.80	11.44	0.77	7.82	2.18	1.26	0.51	25.78
Transfer in / Transfer (out)	0.24	(0.24)	-	-	-	-	-	-
Disposals/Write off	0.70	0.14	0.05	0.85	0.17	0.38	0.03	2.32
Gross carrying amount as at 31-03-2024	**67.51**	**94.21**	**6.09**	**48.57**	**14.09**	**5.41**	**3.18**	**239.06**
Accumulated depreciation and impairment								
Balance as at 01-04-2022	-	**4.65**	**1.62**	**14.44**	**5.34**	**2.59**	**1.97**	**30.61**
Depreciation for the year	-	1.21	0.36	3.60	1.16	0.48	0.15	6.96
Depreciation on disposals	-	0.02	0.05	0.14	0.53	0.01	0.01	0.76
Balance as at 31-03-2023	-	**5.84**	**1.93**	**17.90**	**5.97**	**3.06**	**2.11**	**36.81**
Depreciation for the year	-	1.42	0.39	3.97	1.47	0.45	0.25	7.95
Depreciation on disposals	-	0.01	0.01	0.69	0.15	0.31	0.01	1.18
Balance as at 31-03-2024	-	**7.25**	**2.31**	**21.18**	**7.29**	**3.20**	**2.35**	**43.58**
Net Carrying amount								
As at 31-03-2024	**67.51**	**86.96**	**3.78**	**27.39**	**6.80**	**2.21**	**0.83**	**195.48**
As at 31-03-2023	**66.17**	**77.31**	**3.44**	**23.70**	**6.11**	**1.47**	**0.59**	**178.79**
Useful Life of the asset (In Years)	N/A	30 years - 60 Years	15 Years	10 Years	8 - 10 Years	5 Years	3 Years	
Method of depreciation	N/A	Straight Line Method						

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

(Rupees in Crores)

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 22 and 44)

c) During the current year as well as previous year the company has not revalued its Property, Plant and Equipment.

d) The title deeds of the Immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

4(a) CAPITAL WORK-IN-PROGRESS

Particulars	Amount
Gross carrying amount as at 01-04-2022	**1.56**
Additions	10.39
Sub-total	11.95
Less: Capitalised during the year	9.61
Gross carrying amount as at 31-03-2023	**2.34**
Additions	9.72
Sub-total	12.06
Less: Capitalised during the year	12.06
Gross carrying amount as at 31-03-2024	-

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

(Rupees in Crores)

Capital Work-in-Progress (CWIP) ageing schedule as at 31-3-2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

Capital Work-in-Progress (CWIP) ageing schedule as at 31-3-2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.34	-	-	-	2.34
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

5 INVESTMENT PROPERTY

(Rupees in Crores)

Particulars	Land	Buildings	Total
Gross carrying amount as at 01-04-2022	8.94	2.45	11.39
Additions	-	-	-
Disposals	-	-	-
Gross carrying amount as at 31-03-2023	8.94	2.45	11.39
Additions	-	-	-
Disposals	1.83	-	1.83
Gross carrying amount as at 31-03-2024	7.11	2.45	9.56
Accumulated depreciation and impairment			
Balance as at 01-04-2022	(0.06)	0.21	0.15
Depreciation for the year	-	0.04	0.04
Depreciation on disposals	-	-	-
Balance as at 31-03-2023	(0.06)	0.25	0.19
Depreciation for the year	-	0.04	0.04
Depreciation on disposals	-	-	-
Balance as at 31-03-2024	(0.06)	0.29	0.23
Net Carrying amount			
As at 31-03-2024	7.17	2.16	9.33
As at 31-03-2023	9.00	2.20	11.20
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	Straight line method	

Income earned from and expenses incurred on Investment Property

Particulars	For the year ended	
	31-03-2024	31-03-2023
Rental income from investment properties	0.66	0.56
Less: Direct operating expenses (including repairs and maintenance) that contribute to rental income	0.04	0.04
Profit from investment properties before depreciation	0.62	0.52
Less: Depreciation	0.04	0.04
Profit from investment property	0.58	0.48

Fair Value

Particulars	As at 31-03-2024	As at 31-03-2023
Investment properties	22.09	24.68

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 as determined by an Independent registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 and consequently classified as a level 2 valuation.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD.

(Rupees in Crores)

6 RIGHT-OF-USE ASSET:

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2024
	Balance as at 01-04-2023	Additions	Deletions	Balance as at 31-03-2024	Balance as at 01-04-2023	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2024	
Right-of-use Asset - Buildings	10.32	1.52	5.13	6.71	7.32	1.47	4.49	4.30	2.41
Total	**10.32**	**1.52**	**5.13**	**6.71**	**7.32**	**1.47**	**4.49**	**4.30**	**2.41**

Particulars	Gross Block				Accumulated depreciation				Net Block 31-03-2023
	Balance as at 01-04-2022	Additions	Deletions	Balance as at 31-03-2023	Balance as at 01-04-2022	Depreciation for the year	Depreciation on deletions	Balance as at 31-03-2023	
Right-of-use Asset - Buildings	19.31	0.65	9.64	10.32	12.19	2.71	7.58	7.32	3.00
Total	**19.31**	**0.65**	**9.64**	**10.32**	**12.19**	**2.71**	**7.58**	**7.32**	**3.00**

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

7 INTANGIBLE ASSETS

(Rupees in Crores)

Particulars	Brand	Software	Total
Gross carrying amount as at 01-04-2022	10.78	0.69	11.47
Additions	-	-	-
Disposals	-	-	-
Gross carrying amount as at 31-03-2023	10.78	0.69	11.47
Additions	-	-	-
Disposals	-	-	-
Gross carrying amount as at 31-03-2024	10.78	0.69	11.47
Accumulated Amortization and impairment			
Balance as at 01-04-2022	10.78	0.69	11.47
Amortization for the year	-	-	-
Amortization on disposals	-	-	-
Balance as at 31-03-2023	10.78	0.69	11.47
Amortization for the year	-	-	-
Amortization on disposals	-	-	-
Balance as at 31-03-2024	10.78	0.69	11.47
Net Carrying amount			
As at 31-03-2024	-	-	-
As at 31-03-2023	-	-	-
Useful Life of the asset (In Years)	3 Years	3 Years	
Method of amortization	Straight Line Method		
Remaining amortization period (In Years)	-	-	

Note

During the current year as well the previous year the company has not revalued any intangible assets.

8 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Amount
Gross carrying amount as at 01-04-2022	-
Additions	1.33
Sub-total	1.33
Less: Capitalised during the year	-
Gross carrying amount as at 31-03-2023	1.33
Additions	1.56
Sub-total	2.89
Less: Capitalised during the year	-
Gross carrying amount as at 31-03-2024	2.89

Intangible assets under development ageing schedule as at 31-03-2024

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.56	1.33	-	-	2.89
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan:

Project costs exceeded as compared to original plan is Rs.0.17 crores.

Intangible assets under development ageing schedule as at 31-03-2023

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.33	-	-	-	1.33
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan- None

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

9 **INVESTMENTS (Non-current)**

(Rupees in Crores)

Particulars	Face Value	As at 31-03-2024 No.of Shares / units	As at 31-03-2024 Amount	As at 31-03-2024 Proportion of ownership	As at 31-03-2023 No.of Shares / units	As at 31-03-2023 Amount	As at 31-03-2023 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	13.25	100%	3,50,000	13.25	100%
Deemed equity in Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka. (Refer note 1 below)		-	0.22			0.26	
(b) Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	Rs. 10 each	15,10,100	15.01	100%	15,10,100	15.01	100%
Deemed equity in Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana.(Refer note 1 below) (PYRs.16,500)			0.02			0.00	
(c) Steel Network (Holdings) Pte Ltd, Singapore	USD 1 each	47,640	0.30	100%	47,640	0.30	100%
(d) Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu	Rs. 100 each	1,99,920	10.01	100%	1,99,920	10.01	100%
Deemed equity in Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu.(Refer note 1 below)			0.10			0.17	
(e) Shankara Buildpro Limited, Bengaluru, Karnataka	Rs.10 each	10,000	0.01	100%	-	-	
Sub-total			**38.92**			**39.00**	
Less:							
Provision for diminution in value of investment in a subsidiary viz. Steel Network (Holdings) Pte Limited, Singapore.			0.30			0.30	
Total			**38.62**			**38.70**	

(Refer Note no 47(B) and 47(C))

Particulars	As at 31-03-2024	As at 31-03-2023
Aggregate amount of unquoted investments	38.62	38.70
Aggregate amount of impairment in the value of investments	0.30	0.30

Note:

1) The amount shown as deemed equity investments as per Ind AS 109, is in respect of financial guarantee given to subsidiaries.

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

9(a) Particulars of loans, guarantees, securities and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2024

(Rupees in Crores)

S.No	Name of the Body Corporate	Nature of relationship	Nature of transaction	Amount of transaction during the year	Amount oustanding as at 31-03-24	Amount oustanding as at 31-03-23	Purpose for which the loan / security / guarantee utilized by the recipient
1	Vishal Precision Steel Tubes and Strips Private Limited, Karnataka	Wholly Owned Subsidiary	Advances given in the nature of loans*	10.21	-	-	For working capital purposes
2	Taurus Value Steel & Pipes Private Limited, Telangana	Wholly Owned Subsidiary	Advances given in the nature of loans*	0.06	-	-	For working capital purposes
3	Centurywells Roofing India Private Limited, Tamil Nadu	Wholly Owned Subsidiary	Guarantee	-	40.00	40.00	For working capital purposes
4	Vishal Precision Steel Tubes and Strips Private Limited, Karnataka	Wholly Owned Subsidiary	Guarantee	-	45.75	45.75	For working capital purposes
5	Taurus Value Steel & Pipes Private Limited, Telangana	Wholly Owned Subsidiary	Guarantee	-	5.00	5.00	For working capital purposes
6	Centurywells Roofing India Private Limited, Tamil Nadu	Wholly Owned Subsidiary	Security	-	12.97	13.13	For working capital purposes
7	Shankara Buildpro Limited, Karnataka	Wholly Owned Subsidiary	Acquisition of shares	0.01	0.01	-	

* Interest has been charged as per the provisions of Section 186(7) of the Companies Act ,2013.

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★ BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

10 TRADE RECEIVABLES (NON-CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
Unsecured:		
(a) Considered Good	-	-
(b) Credit Impaired	5.38	5.58
	5.38	5.58
Less: Allowance for doubtful debts (expected credit loss allowance)	(2.69)	(2.79)
Total	**2.69**	**2.79**
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	Nil	Nil

Movement in loss allowance of trade receivables

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance	2.79	3.07
Amount written off	-	-
Credit loss allowance	(0.10)	(0.28)
Closing balance	2.69	2.79

Trade Receivables (Non Current) ageing schedule as at 31-03-2024

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.03	0.10	2.56	2.69
Total	**-**	**-**	**-**	**0.03**	**0.10**	**2.56**	**2.69**

Trade Receivables (Non Current) ageing schedule as at 31-03-2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	0.21	0.20	0.65	1.73	2.79
Total	**-**	**-**	**0.21**	**0.20**	**0.65**	**1.73**	**2.79**

11 LOANS (NON-CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
Other Loans		
Unsecured:		
Considered good:		
Employee advances	0.06	0.06
Total	**0.06**	**0.06**

12 OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
(a) Security Deposits	5.88	6.19
(b) Deposit with Suppliers	1.42	1.41
(c) Others		
(i) Tender deposit	0.05	0.05
(ii) Utility deposit	0.32	0.32
Total	**7.67**	**7.97**

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

SUNDARAM & SRINIVASAN
New No:4,
Old No:23,
CPR ROAD,
CHENNAI
600 018.
CHARTERED ACCOUNTANTS

(Rupees in Crores)

Disclosure of loans and advances granted to subsidiaries as per Regulation 34 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Name of the company	As at 31-03-2024	As at 31-03-2023
a) Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana		
- Amount outstanding	Nil	Nil
- Maximum amount outstanding during the year	0.03	-
- 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	Nil	Nil
- Maximum amount outstanding during the year	7.48	-
- Investment by subsidiary in shares of the Company (No. of Shares)	Nil	Nil

13 OTHER NON-CURRENT ASSETS

Particulars	As at 31-03-2024	As at 31-03-2023
(i) Capital advances (refer note below)	3.25	2.38
(ii)Advances other than capital advances		
(a)Deposits with Government authorities	0.39	0.44
(iii) Prepaid expenses	0.33	0.39
Total	**3.97**	**3.21**

Capital advances includes borrowing costs of Rs.Nil (Previous year Rs.0.05 crores at 8%) which represents average borrowing costs of the company.This also includes advances made for purchase of land and Building in Chennai, Udupi, Mumbai and Bengaluru in the years 2013,2018,2021 & 2023 respectively.

14 INVENTORIES

Particulars	As at 31-03-2024	As at 31-03-2023
Inventories:(at lower of cost or net realisable value)		
(a) Stock-in-trade *	348.16	336.25
Total	**348.16**	**336.25**

* Includes goods-in-transit amounting to Rs 2.08 crores (PY Rs.4.25 crores) and is net of provision for damaged goods amounting to Rs.0.50 crores.(PY Rs. Nil)

(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 22, 27 and 44)

15 TRADE RECEIVABLES (CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
Unsecured:		
(A) Trade receivables - Considered Good*	617.05	494.83
Less: Allowance for doubtful debts (Expected credit loss allowance)	(0.10)	(0.05)
Total A	**616.95**	**494.78**
(B) Trade receivables with signficant increase in credit risk	22.83	8.09
Less: Allowance for doubtful debts (Expected credit loss allowance)	(6.22)	(2.85)
Total B	**16.61**	**5.24**
Total (A+B)	**633.56**	**500.02**
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	23.14	Nil

*Includes amount receivable from related party (Refer note no 47 C)

Movement in loss allowance of trade receivables

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance	2.90	7.62
Amount written off	-	-
Credit loss allowance	3.42	(4.72)
Closing balance	6.32	2.90

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

Shankara Building Products Limited
Notes to the Standalone Financial Statements

Trade Receivables (Current) ageing schedule as at 31-03-2024

(Rupees in Crores)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	333.78	263.07	20.10	-	-	-	616.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	12.70	1.16	2.75	16.61
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**333.78**	**263.07**	**20.10**	**12.70**	**1.16**	**2.75**	**633.56**

Trade Receivables (Current) ageing schedule as at 31-03-2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	414.18	70.54	10.06	-	-	-	494.78
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	1.55	1.64	2.05	5.24
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**414.18**	**70.54**	**10.06**	**1.55**	**1.64**	**2.05**	**500.02**

The credit period on goods sold ranges from 0 to 60 days without security. 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 expediency 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 .

Trade receivables have been offered as collateral towards borrowings (refer note no 22, 27 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.

16 CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2024	As at 31-03-2023
(a) Balances with Banks:		
In current account and cash credit account	27.36	5.19
(b) Cash on hand	0.86	0.52
Total	**28.22**	**5.71**

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 contain the amount that are available for use by the company.

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

17 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2024	As at 31-03-2023
Earmarked balances:		
(a) With banks in current account (for unclaimed dividends)	0.05	0.04
(b) Fixed Deposits held as margin money	1.17	1.80
Total	**1.22**	**1.84**

18 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
Unsecured, considered good		
Financial assets at amortised cost		
(a) Rent receivable*	0.10	0.12
(b) Employee advances*	0.78	1.14
(c) Other receivables#	0.40	-
(d) Expenses receivable*	0.01	-
(e) Interest accured on fixed deposits	0.01	0.04
(f) Interest receivable*	0.06	
Total	**1.36**	**1.30**

*Includes transaction(s) with related parties - refer note no 47B and 47C.
Other receivables include refundable capital advance on cancellation of agreements- Rs.0.30 crores.

19 OTHER CURRENT ASSETS

Particulars	As at 31-03-2024	As at 31-03-2023
Advances other than capital advances:		
(a) Advances for purchases	27.17	11.13
(b) Prepaid expenses	2.40	0.83
(c) Balances with Government authorities-(Goods and Services Tax)	1.01	2.46
(d) Demerger Expenses pending for final write off*	0.48	-
(e) Advances to a wholly owned Subsidiary (Refer note no 47C)#	-	2.58
Total	**31.06**	**17.00**

* Expenditure on demerger will be shared 50% each by Demerged company and Resulting company.(Refer note no.59)
# The director of the company is also a director of the wholly owned subsidiary.

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE *

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

20 EQUITY SHARE CAPITAL

Particulars	As at 31-03-2024		As at 31-03-2023	
	No.of Shares	Amount	No.of Shares	Amount
Authorised:				
Equity shares of Rs.10/- each	3,00,00,000	30.00	3,00,00,000	30.00
Issued, subscribed and fully paid:	2,42,49,326	24.25	2,28,49,326	22.85

The Authorized share capital of the Company has been increased to Rs. 30 crores divided into 3,00,00,000 (Three Crore Only) Equity Shares of Rs. 10/- (Rupees Ten) each pursuant to approval of the shareholders in their Extra-ordinary meeting held on April 20, 2022.

a) Reconciliation of number of equity shares outstanding and equity share capital

Particulars	As at 31-03-2024		As at 31-03-2023	
	No.of Shares	Amount	No.of Shares	Amount
Balance as at the beginning of the year	2,28,49,326	22.85	2,28,49,326	22.85
Changes in equity share capital during the year (Refer Note 20(f))	14,00,000	1.40	-	-
Balance as at the end of the year	2,42,49,326	24.25	2,28,49,326	22.85

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 Rs.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 except for the below:

Pursuant to the allotment of equity shares on conversion of 14,00,000 share warrants, the allotted equity shares are subject to a lock-in period for transferability of shares from the effective date of trading approval i.e. 14-03-2024 upto 29-09-2024 as specified in the requirements to Regulation 167(2) of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sukumar Srinivas, Bengaluru	1,15,88,787	47.79%	1,15,78,787	50.67%
APL Apollo Mart Limited, Delhi	14,85,000	6.12%	10,00,000	4.38%

d) Shares held by promoters at the end of the year 31-03-2024

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,15,88,787	**47.79%**	**0.09%**
Total		**1,15,88,787**	**47.79%**	**0.09%**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No.4, Old No.23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

Shares held by promoters at the end of the year 31-03-2023

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mr. Sukumar Srinivas, Bengaluru	1,15,78,787	50.67%	0.00%
Total		1,15,78,787	50.67%	0.00%

e) In the period of five years immediately preceding 31-03-2024

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.

f) Money Received against Share Warrants

Pursuant to the approval of the Board of Directors in their meeting held on 24th March, 2022 and approval of shareholders through special resolution dated 20th April, 2022 passed in Extra-Ordinary General Meeting, the Board has allotted 14,00,000 Warrants on 7th May 2022, each carrying a right to subscribe to one Equity Share per Warrant, at a price of Rs. 750/- per Warrant ("Warrant Price"), aggregating to Rs.105 crores. The Warrants were issued to APL Apollo Mart Limited, Delhi ("Acquirer"), a wholly owned subsidiary of APL Apollo Tubes Limited, Delhi an entity which does not qualify as a promoter or member of the promoter group of the Company. The Warrants were issued to APL Apollo Mart Limited by way of a preferential allotment.

25% of the total consideration (25% of Rs. 105 Crores i.e., Rs. 26.25 crores) was received on 6th May, 2022 and balance 75% of the total consideration (75% of Rs.105 Crores i.e., Rs.78.75 crores) was received on 2nd November, 2023.

The Company allotted 14,00,000 Lakh shares on 9th November 2023.

Consequently , as on 31st March 2024, the share capital of the Company is indicated in Note no 20(a).

New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

21 OTHER EQUITY

(Rupees in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Capital Reserve	0.19	0.19
Securities Premium	214.88	111.28
General Reserve	1.24	1.24
Retained earnings	360.65	296.23
Money received against Share warrants	-	26.25
(Refer Statement of changes in Equity for additions and deductions from the last year Balance sheet)		
Total	**576.96**	**435.19**

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.

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.

22 BORROWINGS (NON - CURRENT)

(Rupees in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
SECURED		
(a) Term loan from banks*	14.40	25.09
UNSECURED		
(b) Loan from a related party viz a subsidiary. (refer note no 47C)	-	39.50
Total	**14.40**	**64.59**

Secured: Terms and security	Current	Non-current	Total
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 6.95% to 9.10% pa - repayable in 48 equated monthly instalments post moratorium period.	4.34	4.93	9.27
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 - rate of Interest 7.00% to 9.26% pa - repayable in 48 equated monthly instalments post moratorium period.	3.26	3.89	7.15
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 7.97% to 9.25% pa - repayable in 48 equated monthly instalments post moratorium period.	1.98	4.57	6.55
Term Loan 4 - from a bank - under Emergency Credit Line for a period of 60 months (including 24 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 7.29% to 9.25% pa - repayable in 36 equated monthly instalments post moratorium period.	0.79	0.80	1.59
Vehicle Loan-1- First charge on the vehicle. Loan repayable in 37 months instalments till 15th July 2025 - rate of interest 8.24 % p.a.	0.04	0.01	0.05
Vehicle Loan-2- First charge on the vehicle. Loan repayable in 37 months instalments till 15th July 2025 - rate of interest 8.26 % p.a.	0.07	0.02	0.09
Vehicle Loan-3- First charge on the vehicle. Loan repayable in 36 months instalments till 5th December 2025 - rate of interest 8.44 % p.a.	0.03	0.02	0.05
Vehicle Loan-4- First charge on the vehicle. Loan repayable in 36 months instalments till 5th December 2025 - rate of interest 8.44 % p.a.	0.03	0.02	0.05

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4, Old No: 23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD.

(Rupees in Crores)

Vehicle Loan-5- First charge on the vehicle. Loan repayable in 36 months instalments till 5th January 2026 - rate of interest 8.54 % p.a.	0.05	0.04	0.09
Vehicle Loan-6- First charge on the vehicle. Loan repayable in 36 months instalments till 5th January 2026 - rate of interest 8.54 % p.a.	0.05	0.05	0.10
Vehicle Loan-7- First charge on the vehicle. Loan repayable in 36 months instalments till 5th February 2026 - rate of interest 8.68 % p.a.	0.06	0.05	0.11

*Refer note no 44 for carrying amount of vehicles hypothecated

23 LEASE LIABILITY (NON-CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
Lease liability	1.59	3.46
Total	**1.59**	**3.46**

24 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
Rent deposit received*	0.19	0.12
Total	**0.19**	**0.12**

*Includes transactions with related parties.(Refer note no 47B and 47C)

25 PROVISIONS (NON-CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
Financial guarantee liability	0.26	0.35
Total	**0.26**	**0.35**

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 31-03-2024	As at 31-03-2023
Balance at the beginning of the year	0.35	0.44
Add: Provision made during the year	0.26	0.35
Less: Cost of investment in subsidiaries	0.35	0.44
Balance at the end of the year	**0.26**	**0.35**

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

26 INCOME TAXES

(Rupees in Crores)

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%.

a) **Income tax expenses**

Particulars	For the year ended	
	31-03-2024	31-03-2023
Current tax:		
Current tax	22.62	16.92
Tax pertaining to earlier years	0.29	0.11
Deferred tax	0.15	2.20
Total	23.06	19.23

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	
	31-03-2024	31-03-2024	31-03-2023	31-03-2023
	%	Amount	%	Amount
Profit before tax		92.92		76.25
Tax using the company's domestic tax rate	25.168%	23.39	25.168%	19.19
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	0.45%	0.42	(0.29%)	(0.22)
Deductions allowable under tax laws	(1.12%)	(1.04)	(0.06%)	(0.05)
Others - Ind AS adjustments	(0.00%)	(0.00)	0.34%	0.26
Provision for Dimunition in value of Investments	0.00%	-	(0.08%)	(0.06)
Effective income tax rate/ Tax expense	24.50%	22.77	25.08%	19.12

Particulars		For the year ended		For the year ended
		31-03-2024		31-03-2023
		Amount		Amount
Tax expenses:				
- Current tax		22.62		16.92
- Deferred tax		0.15		2.20
Total tax		22.77		19.12
Add: Tax for earlier years		0.29		0.11
Total tax expenses reported for the year		23.06		19.23

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. * BANGALORE *

(Rupees in Crores)

b) **Current Tax Liabilities**

Particulars	As at 31-03-2024	As at 31-03-2023
Current tax liabilities(Net)	4.25	5.10

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, 1961 and disallowance of certain expenditure under Income Tax Act, 1961. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2024	As at 31-03-2023
Deferred Tax Liability:		
On account of depreciation for tax purpose	6.36	5.32
Deferred Tax Asset:		
Opening adjustments as per Ind AS 116	(0.65)	(0.65)
Provision for damaged goods	(0.13)	-
Allowance for doubtful receivables and advances	(2.27)	(1.43)
Ind AS adjustments	0.55	0.38
Provision for Dimunition in value of Investments	(0.08)	(0.08)
Deferred Tax (Asset)/Liabilities (Net)	**3.78**	**3.54**

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-04-2023	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2024
Depreciation under income tax act	5.32	1.04	-	6.36
Provision for employee benefit	-	(0.09)	0.09	-
Allowance for doubtful receivables and advances	(1.43)	(0.84)	-	(2.27)
Ind AS adjustments	0.38	0.17	-	0.55
Provision for Dimunition in value of Investments	(0.08)	-	-	(0.08)
Provision for damaged goods	-	(0.13)	-	(0.13)
Adjustment on adoption of Ind AS 116	(0.65)	-	-	(0.65)
Total	**3.54**	**0.15**	**0.09**	**3.78**

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

Deferred tax balance (Asset)/Liability in relation to	Balance as at 01-04-2022	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2023
Depreciation under income tax act	4.85	0.47	-	5.32
Provision for employee benefit	-	(0.04)	0.04	-
Allowance for doubtful receivables and advances	(2.70)	1.27	-	(1.43)
Ind AS adjustments	(0.20)	0.58	-	0.38
Provision for Dimunition in value of Investments	-	(0.08)	-	(0.08)
Adjustment on adoption of Ind AS 116	(0.65)	-	-	(0.65)
Total	**1.30**	**2.20**	**0.04**	**3.54**

Unrecognised deferred tax asset

Deferred tax asset have not been recognised in respect of the following items, because it is not probable that future long term capital gain will be available against which the Company can set off the long term/ short term capital loss.

Particulars	31st March 2024		31st March 2023	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Long term Capital Loss on sale of Immovable Property	0.46	0.10	-	-
Short term Capital Loss on sale of Immovable Property	0.06	0.01	-	-
	0.52	**0.11**		

The long term and short term capital loss expires in Assessment Year 2032-33.

Shankara Building Products Limited
Notes to the Standalone Financial Statements

27 **BORROWINGS (CURRENT)** *(Rupees in Crores)*

Particulars	As at 31-03-2024	As at 31-03-2023
SECURED		
(a) Loan repayable on demand (from banks)	35.91	35.76
(b) Current maturities of long-term debt (from banks) (refer note no 22)	10.70	8.08
UNSECURED		
(a) Current maturities of long-term debt from related party (refer note no 22 and 47C)	-	0.24
(b) Other loans: Purchase bills discounting and financing	14.39	1.75
Total	**61.00**	**45.83**

Terms and Security:

1) Working capital loans are repayable on demand and carries interest @ 8.3% to 12.75% 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.

2) Other Loans- Purchase bills discounting and financing includes loan of Rs.9.81 crores (PY Rs.Nil) guaranteed by the Managing director.

Other disclosures (for both current and non-current borrowings)

(i) Quarterly returns or statements of current assets filed by the company with banks are in agreement with books of accounts.

(ii)The company has adhered to debt repayment and interest service obligations on time. The company has not been declared as wilful defaulter by any bank or financial institution.

(iii)All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending as at the 31.03.2024

(iv) Term loans were applied for the purposes for which they were obtained. Further short term loans availed have not been utilised for long term purposes.

Reconciliation of cashflows from financing activities

Particulars	As at 31-03-2024	As at 31-03-2023
Cash and cash equivalents	28.22	5.71
Current borrowings	(50.30)	(37.51)
Non-current borrowings*	(25.10)	(72.91)
Net Debt	(47.18)	(104.71)

* Including current maturities of long-term debt

Particulars	Other Assets	Liabilities from financing activities		
	Cash and cash equivalents	Current borrowings	Non-current borrowings	Total
Net debt as at 01-04-2022	**1.25**	**(60.10)**	**(79.73)**	**(138.58)**
Net cashflows	4.46	-	-	4.46
Proceeds from borrowings	-	-	(0.95)	(0.95)
Repayment of borrowings	-	22.59	7.77	30.36
Net debt as at 31-03-2023	**5.71**	**(37.51)**	**(72.91)**	**(104.71)**
Net debt as at 01-04-2023	**5.71**	**(37.51)**	**(72.91)**	**(104.71)**
Net cashflows	22.51	-		22.51
Proceeds from borrowings	-	(12.79)	-	(12.79)
Repayment of borrowings	-	-	47.81	47.81
Net debt as at 31-03-2024	**28.22**	**(50.30)**	**(25.10)**	**(47.18)**

Note:
Assets are presented in positive numbers
Liabilities are presented in negative numbers

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

Shankara Building Products Limited
Notes to the Standalone Financial Statements

28 LEASE LIABILITY (CURRENT)

(Rupees in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Lease liability	1.19	0.52
Total	**1.19**	**0.52**

29 TRADE PAYABLES

Particulars	As at 31-03-2024	As at 31-03-2023
(a) Total outstanding dues of micro enterprises and small enterprises (MSME) [refer note no 43]	21.33	105.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*	564.01	402.96
Total	**585.34**	**508.62**

* Includes amount payable to related parties. Refer note 47C.

Trade Payables ageing schedule as at 31-03-2024

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	21.33	-	-	-	-	21.33
(ii) Others	563.10	0.91	-	-	-	564.01
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**584.43**	**0.91**	**-**	**-**	**-**	**585.34**

Trade Payables ageing schedule as at 31-03-2023

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	105.66	-	-	-	-	105.66
(ii) Others	400.32	2.64	-	-	-	402.96
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**505.98**	**2.64**	**-**	**-**	**-**	**508.62**

Refer note no 47(C) for related party transactions

30 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
(a) Interest accrued but not due	0.56	0.08
(b) Unclaimed Dividend	0.05	0.04
(c) Employee Benefits payable*	5.67	5.63
(d) Expense payable	3.57	3.68
(e) Refund Liability	0.02	-
Total	**9.87**	**9.43**

*Includes transactions with related parties.Refer note no 47C.

31 OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2024	As at 31-03-2023
(a) Advances from customers (refer note no 46(C))	9.59	8.26
(b) Statutory dues	13.48	2.94
(c) Deferred Rent	0.01	
Total	**23.08**	**11.20**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

32 PROVISIONS (CURRENT)

(Rupees in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Provision for employee benefits		
(a) Gratuity (refer note no 45(b)) *	0.36	0.56
(b) Compensated absences **	0.18	0.15
Total	**0.54**	**0.71**

*** Movement in provision for employee benefits - gratuity**

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning of the year	0.56	0.56
Add: Provision made during the year	0.38	0.56
Less: Provision utilised/ reversed during the year	0.58	0.56
Balance at the end of the year	**0.36**	**0.56**

**** Movement in provision for compensated absences**

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning of the year	0.15	0.10
Add: Provision made during the year	0.53	0.48
Less: Provision utilised/ reversed during the year	0.50	0.43
Balance at the end of the year	**0.18**	**0.15**

SUNDARAM & SRINIVASAN
New No: 4,
Old No: 23,
CPR ROAD,
CHENNAI
600 018.
CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD.
BANGALORE

33 REVENUE FROM OPERATIONS

(Rupees in Crores)

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
(a) Sale of traded goods	4,862.46	4,033.99
(b) Other Operating Revenues		
- Sale of scrap	0.27	2.23
Total	**4,862.73**	**4,036.22**

34 OTHER INCOME

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
(a) Interest Income*	1.21	0.23
(b) Rent received *	0.66	0.56
(c) Profit on sale of property, plant & equipment / Investment property	1.25	0.07
(d) Fair valuation of financial guarantee	0.13	0.09
(e) Gain on termination of lease	0.29	0.74
(f) Unwinding of interest income on rental deposits	0.33	0.46
(g)Provision for doubtful debts no longer required written back	-	5.00
(h) Provision for expenses no longer required written back	0.05	-
(i) Commission Income	0.02	-
(j) Income from Corporate Guarantee given to Subsidiaries*	0.91	0.01
(k)Payables written back	1.73	0.04
(l) Other non-operating income	0.10	0.11
Total	**6.68**	**7.31**

*(Refer note no. 47B and 47C for related party transactions.)

34 (a) CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Opening stock of Stock-in-Trade	332.00	281.91
Less: Closing stock of Stock-in-Trade	346.58	332.00
Total	**(14.58)**	**(50.09)**

35 EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
(a) Salaries and Wages	40.76	34.92
(b) Contribution to Provident fund and Other funds:		
(i) Provident fund (refer note no 45(a))	2.63	2.35
(ii) Employees' state insurance (refer note no 45(a))	0.23	0.23
(iii) Gratuity (refer note no 45(b))	0.74	0.70
(c) Staff welfare Expenses	0.98	0.89
Total	**45.34**	**39.09**

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

36 FINANCE COSTS

(Rupees in Crores)

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
(a)Interest on borrowings	27.11	18.11
(b)Other borrowing costs	3.83	2.97
(c)Interest on lease liability	0.24	0.46
(d) Interest on income tax	0.48	0.51
Total	**31.66**	**22.05**

36(a) DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Note No	For the Year ended 31-03-2024	For the Year ended 31-03-2023
(a) Depreciation			
- Property, plant & equipment	4	7.95	6.96
- Investment property	5	0.04	0.04
- Right-of-use Asset	6	1.47	2.71
Total (A)		9.46	9.71
(B) Amortization of intangible assets	7	-	-
Total-(A+B)		**9.46**	**9.71**

37 OTHER EXPENSES

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
(a) Power, Fuel & Water	1.53	1.38
(b) Rent (refer note no 41(b))	11.31	8.79
(c) Repairs and Maintenance		
(i) Buildings	0.08	0.03
(ii) Others	5.17	4.80
(d) Insurance #	0.76	0.67
(e) Rates & Taxes	1.23	1.64
(f) Travelling and Conveyance	2.75	2.17
(g) Payments to the Auditors (refer note below)	0.38	0.37
(h) Legal and Professional fees	2.61	1.61
(i) Directors sitting fees	0.35	0.23
(j) Communication Expenses	0.93	0.88
(k) Advertisement & Publicity Expenses	2.20	2.42
(l) Loss Allowance for doubtful trade receivables	3.32	-
(m) Material handling charges **	11.18	11.40
(n) Freight Outwards ***	3.21	2.64
(o) Commission Charges	1.58	1.49
(p) Bad Debts written off (PY Rs.23,709)	1.01	0.00
(q) Loss on sale of property, plant and equipment	0.05	0.06
(r) Sub Contracting	0.45	0.18
(s) Corporate Social Responsibility expenditure (refer note no 49)	0.93	0.61
(t) Write off of property, plant and equipment	0.28	-
(u)Provision for damaged goods	0.50	-
(v) Fair valuation of financial guarantee	0.13	0.09
(w) Provision for diminution in the value of Investments	-	0.06
(x)Miscellaneous Expenses *	3.40	3.37
Total	**55.34**	**44.89**

*Under this head, there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakhs, whichever is higher.

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD.
BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

**Material handling charges recovered from customers-Current year-Rs. 8.72 Crores Previous year-Rs.7.10 Crores

***Freight recovered from customers-Current year-Rs.9.89 crores Crores Previous year-Rs. 8.84 Crores

Insurance recovered from customers-Current year- Rs.0.59 Crores. Previous year- Rs. 0.51 Crores.

Note : Breakup for payments to the auditors is as under (excluding GST):

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
(a) As auditors	0.27	0.22
(b) For taxation matters	0.02	0.02
(c) For other services	0.01	0.03
(d) For reimbursement of expenses	0.08	0.10
Total	**0.38**	**0.37**

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

38 Earnings Per Share (EPS)

(Rupees in Crores)

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Basic & Diluted		
A Profit attributable to equity shareholders (in crores)	69.86	57.02
B Weighted average number of equity shares (in crores)	2.34	2.28
C Basic and Diluted EPS (Rs.) [A/B]	29.85	24.95
Face value per share (Rs.)	10.00	10.00

14,00,000 share warrants allotted during the financial year 2022-23 does not have dilutive effect on Earning Per Share (EPS) and hence have not been considered for the purpose of computing diluted EPS for the financial year 2022-23.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 31-03-2024	As at 31-03-2023
(a) Claims against the company not acknowledged as debt		
(i) Value added tax*	-	0.76
(ii) Goods and Service tax*	1.68	-
(iii) Income tax*	0.15	-
Total	**1.83**	**0.76**

* 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 31-03-2024	As at 31-03-2023
(i) Value added tax	-	0.15
(ii) Goods and Service tax	0.09	-

40 Commitments

Particulars	As at 31-03-2024	As at 31-03-2023
Estimated value of capital commitments towards buildings (Net of advances made PY Rs.0.78 crores)	-	0.19

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 31-03-2024	As at 31-03-2023
Within one year	0.44	0.47
Between 1 and 2 years	0.25	0.49
Between 2 and 3 years	0.17	0.51
Between 3 and 4 years	0.14	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
	1.00	1.47

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

b) As lessee: *(Rupees in Crores)*

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.

Accounting for leases under Ind AS 116

Particulars	As at / For the Year ended 31-03-2024	As at / For the Year ended 31-03-2023
Opening Gross carrying amount of right of use assets	10.32	19.31
Depreciation charged for the Right-of-use assets	1.47	2.71
Interest expense on lease liability	0.24	0.46
The rental expense relating to short-term leases for which Ind AS 116 has not been applied	11.07	8.60
Additions to Right-of-use assets during the current year	1.52	0.65
Deletions to Right-of-use assets during the current year	5.13	9.64
Closing Gross carrying amount of right of use assets	6.71	10.32
Total cash outflow for leases for the year	2.03	3.44

Lease liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	1.38	0.54
Later than one year and not more than five years	1.83	3.59
More than five years	-	0.35
Total undiscounted Liabilities	**3.21**	**4.48**
Lease liabilities		
Current	1.19	0.52
Non-current	1.59	3.46

42 Segment Reporting

The company is primarily engaged in the business of Trading and retailing of Steel Tubes & Pipes, Steel-Flat Products, roofing, TMT, Steel-long Products, Sanitaryware, Tiles, PVC Pipes & Fittings and other building material products. In accordance with IND AS 108 "Operating Segments", the company has presented the segment information on the basis of its consolidated financial statements. Hence, the segment information for the separate (i.e. standalone) financial statements are not presented.

43 Additional Information

Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

Particulars	As at 31-03-2024	As at 31-03-2023
(i) the principal amount and the interest due there on remaining unpaid to any supplier as at the end of each accounting year;		
Principal amount	21.33	105.66
Interest due thereon	-	-
(ii) the amount of interest paid by the buyer under 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 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 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 as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006.	-	-

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

Shankara Building Products Limited
Notes to the Standalone Financial Statements

44 Assets hypothecated as security:

(Rupees in Crores)

The carrying amount of assets hypothecated as security for current and non-current borrowings are:

Particulars	Note No	As at 31-03-2024	As at 31-03-2023
Current Assets			
A) Financial assets			
(i) First and Second Charge			
- Trade Receivables	15	633.56	500.02
(ii) Floating Charge		-	-
B) Non Financial assets			
(i) First and Second Charge			
- Inventories (net off goods-in-transit)	14	346.08	332.00
(ii) Floating Charge		-	-
Total current assets hypothecated as security		**979.64**	**832.02**
Non-Current Assets			
A) Non Financial assets			
(i) First Charge			
- Vehicles		0.92	1.05
- Land and Building (Refer note no 47C)		12.97	13.13
(ii) Floating Charge		-	-
Total non-current assets hypothecated as security		**13.89**	**14.18**
Total assets hypothecated as security		**993.53**	**846.20**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

45 Employee benefits

(Rupees in Crores)

a) Defined contribution plans

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Employer's Contribution to Provident Fund (includes pension fund)	2.63	2.35
Employer's Contribution to Employee State Insurance	0.23	0.23

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 Rs. 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 31-03-2024. 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 31-03-2024	As at 31-03-2023
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	6.62	6.11
Current Service Cost	0.71	0.67
Past Service Cost	-	-
Interest Cost	0.48	0.40
Actuarial Loss/(Gain) on obligation	(0.31)	(0.29)
Transfer In/(Out)	(0.02)	-
Benefits paid	(0.19)	(0.27)
Closing Balance	**7.29**	**6.62**
Less: Fair Value of Plan Assets		
Opening Balance	6.06	5.55
Expected Return on Plan assets less loss on investments	0.45	0.37
Actuarial (Loss)/Gain on Plan Assets	0.05	(0.15)
Transfer In/ (Out)	-	-
Employers' Contribution	0.56	0.56
Benefits paid	(0.19)	(0.27)
Closing Balance	**6.93**	**6.06**
Amount recognized in Balance Sheet (refer note no 32)	**0.36**	**0.56**

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

BUILDING PRODUCTS LTD BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Expenses during the year		
Current Service cost	0.71	0.67
Past Service cost	-	-
Interest cost	0.48	0.40
Expected Return on Plan assets	(0.45)	(0.37)
Component of defined benefit cost recognized in statement of profit & loss (refer note no 35)	**0.74**	**0.70**
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(0.31)	(0.29)
- Actuarial Loss/(Gain) on Plan Assets	(0.05)	0.15
Component of defined benefit cost recognized in other comprehensive income	**(0.36)**	**(0.14)**
Actual Return on plan assets	0.50	0.22
Break up of Plan Assets:		
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	0%	100%
Of which, Traditional/ Non-Unit Linked	100%	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

Principal actuarial assumptions

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Discount Rate (pa)	7.00%	7.20%
Expected rate(s) of salary increase (pa)	7.00%	7.00%
Expected return on plan assets (pa)	7.20%	6.50%
Attrition rate (pa)	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	

Experience adjustments

Particulars	31-03-2024	31-03-2023	31-03-2022	31-03-2021	31-03-2020
Defined Benefit Obligation	7.29	6.62	6.11	5.90	6.10
Plan Assets	6.93	6.06	5.55	5.69	4.68
Surplus / (Deficit)	(0.36)	(0.56)	(0.56)	(0.21)	(1.43)
Experience Adjustments on Plan Liabilities – (Loss)/Gain- (PY Rs.17,000)	0.40	(0.00)	0.10	0.47	(0.20)
Experience Adjustments on Plan Assets – (Loss)/Gain	0.05	(0.15)	(0.14)	0.05	0.23

The Company expects to contribute Rs.0.36 crores (previous year Rs.0.56 crores) 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 Rs 20 lakhs from Rs 10 lakhs Accordingly the amended and improved benefits, if any, are recognised as current year's expense as required under paragraph 103 of Ind AS 19.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

(Rupees in Crores)

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 31-03-2024		For the Year ended 31-03-2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)	-	0.40	-	0.37
Discount rate (1% decrease)	0.45	-	0.42	-
Future salary growth (1% increase)	0.45	-	0.42	-
Future salary growth (1% decrease)	-	0.41	-	0.38
Attrition rate (1% increase)(PY Rs.39,000)	-	0.01	-	0.00
Attrition rate (1% decrease)(PY Rs.35,000)	0.01	-	0.00	-
Mortality (increase in expected life time by 1 year)(PY Rs.1,000)	-	-	-	0.00
Mortality (increase in expected life time by 3 years) (PY Rs.3,000)	-	-	-	0.00

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 6 years (31-03-2023 - 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 3 - 5 years	Next 5 years	Total
31-03-2024					
Defined benefit obligation (Gratuity)	0.98	1.01	2.83	5.27	10.09
Total	**0.98**	**1.01**	**2.83**	**5.27**	**10.09**
31-03-2023					
Defined benefit obligation (Gratuity)	0.80	0.79	2.88	4.56	9.03
Total	**0.80**	**0.79**	**2.88**	**4.56**	**9.03**

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.

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

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 31-03-2024	For the Year ended 31-03-2023
(a) Sale of traded goods	4,862.46	4,033.99
(b) Other operating revenues		
Sale of scrap	0.27	2.23
Total Operating Revenue	**4,862.73**	**4,036.22**
In India	4,862.73	4,036.22
Outside India	-	-

B Timing of revenue recognition

Particulars	For the Year ended 31-03-2024		For the Year ended 31-03-2023	
	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	4,862.73	Nil	4,036.22	Nil

C Contract Balances

Particulars	As at 31-03-2024	As at 31-03-2023
Contract Assets	-	-
Contract Liabilities	9.59	8.26

D Revenue recognised in relation to contract liabilities

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Revenue recognised in relation to contract liabilities	7.85	6.52

E Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Revenue at contracted prices	4,862.75	4,036.22
Less: Refund Liabilities	(0.02)	-
Total Revenue at contracted prices	4,862.73	4,036.22
Revenue from contract with customers	4,862.73	4,036.22

F Unsatisfied or partially satisfied performance obligation

Particulars	As at 31-03-2024	As at 31-03-2023
Unsatisfied or partially satisfied performance obligation	Nil	Nil

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

(Rupees in Crores)

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 Network (Holdings) Pte Limited, Singapore
	Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu
	Shankara Buildpro Limited, Bengaluru, Karnataka, (Incorporated on 13th October 2023)
Other related parties and their relationship where transaction exists:	
Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. C.Ravikumar (Whole-time Director)
	Mr. Alex Varghese (Chief Financial Officer)
	Ms. Ereena Vikram (Company Secretary)
	Mr.V.Ravichandar-Chairman and
	B.Jayaraman-Independent Director
	Mr.Chandu Nair-Independent Director
	Ms.Jayashri Murali-Independent Director
	Mr.RSV Sivaprasad-Non Executive and Non-Independent Director
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,Bengaluru

B.

Transactions with Related Parties	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Purchase of Goods from (refer note 1 below)		
Taurus Value Steel & Pipes Private Limited	61.20	54.06
Vishal Precision Steel Tubes and Strips Private Limited	418.31	362.19
Centurywells Roofing India Private Limited	236.60	233.27
Sale of Goods to (refer note 2 below)		
Taurus Value Steel & Pipes Private Limited	4.75	7.27
Vishal Precision Steel Tubes and Strips Private Limited	180.82	37.89
Centurywells Roofing India Private Limited	125.14	74.06
Rent paid to		
Taurus Value Steel & Pipes Private Limited	0.08	0.04
Vishal Precision Steel Tubes and Strips Private Limited	0.03	0.03
Managing Director	0.43	0.43
Relative of Key Managerial Personnel	0.07	0.03
Interest received from		
Vishal Precision Steel Tubes and Strips Private Limited	0.27	-
Taurus Value Steel & Pipes Private Limited (CY Rs.4,000)	0.00	-
Centurywells Roofing India Private Limited	0.63	-
Interest paid to		
Taurus Value Steel & Pipes Private Limited	2.61	2.79
Rent received from		
Taurus Value Steel & Pipes Private Limited	0.03	0.03
Vishal Precision Steel Tubes and Strips Private Limited	0.02	0.01
Centurywells Roofing India Private Limited	0.32	0.22
Shankara Buildpro Limited	0.01	-

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

BUILDING PRODUCTS

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

Transactions with Related Parties	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Sale of Assets to		
Vishal Precision Steel Tubes and Strips Private Limited	0.04	0.54
Income on Corporate guarantee		
Taurus Value Steel & Pipes Private Limited (PY Rs.20,000)	0.05	0.00
Vishal Precision Steel Tubes and Strips Private Limited (PY Rs.20,000)	0.46	0.00
Centurywells Roofing India Private Limited (PY Rs.20,000)	0.40	0.00
Advances granted to /(repaid by) Refer note no 4 below:		
Taurus Value Steel & Pipes Private Limited	0.06	-
Vishal Precision Steel Tubes and Strips Private Limited	10.21	-
Taurus Value Steel & Pipes Private Limited	(0.06)	-
Vishal Precision Steel Tubes and Strips Private Limited	(10.21)	-
A Whole-time Director-Net -(CY Rs.14,412)	(0.00)	(0.02)
Chief Financial Officer-Net	(0.01)	(0.02)
Rental Deposit- Received from		
Vishal Precision Steel Tubes and Strips Private Limited(CY Rs.45,000)	0.00	-
Centurywells Roofing India Private Limited	0.08	0.01
Shankara Buildpro Limited (CY Rs.30,000)	0.00	-
Rental Deposit- Given to		
Taurus Value Steel & Pipes Private Limited	0.01	-
Centurywells Roofing India Private Limited	0.05	-
Goods-in-transit from		
Taurus Value Steel & Pipes Private Limited	0.79	0.35
Vishal Precision Steel Tubes and Strips Private Limited	1.20	3.90
Centurywells Roofing India Private Limited	0.09	-
Unsecured loan availed/ (Repaid)		
Taurus Value Steel & Pipes Private Limited	(39.74)	(0.24)
Contribution to employee related trusts made during the year		
Shankara Building Products Employees Gratuity Fund	0.56	0.56
Investments in subsidiary companies		
Shankara Buildpro Limited (Refer note no 9)	0.01	-
Dividend paid to		
Key Managerial Personnel	2.92	1.17
Relatives of Key Managerial Personnel	0.05	0.02
Shankara Holdings Private Limited	0.04	0.02

Remuneration paid to Key Managerial Personnel (refer note 3 below)	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Short-term employee benefits		
Managing Director	1.34	1.32
Whole-time director	0.68	0.62
Chief Financial Officer	0.40	0.36
Company Secretary	0.15	0.13
Sitting fees paid to Non exucutive Directors	0.35	0.23
Remuneration paid to Relative of Key Managerial Personnel	0.18	0.10

Notes

1 The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.

2 The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. The Company has not recorded any expected credit loss for trade receivables from related parties.

3 As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

4 Advances granted to subsidiaries for working capital purposes.

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

C. Balance Outstanding to/ from related parties	As at 31-03-2024	As at 31-03-2023
Trade Payables		
Taurus Value Steel & Pipes Private Limited	7.39	-
Centurywells Roofing India Private Limited	7.54	31.83
Vishal Precision Steel Tubes and Strips Private Limited	-	29.04
Advances to Subsidiary company for Purchases		
Taurus Value Steel & Pipes Private Limited	-	2.58
Trade Receivables		
Vishal Precision Steel Tubes and Strips Private Limited	23.14	-
Interest Receivables		
Vishal Precision Steel Tubes and Strips Private Limited	0.06	-
Taurus Value Steel & Pipes Private Limited (CY Rs.4,000)	0.00	-
Rent payable		
Vishal Precision Steel Tubes and Strips Private Limited (Current year Rs.27,000/-, Previous Year Rs.27,000/-)	0.00	0.00
Taurus Value Steel & Pipes Private Limited	0.01	0.01
Managing Director	0.04	0.04
Relative of a Key managerial personnel(PY Rs.23,625)	0.01	0.00
Remuneration payable to Key Managerial Personnel		
Managing Director	0.05	0.07
Whole-time director	0.06	0.03
Chief Financial Officer	0.04	0.02
Company Secretary	0.02	0.01
Remuneration payable to a relative of a Key Managerial Personnel	0.02	0.01
Expenses receivable		
Shankara Buildpro Limited	0.01	-
Rent Receivable		
Taurus Value Steel & Pipes Private Limited (Current Year Rs.31,255/-, Previous year Rs.31,000/	0.00	0.00
Vishal Precision Steel Tubes and Strips Private Limited Previous year Rs.23,000/-)	0.01	0.00
Centurywells Roofing India Private Limited	0.05	0.02
Shankara Buildpro Limited	0.01	-
Rental Deposit -Payable to		
Centurywells Roofing India Private Limited	0.09	0.01
Shankara Buildpro Limited (CY Rs.30,000)	0.00	-
Vishal Precision Steel Tubes and Strips Private Limited (Current Year Rs.45,000/-,)	0.00	-
Rental Deposit-Receivable		
Taurus Value Steel & Pipes Private Limited	0.01	-
Centurywells Roofing India Private Limited	0.05	-
Loan Payable		
Taurus Value Steel & Pipes Private Limited	-	39.74
Investments in subsidiary companies (Refer note no 9)	38.62	38.70
Assets hypothecated as security against the loans availed by		
Centurywells Roofing India Private Limited	12.97	13.13
Guarantees & Collaterals furnished to		
(Refer note no 48 (C)(2)(ii) for maximum exposure)		
Taurus Value Steel & Pipes Private Limited	5.00	5.00
Vishal Precision Steel Tubes and Strips Private Limited	45.75	45.75
Centurywells Roofing India Private Limited	40.00	40.00
Guarantees furnished by		
Managing Director	680.00	552.00
Due from a Whole-time director (PY Rs.14,412)	-	0.00
Due from Chief Financial Officer	-	0.01

Terms and Conditions
All outstanding balances are unsecured and are repayable in cash

Guarantees furnished to subsidiaries:
Guarantees furnished to the lenders of the subsidiaries are for availing working capital facilities from the lender banks.

Guarantees furnished by subsidiaries:
Guarantees furnished 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 *(Rupees in Crores)*

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 31-03-2024	As at 31-03-2023
Long term borrowings	22	14.40	64.59
Current maturities of long-term debt	27	10.70	8.32
Short term borrowings	27	50.30	37.51
Less: Cash and cash equivalents	16	(28.22)	(5.71)
Net Debt (A)		47.18	104.71
Total Equity (B)	20, 21	601.21	458.04
Gearing Ratio (A / B)		0.08	0.23

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 22 and 27

(2) Dividends

Particulars	As at 31-03-2024	As at 31-03-2023
Equity Shares		
(i) Final Dividend for the year ended March 31,2023 of Rs.2.5 per fully paid share	5.71	-
(ii) Final Dividend for the year ended March 31,2022 of Rs.1.00 per fully paid share	-	2.29

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD.

B. Categories of financial instruments

(Rupees in Crores)

Particulars	Note no	As at 31-03-2024		As at 31-03-2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Measured at amortised cost					
Loans	11	0.06	0.06	0.06	0.06
Other financial assets	12,18	9.03	9.03	9.27	9.27
Trade receivables	10,15	636.25	636.25	502.81	502.81
Cash and cash equivalents	16	28.22	28.22	5.71	5.71
Bank balances other than cash and cash equivalents	17	1.22	1.22	1.84	1.84
Non-current Investments	9	38.62	38.62	38.70	38.70
Total financial assets at amortised cost (A)		**713.40**	**713.40**	**558.39**	**558.39**
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		-	-	-	-
Total financial assets measured at fair value through profit and loss (C)		-	-	-	-
Total financial assets (A+B+C)		**713.40**	**713.40**	**558.39**	**558.39**
Financial liabilities					
Measured at amortised cost					
Long term Borrowings *	22, 27	25.10	25.10	72.91	72.91
Short term Borrowings **	27	50.30	50.30	37.51	37.51
Trade payables	29	585.34	585.34	508.62	508.62
Lease Liabilities	23, 28	2.78	2.78	3.98	3.98
Other financial liabilities	24, 30	10.06	10.06	9.55	9.55
Total financial liabilities carried at amortised cost (A)		**673.58**	**673.58**	**632.57**	**632.57**
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)		**673.58**	**673.58**	**632.57**	**632.57**

* including current maturities of long-term debt
** excluding current maturities of long-term debt

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD.

(Rupees in Crores)

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 31-03-2024		As at 31-03-2023	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised liabilities	-	-	-	-
Forward exchange contracts	-	-	-	-
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.

Inventory Sensitivity Analysis (Stock in trade)

A reasonably possible changes of 1% in prices of inventory at the reporting date, would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
1% increase in prices of Inventory	(3.48)	(3.36)	(2.61)	(2.52)
1% decrease in prices of Inventory	3.48	3.36	2.61	2.52

New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS

(Rupees in Crores)

(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 31-03-2024	As at 31-03-2023
Fixed rate borrowings	3.28	0.86
Floating rate borrowings	72.12	109.56
Total borrowings	75.40	**110.42**
Total Net borrowings as per Financial Statements	**75.40**	**110.42**
Add: Upfront fees	-	-
Total borrowings	75.40	**110.42**

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 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
100 basis points increase in interest rates	(0.72)	(1.10)	(0.54)	(0.82)
100 basis points decrease in interest rates	0.72	1.10	0.54	0.82

(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.

(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.

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

(Rupees in Crores)

Year ended 31-03-2024

Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	333.78	263.07	20.20	15.94	1.65	10.62	645.26
Expected credit losses (Loss allowance provision) - trade receivables	-	-	(0.10)	(3.21)	(0.39)	(5.31)	(9.01)
Carrying amount of trade receivables (net of impairment)	**333.78**	**263.07**	**20.10**	**12.73**	**1.26**	**5.31**	**636.25**

Year ended 31-03-2023

Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	414.18	70.54	10.53	2.33	3.35	7.57	508.50
Expected credit losses (Loss allowance provision) - trade receivables	-	-	(0.26)	(0.58)	(1.06)	(3.79)	(5.69)
Carrying amount of trade receivables (net of impairment)	**414.18**	**70.54**	**10.27**	**1.75**	**2.29**	**3.78**	**502.81**

(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 31-03-2024	As at 31-03-2023
67.58	70.91

SUNDARAM & SRINIVASAN * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. * CHARTERED ACCOUNTANTS

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.

(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 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.

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

The company has access to the following undrawn borrowing facilities at the end of the reporting period:

Financing arrangements

Particulars	As at 31-03-2024	As at 31-03-2023
Floating Rate		
- Expiring within one year	180.59	138.20
- Expiring beyond one year	-	-
	180.59	**138.20**

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 31-03-2024

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
Financial assets					
Loans	11	-	0.06	-	0.06
Other financial assets	12,18	1.36	7.53	0.14	9.03
Trade receivables	10,15	633.56	2.69	-	636.25
Cash and cash equivalents	16	28.22	-	-	28.22
Bank balances other than cash and cash equivalents	17	1.22	-	-	1.22
Non-current Investments	9	-	-	38.62	38.62
Total financial assets		**664.36**	**10.28**	**38.76**	**713.40**
Financial liabilities					
Long term Borrowings *	22,27	10.70	14.40	-	25.10
Short term Borrowings**	27	50.30	-	-	50.30
Trade payables	29	585.34	-	-	585.34
Lease Liabilities	23,28	1.19	1.59	-	2.78
Other financial liabilities	24,30	9.87	0.19	-	10.06
Total financial liabilities		**657.40**	**16.18**	**-**	**673.58**

* including current maturities of long-term debt
**excluding current maturities of long-term debt

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

(Rupees in Crores)

Liquidity exposure as at 31-03-2023

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
Financial assets					
Loans	11	-	0.06	-	0.06
Other financial assets	12,18	1.30	7.83	0.14	9.27
Trade receivables	10,15	500.02	2.79	-	502.81
Cash and cash equivalents	16	5.71	-	-	5.71
Bank balances other than cash and cash equivalents	17	1.84	-	-	1.84
Non-current Investments	9	-	-	38.70	38.70
Total financial assets		**508.87**	**10.68**	**38.84**	**558.39**
Financial liabilities					
Long term Borrowings *	22,27	8.32	64.59	-	72.91
Short term Borrowings**	27	37.51	-	-	37.51
Trade payables	29	508.62	-	-	508.62
Lease Liabilities	23,28	0.52	3.46	-	3.98
Other financial liabilities	24,30	9.43	0.12	-	9.55
Total financial liabilities		**564.40**	**68.17**	**-**	**632.57**

* including current maturities of long-term debt
**excluding current maturities of long-term debt

The amount of guarantees furnished on behalf of subsidiaries included in note no.47(c) 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 fulfill 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 22, 27 and 44)

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS *
New No:4,
Old No:23,
CPR ROAD,
CHENNAI
600 018.

D. Level wise disclosure of financial instruments

(Rupees in Crores)

Particulars	Note No	As at 31-03-2024				As at 31-03-2023			
		Carrying Value	Fair Value			Carrying Value	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets									
Loans	11	0.06			-	0.06			
Other financial assets	12,18	9.03			5.86	9.27			6.09
Trade receivables	10,15	636.25				502.81			
Cash and cash equivalents	16	28.22				5.71			
Bank balances other than cash and cash equivalents	17	1.22				1.84			
Non-current Investments	9	38.62				38.70			
Total financial assets		**713.40**	**-**	**-**	**5.86**	**558.39**	**-**	**-**	**6.09**
Financial liabilities									
Long term Borrowings *	22,27	25.10				72.91		-	
Short term Borrowings**	27	50.30				37.51			
Trade payables	29	585.34				508.62			
Lease Liabilities	23,28	2.78				3.98			
Other financial liabilities	24,30	10.06			0.09	9.55			
Total financial liabilities		**673.58**	**-**	**-**	**0.09**	**632.57**	**-**	**-**	**-**

*** 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.

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. ★

Shankara Building Products Limited
Notes to the Standalone Financial Statements

49 Corporate social responsibility *(Rupees in Crores)*

The provisions of Corporate Social Responsibility (Section 135 of the Companies Act, 2013) are applicable to the company.

a) Gross amount required to be spent by Company during the year - Rs. 0.82 Crores (Previous year: Rs.0.61 Crores)

b) Amount spent during the year:

Year ended 31-03-2024

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	0.82	0.93	-	-

Year ended 31-03-2023

Particulars	Amount required to be spent for the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall
a) Construction / acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	0.61	0.61	-	-

Amount paid is included under Other expenses (refer note no 37)

(c) Nature of CSR Activities- Healthcare infrastructure, education, environment sustainability, rehabilitating abandoned women and children.

50 Previous year figures

The previous year figures has been regrouped /rearranged wherever necessary to conform to the current year's presentation.

SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD.
BANGALORE

51 **Ratios as per the Schedule III requirements** *(Rupees in Crores)*

A.Current ratio=Current assets / Current liabilities.

Particulars	As at 31.03.2024	As at 31.03.2023
Current assets	1,043.58	862.12
Current Liabilities	685.27	581.41
Ratio (times)	**1.52**	**1.48**
% change from previous year	**2.70%**	
Reason for change more than 25%: Not applicable		

B.Net Debt-Equity Ratio =Net debt / total equity

Particulars	As at 31.03.2024	As at 31.03.2023
Net Debt (refer note (i) below)	47.18	104.71
Equity	601.21	458.04
Ratio (times)	**0.08**	**0.23**
% change from previous year	**-65.22%**	
Note		
(i) Net debt = Long term borrowings + Short term borrowings - Cash and cash equivalents		
Reason for change more than 25%: Reflects reduction in borrowings		

C. Debt service coverage ratio=Earnings available for debt service / Interest expense and principal repayment of long term loan made during the year.

Particulars	As at / For the Year ended 31-03-2024	As at / For the Year ended 31-03-2023
Earnings available for debt services (refer note (i) below)	134.04	108.01
Interest + Principal Repayments of long term loans made during the period excluding prepayment	39.25	28.85
Ratio (times)	**3.42**	**3.74**
% change from previous year	**-8.56%**	
Note		
(i) Earnings available for debt service = Earnings before interest, tax, exceptional items, depreciation and amortisation		
Reason for change more than 25%: Not applicable		

D.Return on equity ratio=Net profit after tax / average equity

Particulars	As at / For the Year ended 31-03-2024	As at / For the Year ended 31-03-2023
Net profit after tax	69.86	57.02
Average shareholders equity (refer note (i) below)	529.63	417.50
Ratios (percentage)	**13.19%**	**13.66%**
% change from previous year	**-3.44%**	
Note		
(i) Average shareholders equity = (Total equity as at beginning of respective year + total equity as at end of respective year) divided by 2		
Reason for change more than 25%: Not applicable		

E.Inventory turnover ratio= Cost of goods sold / average inventory

Particulars	As at / For the Year ended 31-03-2024	As at / For the Year ended 31-03-2023
Cost of goods sold (refer note (i) below)	4,634.69	3,851.54
Average inventory (refer note (ii) below)	339.04	306.96
Ratio (times)	**13.67**	**12.55**
% change from previous year	**8.92%**	
Note		
(i) Cost of goods sold of respective year = Cost materials consumed + purchases + Changes in inventory (ii) Average inventory = (Total inventory - Goods in transit as at beginning of respective year) + (total inventory - Goods in transit as at end of respective year) divided by 2		
Reason for change more than 25%: Not Applicable		

SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

F.Trade receivables turnover ratio = Sales / Average trade receivables

Particulars	As at / For the Year ended 31-03-2024	As at / For the Year ended 31-03-2023
Turnover (refer note (i) below)	5,738.02	4,762.74
Average trade receivables (refer note (ii) below)	569.53	420.57
Ratio (times)	**10.08**	**11.32**
% change from previous year	**-10.95%**	

Note

(i) Turnover = Revenue from operations (including GST)

(ii) Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2

Reason for change more than 25%: Not Applicable

G.Trade payables turnover ratio = Purchases / Average trade payables

Particulars	As at / For the Year ended 31-03-2024	As at / For the Year ended 31-03-2023
Purchases (Including GST)	5,486.14	4,603.92
Average trade payables (refer note (i) below)	546.98	404.89
Ratio (times)	**10.03**	**11.37**
% change from previous year	**-11.79%**	

Note

(i) Average trade payables = (Total Trade Payables as at beginning of respective year + Total Trade Payables as at end of respective year) divided by 2

Reason for change more than 25%: Not applicable

H.Net capital turnover ratio = Revenue from operations / Working capital

Particulars	As at / For the Year ended 31-03-2024	As at / For the Year ended 31-03-2023
Revenue from operations	4,862.73	4,036.22
Working capital	358.31	280.71
Ratios (times)	**13.57**	**14.38**
% change from previous year	**-5.63%**	

Note

Working capital = Current assets - Current liabilities

Reason for change more than 25%: Not applicable

I.Net profit ratio = Net profit after tax / Revenue from operations

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
Net profit after tax	69.86	57.02
Revenue from operations	4,862.73	4,036.22
Ratios (percentage)	**1.44%**	**1.41%**
% change from previous year	**2.13%**	

Reason for change more than 25%: Not applicable

J.Return on Capital employed = Earnings before interest and taxes (EBIT) / Average Capital employed

Particulars	As at / For the Year ended 31-03-2024	As at / For the Year ended 31-03-2023
EBIT (refer note (i) below)	124.58	98.30
Average Capital employed (refer note (ii) & (iii) below)	605.57	539.15
Ratios (percentage)	**20.57%**	**18.23%**
% change from previous year	**12.84%**	

Note

(i) EBIT = Profit before taxes + finance cost

(ii) Capital employed = Total equity + Long term borrowings + Short term borrowings - Cash and cash equivalents

(iii) Average Capital employed = (Capital Employed at beginning of respective year + Capital Employed at end of respective year) divided by 2

Reason for change more than 25%: Not applicable

K.Return on investment = Income generated from investments / average investments

This is not applicable as the investments are made only in the subsidiaries. Benchmarking the return on annual basis will not reflect yield from such investments.

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

Shankara Building Products Limited
Notes to the Standalone Financial Statements

(Rupees in Crores)

52 No proceedings have been initiated or pending against the Company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made there under

53 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

54 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

55 The Company has not operated in any crypto currency or Virtual Currency transactions

56 Balances outstanding with nature of transactions with struck off companies as per section 248 of the Companies Act , 2013 :

Name of the Struck off Company	Nature of transactions with struck off company	Balance outstanding as at 31-03-2024	Relationship with struck off companies , if any to be disclosed
Sunbio Organics India Pvt.Ltd.	Trade Receivables	0.20	Third party customer
Excel FPS & Engineers India Pvt. Ltd.	Trade Receivables	0.09	Third party customer
Arpann Megacorp International Private Limited	Trade Receivables	0.20	Third party customer
SNN Builders Pvt Ltd.(CY - Rs.5,000)	Trade Receivables	0.00	Third party customer
Yesh Trading Company	Trade Receivables	0.36	Third party customer
KODES Design Consultants Private Limited	Trade Receivables	0.01	Third party customer

To the extent information is available with the company the details of struck off companies , as per the master data base in Ministry of Corporate Affairs (MCA) Portal is provided.

SUNDARAM & SRINIVASAN
New No:4,
Old No:23,
CPR ROAD,
CHENNAI
600 018.
CHARTERED ACCOUNTANTS

SHANKARA BUILDING PRODUCTS LTD.
BANGALORE

(Rupees in Crores)

57 During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

58 The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

59 The Board of Directors of the Company at their meeting held on 18th December, 2023 approved a Scheme of Arrangement under section 230-232 and read with other applicable provisions of the Companies Act, 2013 for demerger of the Demerged Undertaking ("Trading Business") of Shankara Building Products Limited ("Demerged Company") into Shankara Buildpro Limited ("Resulting Company") which is a wholly owned subsidiary of the Demerged Company and their respective shareholders and creditors ("Scheme").

The Scheme inter-alia provides for
(i) Demerger, transfer and vesting of Trading Business from the Demerged Company into the Resulting company on a going concern basis.
(ii) Reduction and cancellation of equity share capital of the Resulting company held by the Demerged Company.
(iii) Issuance and allotment of Equity Shares by the Resulting Company to all the shareholders of the Demerged Company as per the Share Entitlement Ratio i.e., for every 1 (one) fully paid equity share of face value of INR 10/- (Indian Rupees Ten only) each, held in the Demerged Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Demerged Company shall be issued 1 (One) fully paid equity share of face value of INR 10/- (Indian Rupees Ten Only) each in the Resulting Company, in consideration of transfer of Demerged Undertaking.

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

The Appointed date is 01.04.2024 as per the Scheme which is approved by the Board of Directors in the Board Meeting held on 18th December 2023.
The Scheme is subject to receipt of necessary regulatory and other approvals inter-alia approval from BSE Limited, NSE Limited, Securities and Exchange Board of India, Shareholders and Creditors of the Company, NCLT and such other statutory and regulatory approvals as may be applicable.
The Board is of the view that provisions of Ind AS 105- "Non-Current Assets Held for Sale and Discontinued Operations" are not applicable as there is no sale by the Demerged Company. Further there is no inflow of cash as consideration for sale into the Demerged Company.

60 The company has not granted loans or advances in the nature of loans to any Promoters, Directors, KMPs which are repayable on demand or without specifying any terms or period of repayments but has granted advances in the nature of loans to its related parties i.e. two wholly owned subsidiaries which are repayable on demand. Refer Note No. 9(a)

Type of borrower	Amount of advance in the nature of loans outstanding	Percentage of the total loans and advances in the nature of loans
Related parties	NIL	0%

61 **Events occurring after the Balance Sheet date**
The Board has recommended a final dividend of Rs.3/-(Rupees Three only) per equity share (face value of Rs. 10/- each) for the financial year ended 31-03-2024 aggregating to Rs.7.27 crores subject to the approval of shareholders in the ensuing Annual General Meeting.

62 The financial statements has been approved by the Board of directors at their meeting held on 20th May, 2024.

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

Srinivasan K
Partner
Membership No: 209120

Place: Bengaluru
Date: May 20, 2024

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
Membership No: 33459

Place: Bengaluru
Date: May 20, 2024

SHANKARA BUILDING PRODUCTS LTD. BANGALORE

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.