

Date: 30<sup>th</sup> May, 2024

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

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

Dear Sir/ Madam

**Subject: Submission of Annual Report for the year 2023-24 under Regulation 34 of SEBI (LODR) Regulations, 2015.**

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith submitting the Annual Report for 2023-24 along with the Notice calling 29<sup>th</sup> Annual General Meeting of the Company.

This is for your information and record.

Thanking You

Yours faithfully  
**For Shankara Building Products Limited**

Digitally signed by EREENA VIKRAM  
DN: cn=EREENA VIKRAM, c=IN, o=PERSONAL  
Date: 2024-05-30 18:37+05:30

Ereena Vikram  
**Company Secretary & Compliance Officer**

Encl: As above



# Annual Report

## 2023 - 2024

**Shankara**  
Building Products Limited

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# 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

## KEY MANAGERIAL PERSONNEL

**Ms. Ereena Vikram**  
Company Secretary and  
Compliance Officer

**Mr. Alex Varghese**  
Chief Financial Officer

## SECRETARIAL AUDITOR

**K. Jayachandran**  
Company Secretary  
No. 1181, 6th Main  
'A' Block, 2nd Stage  
(Next to Cafe Coffee Day)  
Rajajinagar  
Bengaluru - 560 010

## 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

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

CORPORATE IDENTITY NUMBER  
(CIN)

**L26922KA1995PLC018990**

WEBSITE  
[www.shankarabuildpro.com](http://www.shankarabuildpro.com)

## REGISTRAR AND SHARE TRANSFER AGENT (RTA)

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

## BANKERS

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





## Chairman's Message

Dear Shareholders,

It gives me immense pleasure to welcome you to our 29th Annual General Meeting of Shankara Building Products Limited. Trust all is well with you and your family. I am delighted to inform all of you that your Company has achieved its highest ever revenue and profits.

The financial year 2023-24 started relatively on a sedate note after the hurly-burly of 2022. Commodity prices were largely subdued throughout the year. The demand from building material industry was also relatively muted. The government expenditure on infrastructure continued unabated during the course of the year. This helped your Company's growth in the steel segment.

The Country went into election mode in the second half of the financial year. This resulted in some slowdown in the payment cycle and consequently, in demand. The election was conducted over almost forty-five days and it did have some impact in Q4 of 2023-24 and a definite impact in Q1 of the current year. A stable government at the center will augur well for the Company's growth prospects.

Your Company has proposed a demerger of its core business which is retail and a market place for building materials into its wholly owned subsidiary Shankara Buildpro Limited. Consequent to the approval by the Board of Directors of Shankara, the Company has filed the scheme of arrangement with the stock exchanges.

Your Company felt the need for the demerger to focus better on its many diverse businesses and thereby unlock greater value for the shareholders.

The demerger will result in two entities. Shankara Building Products limited which will be the legacy company housing the three subsidiaries (Taurus Value Steel & Pipes Private Limited, Vishal Precision Steel Tubes & Strips Private Limited and Century Wells Roofing India private Limited). The second entity will be Shankara Buildpro Limited ("Buildpro") which will carry out the current core business of retailing and market place of building materials.

As per the scheme of arrangement, it is proposed that the existing shareholders of Shankara Building Products Limited will be allotted 1:1 shares in the resultant entity as per the statutory norms.

I would now like to share with you the key highlights of your Company's good performance during the reported year.

### Financial year 2023-24

Your Company generated a total revenue of ₹4,828 crores in FY24 as compared to ₹4,030 crores in FY23, a growth of 20%. ₹2,556 crores (53%) was from our retail vertical. The channel and enterprise business recorded ₹2,272 crores. Our PAT stood at ₹81 crores, a growth of 29%, vis-à-vis the preceding year.

South India continues to be the major contributor of our business (86%). However, we have seen a good growth (46%) in the western region and now accounts for 11% of our total revenue. Our store metrics continue to show healthy traction.

The Company offers a fairly comprehensive range of building materials starting from TMT, cement, and construction chemicals to plumbing, sanitary ware and fittings, tiles, adhesives and surfaces. We also have electrical, lighting, paint, modular kitchens, hardware and appliances that form a part of our portfolio. MS tubes, structural steel and roofing solutions, complete our basket of offerings. There have been numerous brand additions during the year.

We had launched our private label tiles under the brand name Fotia which has gained wide acceptability. The Company will continue to focus on promoting its key brands. We also have plans to expand the non-steel business and retail outlets to Telangana.



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The Company continues to rely on its digital platforms like the Buildpro e-commerce website (www.buildstore.com) and its mobile app (Shankara Buildpro) to create product awareness amongst potential customers and drive them to our offline stores. Shankara has a robust digital marketing program and is further refining its SEO activity.

### Key Performance Highlights

- ☞ 20% revenue growth in FY 24 as compared with FY 23 & highest revenue
- ☞ 25% EBITDA growth for FY24 as against FY23
- ☞ 29% PAT growth in FY24 compared with FY23 highest profit since inception

### People and Culture

The Company believes that its most important assets are its human resources. Therefore, we have in place a simple but effective response mechanism to respond to the needs of our employees. Keeping the same philosophy in mind, your Company treats its customers with utmost respect and endeavor to meet their requirements to the best of our ability.

Your Company's work culture is transparent and performance-based. It strives to retain, develop and provide a better working environment for employees by creating an atmosphere of trust, competition, and challenge, thereby providing opportunities for personal and professional growth.

### Corporate Governance & Social Responsibility

Good corporate governance is essential to ensure transparency and to boost stakeholder trust and confidence. Shankara complies with all applicable provisions within its ambit, relating to corporate governance as stipulated under the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations. Your company maintains the highest standards of transparency, accountability and adequate disclosures.

We are committed to our CSR activities. We do a lot of good work with the community. We run two schools for abandoned children with the help of a NGO. We have about 75 children who study with us and are provided schooling as per the state boards. We also take care of their accommodation, food and clothing. One of the important CSR objectives of Shankara is to contribute towards the environment. We support a water-shed program in Tumkur district of Karnataka which is also one of the driest parts of the state.

### Appreciation

In conclusion, I would like to thank all our stakeholders and partners for their support. My fellow Board Members have been extremely committed and have provided continued guidance for the betterment of Shankara. And I am also deeply appreciative to the management team and employees for diligently carrying forward the Company's vision and strategy.

I firmly believe that Shankara has the ability to seize the opportunities in this fast-changing world. I am confident that we shall continue to perform better and the management endeavors to take your Company to greater heights in the years ahead.

Best Wishes,

**V. Ravichandar**  
Chairman



## Notice of 29<sup>th</sup> Annual General Meeting

Notice is hereby given that the Twenty-Ninth Annual General Meeting of Shankara Building Products Limited will be held on Friday, June 21, 2024 at 10.00 A.M (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

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

### Ordinary Business:

**Item No. 1 - To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 together with Report of Auditors thereon.**

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company and to pass the following resolution as an **Ordinary resolution**:

**"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 together with reports of the Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

**"RESOLVED FURTHER THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

### Item No. 2 - Declaration of Final Dividend

To declare a final dividend on equity shares for the financial year ended March 31, 2024 and to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** a final dividend at the rate of ₹3/- (Rupees Three Only) per equity share of ₹10/- (Rupees Ten only) each fully paid up of the Company be and is hereby declared for the

financial year ended March 31, 2024 and that the same be paid as recommended by the Board of Directors of the Company for the financial year ended March 31, 2024.

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

**Item No. 3 - To re-appoint Mr. C. Ravikumar (DIN: 01247347) as a Director of the Company who retires by rotation.**

To re-appoint Mr. C. Ravikumar (DIN: 01247347), who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary resolution**:

**"RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013, Mr. C. Ravikumar (DIN: 01247347) who retires by rotation at 29th Annual General Meeting of the Company being eligible, offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

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

### Item No. 4 - Re-appointment of the Statutory Auditors

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Sundaram & Srinivasan, Chartered Accountants



(Firms Registration No. 004207S) be re-appointed as the Statutory Auditors of the Company to hold office for a second term of 5 (five) consecutive years from conclusion of the 29th Annual General Meeting till the conclusion of 34th Annual General Meeting of the Company to be held in the financial year 2029-30 at such remuneration as may be determined by the Board of Directors.”

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

## Special Business:

### **Item No. 5- Appointment of Mr. N. Muthuraman (DIN: 02375046) as an Independent Director, not liable to retire by rotation**

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

“**RESOLVED THAT** Mr. N. Muthuraman (DIN:02375046), who was appointed as an Additional Director in the capacity of Independent Director(Non-Executive) with effect from May 20, 2024 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and who is eligible for appointment be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, the appointment of Mr. N. Muthuraman (DIN:02375046), that meets the criteria for independence as provided in Section 149(6) of

the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of five years, i.e., from May 20, 2024 to May 19, 2029 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. N. Muthuraman (DIN:02375046) shall be entitled to receive the sitting fees/commission and out of pocket expenses as permitted to be received in the capacity of Non-Executive, Independent Director of the Company under the Act and SEBI Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

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

### **Item No. 6-To approve increase in remuneration of Mr. C. Ravikumar (DIN: 01247347), Whole-time Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any statutory modification(s) or re-enactment(s) thereof and subject to the provisions of the Article of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to the revision in remuneration of Mr. C. Ravikumar (DIN: 01247347), Whole-time Director of the Company on the terms & conditions as set out in the explanatory statement annexed to the Notice convening this Meeting.





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

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

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

**Ereena Vikram  
Company Secretary & Compliance Officer  
Membership No: A33459**

**Place: Bengaluru  
Date: May 20, 2024**





## Notes:

1) The 29th Annual General Meeting (“AGM”) of the Company is being held through VC/OAVM without the physical presence of the Members at a common venue, pursuant to the provisions of the Companies Act, 2013 (“Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), and the Ministry of Corporate Affairs, Government of India (“MCA”) General Circular No. 9/2023 dated 25 September 2023, read with circulars dated 5 May 2020, 13 April 2020, 8 April 2020, 13 January 2021, 8 December 2021 and 28 December 2022 (collectively referred to as “MCA Circulars”). The Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CFD/-PoD-2/P/CIR/2023/167, dated 7 October 2023 (“SEBI Circular”).

2) The Company has availed the services of KFin Technologies Limited (“KFin”) for conducting the AGM through VC/OAVM and enabling participation of shareholders at the meeting thereto and for providing services of remote e-voting and e-voting during the AGM (Insta Poll).

3) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as this AGM is being held through VC/OAVM, and physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for the AGM and therefore the Proxy Form and Attendance Slip is not annexed to this Notice. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4) The statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts in respect of the business under Item Nos. 3 to 6 set out in this Notice and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the persons seeking appointment / re-appointment as Director at the AGM, is annexed hereto.

5) Pursuant to above MCA and SEBI Circulars, Notice of the AGM along with the Annual Report for F.Y. 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company’s website i.e. [www.shankarabuildpro.com](http://www.shankarabuildpro.com), websites of the Stock Exchanges i.e., BSE Limited, and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of KFINTECH, i.e. <http://evoting.kfintech.com>.

6) Shareholders whose email address is not registered with the Company/RTA or with their respective Depository Participants are requested to register their e-mail address in the following manner:

- Shareholders holding shares in physical form can register their email id with the RTA by sending an email along with the KYC forms with supporting documents at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- Shareholders holding shares in demat mode may update the e-mail address through their Depository Participant(s).

Shareholders may note that registration of email address and mobile number is mandatory while voting electronically and joining virtual meeting.

7) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 14th June, 2024 to Friday, 21st June, 2024 (both days inclusive) for the purpose of determining entitlement of members for the payment of Dividend for the financial year ended March 31, 2024, if declared at the Meeting and for the AGM.

8) Pursuant to SEBI Circular dated November 03, 2021 (as amended by SEBI Circulars dated December 14, 2021, March 16, 2023 and November 17, 2023), the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024. Shareholders may follow below steps for updating their KYC on priority.



9) Updation of mandate for receiving dividend directly in bank account through Electronic Clearing system:

Physical Holding	Send hard copies of the following details/ documents to the Registrar at, KFin Technologies Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telengana
	a) Form ISR-1 and ISR -2 along with supporting documents. The said forms can be accessed by following the link <a href="https://shankarabuildpro.com/investors-central/#shareholder-information">https://shankarabuildpro.com/investors-central/#shareholder-information</a> or and on the website of the RTA at <a href="https://ris.kfintech.com/clientservices/isc/isrforms.aspx">https://ris.kfintech.com/clientservices/isc/isrforms.aspx</a>
	b) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents: i) Cancelled cheque in original; ii) Bank attested legible copy of the first page of the Bank Passbook / Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch.
	c) Self-attested copy of the PAN Card of all the holders; and
	d) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company. Alternatively, Shareholders may reach out to RTA through web-portal <a href="https://ris.kfintech.com">https://ris.kfintech.com</a> to refer to the process.
Demat Holding	Members holding shares in electronic form are requested to update their Electronic Bank Mandate with their respective DPs.

10) Members are requested to note that, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, all unclaimed / unpaid dividends of the Company in respect of financial year 2016-17 have been transferred to the IEPF. Members who have not encashed their final dividend warrants for the FY 2016-17 or thereafter are requested to write to the Company's Registrar and Share Transfer Agent.

11) Members are requested to note that, dividends if not encashed for a consecutive

period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, the shares in respect of such unclaimed dividends are also liable to be transferred to the designated Demat account of the Investor Education and Protection Fund (IEPF) Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

12) We urge members to support environmental



protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at [einward.ris@kfinotech.com](mailto:einward.ris@kfinotech.com), to receive copies of the Annual Report 2023-24 in electronic mode. Members may follow the KYC process for registration of email ID to obtain the report and update of bank account details for the receipt of dividend. Shareholders may follow KYC steps as mentioned in Point No. 9 above for the registration of their email ID.

13) In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition, transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

14) As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.shankarabuildpro.com](http://www.shankarabuildpro.com) (under 'Investors' section). Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to KFin Technologies Limited in case the shares are held by them in physical form.

15) With effect from 1 April 2020, the erstwhile dividend distribution tax (DDT) has been abolished and the dividend income is now taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. Shareholders are requested to refer to the applicable Finance Act, and amendments thereof for the prescribed rates for various categories. To enable the Company to

determine the appropriate TDS / with holding tax rate applicability, shareholders are requested to upload the requisite documents with the Registrar and Transfer Agent viz. KFin Technologies Limited ("RTA") by registering with First holder PAN at <https://kprism.kfinotech.com/> No communication on the tax determination / deduction shall be entertained thereafter.

16) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at an early date through email on [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com). The same will be replied by the Company in due course.

17) The recorded transcript of the AGM will be hosted on the website of the Company.

18) SEBI vide Circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023 (subsequently amended as on December 20, 2023 and August 4, 2023) has specified that a shareholder shall first take up his/her/their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he/she/they can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal. Shareholders are requested to take note of the same.

#### **Instructions for remote e-voting:**

a) Any person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the Thursday, June 13, 2024 only shall be entitled to avail the facility of remote e-voting. The remote e-voting period commences on Tuesday, 18th June, 2024 at 9:00 a.m. IST and ends on Thursday, 20th June, 2024 at 5:00 p.m. IST. The remote e-voting module shall be disabled by Kfin for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she/it shall not be allowed to change it subsequently.

b) The voting right of shareholders shall be in





proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

c) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Kfin for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Kfin.

d) In order to increase the efficiency of the voting

process, and pursuant to the SEBI Circular No. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated 9 December 2020, the demat account holders, are provided a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will now be able to cast their vote without having to register again with the E-voting Service Providers (“ESPs”), thereby facilitating seamless authentication and convenience of participating in e-voting process.

**The procedure for remote e-voting is as under:**

**A. The detailed process and manner for remote e-voting for individual shareholders holding securities in Demat mode are explained herein below:**

<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">http://www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all ESPs, so that the user can visit the ESPs’ website directly.</li><li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li><li>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.</li></ol>
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<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-Voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS” portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</p>

**Important note:** Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.



**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-4886 7000 and 022-2499 7000.

**B. Login method for e-voting and joining virtual meeting for shareholders holding shares in physical mode and non- individual shareholders holding shares in demat form:**

i. Shareholders should log on to the e-voting website: <https://evoting.kfintech.com>.

• Enter the login credentials i.e., user id and password mentioned below:

For Members holding shares in Demat Form :-

a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID

b) For CDSL: 16 digits beneficiary ID

• For Members holding shares in Physical Form:

• **Event no.** i.e 8019 followed by Folio Number registered with the Company.

• **Password:** If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using Kfin's e-Voting system for the first time, you will need to retrieve the 'initial password' communicated to you by e-mail. Shareholders who have not registered their email addresses can follow the steps provided at serial no xiii below to obtain the User ID and password.

• **Captcha:** Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

ii. After entering the details appropriately, click on LOGIN.

iii. In case you are retrieving and using your 'initial password', you need to enter the 'initial password' and the system will force you to change your password. Once you reach the Password change menu you will be required to mandatorily change your password.

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

You need to login again with the new credentials.

iv. On successful login, the system will prompt you to select the EVENT i.e., SHANKARA BUILDING PRODUCTS LIMITED.

v. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/ dissenting to the Resolution, then enter all shares and click "FOR"/" AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

vi. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

vii. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else



CANCEL to modify. Once you confirm, you will not be allowed to modify your vote.

viii. During the voting period, shareholders can login any number of times till they have voted on the resolution.

ix. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

x. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cutoff date i.e Thursday, June 13, 2024

xi. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Thursday, June 13, 2024, may obtain the User ID and password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may:

a) Send SMS: MYEPWD <space>  
E-Voting Event Number+Folio No. or DP ID  
Client ID to 9212993399

Example for NSDL:  
MYEPWD <SPACE> IN12345612345678

Example for CDSL :  
MYEPWD <SPACE> 1402345612345678

Example for Physical:  
MYEPWD <SPACE> XXXX1234567890

b) On the home page of <https://evoting.kfintech.com>, click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com> or contact KFin Technologies Ltd. at 1800 309 4001 (toll free). It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

xiii. Instructions for Members for attending the AGM through Video Conference:

- The Members can join the AGM 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

- Up to 1000 members will be able to join on a first come first served basis the AGM.

- No restrictions on account of First come first served basis entry into AGM will be applicable to

large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

- The attendance of the Members (members logins) attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

- Members may access the video conferencing platform provided by M/s KFin Technologies Limited at <https://emeetings.kfintech.com/> by using their remote e-voting credentials. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

- Members may require to access the webcam /camera and microphone and hence are requested to use Internet with a good speed and data to avoid any disturbance during the meeting.

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

xiv. Information and instructions for Insta Poll:

- The facility for voting through electronic voting system will also be made available at the Meeting (“Insta Poll”) and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll. This facility will be made available on the Meeting page (after you log into the Meeting) and will be activated once the Insta Poll is announced at the Meeting. A “Vote” icon, will be available at the bottom left on the Meeting Screen. Once the voting at the Meeting is announced by the Chairman, Members who have not cast their vote will be able to cast their vote by clicking on this icon.

19) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker at





<https://emeetings.kfintech.com> from Saturday, June 15, 2024 (9.00 a.m. IST) to Thursday, 20th June, 2024 (5.00 p.m. IST). Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that, members' questions will be answered only if the shareholder continues to hold shares of the Company as of the cut-off date.

20) Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned certified copy (PDF/JPG Format) of their Board or governing body's Resolution / Authorisation, authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, to the Scrutiniser through e-mail at [cs.skannan@gmail.com](mailto:cs.skannan@gmail.com) with a copy marked to KFin Technologies Limited at [ramdas.g@kfintech.com](mailto:ramdas.g@kfintech.com).

21) Only those Members / shareholders, who will be present in the AGM through Video Conference OAVM / facility and have not cast their vote through remote e-Voting are eligible to vote in the AGM. However, members who have voted through Remote e-Voting will be eligible to attend the AGM.

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

#### **Other Instructions:**

23) Mr S. Kannan Practicing Company Secretary, (Membership No FCS6261) has been appointed as the Scrutinizer to scrutinize the remote e-voting and e-voting during the meeting in a fair and transparent manner.

24) The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and submit, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

25) The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.shankarabuildpro.com](http://www.shankarabuildpro.com)

and also communicated to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed, within two working days of the conclusion of the AGM.

26) The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

27) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection during the meeting in electronic mode and same may be accessed upon login to <https://evoting.kfintech.com>.

28) The recorded transcript of the forthcoming AGM on Friday, 21st June, 2024., shall be maintained by the Company and also be made available on the website of the Company i.e. [www.shankarabuildpro.com](http://www.shankarabuildpro.com).

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

#### **Statement setting out Material Facts under Section 102 of the Companies Act, 2013**

##### **Item No. 3**

Mr. C. Ravikumar (DIN: 01247347) is a science graduate from Bangalore University with over 37 years' experience in the steel pipes and building products industry. Prior to joining the Company, he was associated with Shankara Steels and Tubes and Gemini Steel Tubes Limited.

##### **Committee Chairmanship & Membership:**

He is a member in Stakeholder Relationship Committee.

##### **Shareholding in the Company:**

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

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



The Board recommends the Ordinary Resolution set forth in the Item No. 3 of the Notice for approval of the members.

#### **Item No. 4**

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

The Members at the Twenty Forth Annual General Meeting ('AGM') of the Company held on June 25, 2019, had approved appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai (Firms Registration No. 004207S), as the Statutory Auditors of the Company to hold office from the conclusion of the 24th AGM till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2024.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the reappointment of M/s Sundaram & Srinivasan, as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of 29th Annual General Meeting of the Company to be held in the financial year 2024-25 till the conclusion of 34th Annual General Meeting of the Company to be held in the financial year 2029-30, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

M/s Sundaram & Srinivasan have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder

#### **Item No. 5**

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board at its meeting held on May 20, 2024 appointed Mr. N. Muthuraman (DIN:

02375046) as an Additional Director of the Company and also as Independent Director not liable to retire by rotation, for a term of five years, i.e., from May 20, 2024 upto May 19, 2029 (both days inclusive), subject to approval of the Shareholders by way of Special Resolution.

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. N. Muthuraman shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The profile and specific areas of expertise of Mr. N. Muthuraman are provided as Annexure to this Notice. Mr. N. Muthuraman has also confirmed that he is in compliance of Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Institute of Corporate Affairs.

Mr. N. Muthuraman has given his declaration to the Board, inter alia, that

- (i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations;
- (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority;
- (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director and:
- (iv) has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge his duties.

In the opinion of the Board, N. Muthuraman is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the management.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. N. Muthuraman on the Board of the Company and accordingly the Board recommends the appointment of Mr. N. Muthuraman as an Independent Director as proposed in the Special Resolution set out at Item No. 5 of the



accompanying Notice for approval by the Shareholders.

**Item No.6**

Mr. C. Ravikumar (DIN: 01247347), was re-appointed as Whole-time Director of the Company by the Board at its Meeting held on 29th January, 2021 for a period of five years from April 1, 2021. The same was subsequently approved by the members at the Annual General Meeting on 29th July, 2021.

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors (hereinafter referred to as 'the Board') at its meeting held on April 30, 2024 considered and approved the remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof.

**a. Fixed Salary:**

Salary of ₹71,06,163/- (Rupees Seventy One Lakh Six Thousand One Hundred and Sixty Three Only) per annum.

**b. Perquisites and Allowances:**

- i. Contribution to Provident Fund not exceeding 12% of the salary.
- ii. Gratuity as per the rules of the Company.
- iii. Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.
- iv. Any other terms and conditions as per the employment agreement between the Company and Mr. C. Ravikumar.

(The perquisites and allowances are included in the above mentioned salary).

**d. Minimum remuneration:**

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

minimum remuneration.

e. The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the company to pay overall managerial remuneration upto 10% of net profit to Managing director/ Whole Time Director/Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit and as may be acceptable to Mr. C. Ravikumar, subject to the same not exceeding the limits specified under Section 197, Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time or any statutory modification(s) or re-enactment thereof;

In view of the provisions of Section 196, 197 and Section 203 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

Except Mr. C. Ravikumar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

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

**Ereena Vikram  
Company Secretary & Compliance Officer  
Membership No: A33459  
Place: Bengaluru  
Date: May 20, 2024**

## Annexure to the Notice

### DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT IN 29th ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India

Name of Director	Mr. C. Ravikumar
Date of Birth	01/05/1966
Date of first appointment on Board	01/04/2011
Brief Profile/Experience/Expertise/Skills in specific functional area	Mr. C. Ravikumar, a key figure in the company since 1995, brings 37 years of experience in the steel pipes and building products industry. His insights and industry connections are vital assets in navigating the dynamic landscape of the industry.
Qualifications	Mr. C. Ravikumar is a science graduate from Bangalore University
Terms and conditions of appointment/ re-appointment	As per appointment letter.
Details of remuneration sought to be paid	₹71,06,163
Remuneration last drawn by such person, if applicable	₹67,67,773
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not inter se related to any other Director or Key Managerial Personnel.
Number of Meetings of the Board attended during the year	Seven
Directorship held in other companies	Vishal Precision Steel Tubes & Strips Private Limited Centurywells Roofing India Private Limited Shankara Holdings Private Limited
Membership/ Chairmanship of committees of other companies*	Membership - 1
Shareholding in the Company	72,500





Name of Director	Mr. N. Muthuraman
Date of Birth	28/04/1971
Date of first appointment on Board	Not Applicable
Brief Profile/Experience/Expertise/Skills in specific functional area	<p>Mr. N. Muthuraman is the Co-founder and Director of RiverBridge Investment Advisors Pvt. Ltd, a boutique investment banking firm with focus on assisting SMEs (small and medium enterprises) to access mainstream capital sources, including private equity and venture capital, and identifying strategic investors for M&amp;A transactions. RiverBridge also assists in raising Structured Debt and provide IPO advisory services for its clients.</p> <p>Mr. N. Muthuraman is former Director - Ratings at CRISIL Ltd, where he had over 12 years of experience in credit risk analysis, credit policy formulation, credit rating criteria and new product development. He has handled credit rating assignments across various sectors and has been a voting member of CRISIL's rating committee for several years.</p> <p>With 25 years of experience in the financial markets in India and abroad, Mr. N. Muthuraman has a keen insight in the areas of credit risk evaluation, corporate governance, fund raising, M&amp;A, valuation and capital structuring.</p>
Qualifications	B.E (Mechanical) from College of Engineering, Guindy, PGDM from IIM, Bangalore
Terms and conditions of appointment/ re-appointment	As per appointment letter.
Details of remuneration sought to be paid	Nil
Remuneration last drawn by such person, if applicable	Sitting Fee
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not inter se related to any other Director or Key Managerial Personnel.
Number of Meetings of the Board attended during the year	-
Directorship held in other companies	9
Membership/Chairmanship of committees of Company*	3
Shareholding in the Company	Nil

\* The Companies in which the Director holds position of Director as on the date of meeting and is a member of that Company's Audit Committee/Stakeholders committee and Other Committee is taken into consideration. Companies include listed as well as unlisted entities.



**Statement containing additional information as required in Schedule V of the Companies Act, 2013:**

**Mr. C. Ravikumar, Whole-time Director**

**a. General Information**

**1. Nature of industry:**

Shankara Building Products Limited is a leading organized retailer of home improvement and building products in India, Operating under the brand name 'Shankara Buildpro'.

**2. Date or expected date or of commencement of Commercial production:**

The Company has commenced its commercial operations in the year 1995.

**3. Financial performance based on given indicators:**

As per Audited Standalone Financial results:

(₹ in Crores)

Particulars	2023 - 24	2022-23
Total Income	4,869.41	4,043.53
Total Expenses	4,776.49	3,967.28
Profit before tax	92.92	76.25
Profit after tax	69.86	57.02

**4. Foreign investments or Collaborations:**

There are no foreign investments or collaborations in existence as on March 31, 2024.

**b. Information about the appointee:**

**1. Background details:**

Mr. C. Ravikumar is 58 years of age and is a science graduate from Bangalore University.

**2. Past remuneration:**

The remuneration of Mr. C. Ravikumar has been approved by the Members at the 28th Annual General Meeting of the Company. He has been paid a remuneration of ₹67,67,784/- (Rupees Sixty Seven Lakh Sixty Seven Thousand Seven hundred and Eighty four Only).

**3. Recognition or awards:** Highest Number of Retail Stores by Kohler

**4. Job profile and his suitability:**

Mr. C. Ravikumar is a Whole-time Director of our Company. He has been associated with our Company since 1995, having joined as a senior manager. He has 37+ years of experience in the steel pipes and building products industry. He is currently a member of the Karnataka Pipe Dealers Association.

**5. Remuneration proposed:**

As stated in the Explanatory Statement at Item No. 6 of this Notice.

**6. Comparative remuneration:**

Mr. C. Ravikumar has as served on the Board of the Company since 2011. The proposed remuneration of Mr. C. Ravikumar is in line with the industry levels and is commensurate with the size of the Company and nature of its business.

**7. Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any:**

Apart from the remuneration paid to the Whole-time Director as stated above and their respective shareholding held directly or indirectly in the Company, Mr. C. Ravikumar do not have any pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel.

**8. Other Information:**

**Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

The Management is confident to achieve financial performance in the forthcoming years.

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

**Ereena Vikram  
Company Secretary & Compliance Officer  
Membership No: A33459**

**Place: Bengaluru  
Date: May 20, 2024**



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# Directors' Report

2023 - 2024



## BOARD'S REPORT

(The Board's report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 (the "Act") and forms part of the Annual Report for the year ended March 31, 2024.

Dear Shareholders,

The Board of Directors (the "Board") hereby submits the report of the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2024. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. Financial Summary and Highlights

The Company's financial performance for the year ended March 31, 2024, is summarized as below

Key highlights of financial performance of your Company for the financial year 2023-24 are provided below:

(₹ in crores)

Particulars	Consolidated		Standalone	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from Operations	4,828.44	4,029.72	4,862.73	4,036.22
Other Income	5.24	7.70	6.68	7.31
<b>Total Income</b>	<b>4,833.68</b>	<b>4,037.42</b>	<b>4,869.41</b>	<b>4,043.53</b>
Other Expenditure	4,677.33	3,911.95	4,735.37	3,935.52
<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>156.35</b>	<b>125.47</b>	<b>134.04</b>	<b>108.01</b>
Depreciation and Amortization Expenses	15.91	16.34	9.46	9.71
Finance Cost	32.34	24.76	31.66	22.05
Profit Before exceptional items and tax	108.10	84.37	92.92	76.25
Exceptional Items	-	-	-	-
<b>Profit before Tax (PBT)</b>	<b>108.10</b>	<b>84.37</b>	<b>92.92</b>	<b>76.25</b>
Tax expense:				
Current Year	26.86	19.32	22.62	16.92
Earlier Year	0.29	0.11	0.29	0.11
Deferred Tax	(0.18)	1.89	0.15	2.20
<b>Profit after Tax (PAT)</b>	<b>81.13</b>	<b>63.05</b>	<b>69.86</b>	<b>57.02</b>
Profit from discontinued operation	-	-	-	-





(₹ in crores)

Particulars	Consolidated		Standalone	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Add: Other Comprehensive Income	0.31	0.12	0.27	0.10
<b>Total Comprehensive Income</b>	<b>81.44</b>	<b>63.17</b>	<b>70.13</b>	<b>57.12</b>
<b>EARNING PER EQUITY SHARE (Face Value of ₹10 each)</b>				
i) Basic	34.67	27.59	29.85	24.95
ii) Diluted	34.67	27.59	29.85	24.95

The Company recorded consolidated revenues of ₹4,828.44 crores for the year ended 31 March, 2024 representing a growth of (20%) over the previous year. The Company recorded a consolidated EBITDA of ₹156.35 crores and the EBITDA margins stood at 3.24%. The PAT is at ₹ 81.13 crores.

The Standalone revenues of the Company stood at ₹4,862.73 crores for the year ended 31 March, 2024. The standalone PAT stood at ₹69.86 crores.

Your Company has prepared the Financial Statements for the financial year ended March 31, 2024, in terms of section 133 and Schedule III to the Companies Act, 2013 (as amended) (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

## 2. Share Capital

### (i) Authorised Capital

The authorised share capital of the Company as on March 31, 2024 is ₹30,00,00,000 comprising of 3,00,00,000 equity shares of ₹10 each.

### (ii) Increase in Paid-Up Capital

During the year under review, there was an increase in paid-up equity share capital, in view of the Company issuing and allotting equity shares as follows:

Preferential allotment of 14,00,000 equity shares with a face value of ₹10/- per equity share at an issue price of ₹750/- (including premium of ₹740/- per equity share) to APL Apollo Mart

Limited, on November 9, 2023 consequent to the rights of conversion attached to Share Warrants.

As a result of the above, the paid-up equity share capital stands at ₹24,24,93,260/- comprising of 2,42,49,326 equity shares of ₹10/- per share fully paid up, as on March 31, 2024.

## 3. Dividend

The Board of Directors subject to the approval of the Members of the Company at the ensuing Annual General Meeting, recommends a dividend of ₹3/- (Rupees Three Only) per fully paid up equity share of ₹10 (Rupees Ten) each of the Company for the year ended March 31, 2024.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Board has approved and adopted a Dividend Distribution Policy. The policy details various considerations based on which the Board may recommend or declare Dividend. The Dividend Distribution policy is available on the Company's website at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy18.pdf>

## 4. Reserves

The Company has decided to retain the entire amount of profits for FY 2024 in the profit and loss account and does not propose to transfer amounts to the general reserve out of the amount available for appropriation.



The total profit of ₹556.79 crores available with the Company on a consolidated basis is proposed to be retained in the profit and loss account.

### 5. Subsidiary Companies

The Company has 5 subsidiaries as on March 31, 2024.

(i) Vishal Precision Steel Tubes & Strips Private Limited – Has a tube & cold rolled strip processing facility at Bengaluru.

(ii) Centurywells Roofing India Private Limited –Primarily engaged in providing color coated roofing products. It has processing facilities in Bengaluru, Chennai, Coimbatore, Davangere, Hubli, Mysore, Mangalore, Pune, Secunderabad and Vijayawada.

(iii) Taurus Value Steel & Pipes Private Limited - Has a tube processing facility at Hyderabad.

(iv) Steel Network (Holdings) Pte. Limited – Registered at Singapore with a stated purpose of engaging in the business of manufacture, distribution of roofing sheets, steel pipes and general hardware and general wholesale trade (including general importers & exporters).

(v) Shankara Buildpro Limited- Primarily engaged in business of manufacture, process, sell, import and export or otherwise to deal with sanitary ware, CP fittings, Ceramic & clay tiles, complete range of plumbing products and related accessories etc.

One new subsidiary was added and no company has ceased to be a Shankara Building Products Limited subsidiary during FY 2023-24. The Annual Reports along with the Audited Financial Statements of each of the Subsidiaries of your Company are also available on the

website of your Company at <https://shankarabuildpro.com/investors-central/#shareholder-information>

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. The Company in accordance with the provisions of the Act prepared Consolidated Financial Statements of the Company and all its subsidiaries which form part of the Report. Further, the report on the performance and financial position of each subsidiary and salient features of their Financial Statements in the prescribed Form AOC-1 is annexed as **Annexure I** to this Report.

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

In accordance with the provisions of the Act and the amendments thereto, read with the Listing Regulations the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies are available on our website at <https://shankarabuildpro.com/investors-central/#report>

The Secretarial Audit Report of the Subsidiary Companies are available on our website at <https://shankarabuildpro.com/investors/>

### 6. Key Developments

#### a. Preferential Warrants

During the year ended March 31, 2024, the Company made preferential allotment of 14,00,000 equity shares at a face value of ₹10/- per equity share to APL Apollo Mart Limited, on exercise of the Share Warrants.

Nature	No. of Warrants subscribed	No. of Equity shares issued	Date of Allotment
Share Warrant	14,00,000	14,00,000	November 9, 2023
Total	14,00,000	14,00,000	



## b. Demerger

In December 18, 2023 the Board of Directors had approved a composite scheme of arrangement amongst Shankara Building Products Limited and Shankara Buildpro Limited (wholly owned subsidiary) and their respective shareholders and creditors under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder which provides the transfer of trading business of the Demerged Company into Resulting Company.

As per the scheme of arrangement, the Company's Trading Business will be demerged to Shankara Buildpro Limited and the Company will continue with its manufacturing business, subsidiary and other assets.

Pursuant thereto, the Company has submitted requisite application alongwith draft scheme of arrangement to the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited for approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for the Scheme of Arrangement.

## 7. Particulars of Loans, Advances, Guarantees or Investments under Section 186

The Company makes investments or extends loans/ guarantees to its subsidiaries for their business purposes as and when required by them for its emergent business requirements. The details of loans, guarantees and investments covered under Section 186 of the Act along with the purpose for which such loan or guarantee were utilized forms part of the Notes to standalone financial attached to this Annual report.

The Company has not received loan from Directors and Relatives as per Rule 2 (1) (c) of Companies (Acceptance of Deposit Rule), 2014.

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

- i. Amendment to the Policy for determining materiality of Event/Information.
- ii. Amendment to the Policy for determining material subsidiaries.
- iii. Incorporation of new wholly owned subsidiary

company i.e Shankara Buildpro Limited.

iii. Demerger of the Trading Business of the Company into the Resulting Company (i.e. Shankara Buildpro Limited), on a going concern basis.

Except those disclosed in this Annual Report, there are no material changes and commitments affecting the financial position of your Company between the end of the financial year i.e., March 31, 2024 and the date of this Report.

## 9. Unclaimed Dividend

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

Transfer of Unpaid and Unclaimed Amounts to Investor Education and Protection Fund ("IEPF")

### a) Transfer of Unclaimed Dividend to IEPF

Pursuant to the applicable provisions of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time-to-time, the declared dividends, which remained unpaid or unclaimed for a period of 7 (seven) years and shares in relation to such unpaid/unclaimed dividend shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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

The details of the unclaimed dividend as on March 31, 2024 is available on the Company's website at <https://shankarabuildpro.com/wp-content/uploads/2024/05/Unclaimed-Dividend-2022-23.pdf>.

Any shareholder who has a claim on such dividend is requested to contact our Registrar and Share Transfer Agents M/s KFin Technologies Limited.

### b) Transfer of Shares to IEPF



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

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

#### 10. Key Consolidated Balance sheet information

The Consolidated Financial Statements of the Company and its Subsidiaries for the financial year ended March 31, 2024 prepared in compliance with the Indian Accounting Standards notified under Section 133 the Companies Act, 2013, Section 129(3) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with Auditors' Report thereon form part of this Annual Report.

#### 11. Capital Expenditure on tangible assets

This year, on a standalone basis, the Company incurred a capital expenditure of ₹25.78 crores (Gross) as against ₹37.07 crores (Gross) in the previous year.

On a consolidated basis, the capital expenditure stood at ₹30.28 crores (Gross) for FY 2024 as against ₹41.39 (Gross) for the previous year.

#### 12. Auditors and Audit Reports

There are no instances of frauds reported by auditors pursuant to sub-section (12) of Section 143 which are reportable to the Central Government.

##### (i) Statutory Auditor: M/s Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.004207S)

M/s Sundaram & Srinivasan, Chartered Accountants (Firms Registration No. 004207S) were appointed as the Statutory Auditors of the Company for a tenure of 5 (five) years to hold office from the conclusion of the 24th AGM held on June 25, 2019 until the conclusion of the ensuing AGM. Sundaram & Srinivasan tenure of 5 (five) years as Statutory Auditors concludes at this ensuing AGM.

The Company has received confirmation from the Statutory Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Act and the firm satisfies the criteria specified in Section 141 of the Act read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

In terms of the provisions of section 139 of the Companies Act, 2013 read 6 with Companies (Audit and Auditors) Rules, 2014, M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.004207S), have been appointed as Statutory Auditors of the Company to hold office from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General Meeting to be held during calendar year 2024.

The Board of Directors of the Company on the recommendation of the Audit Committee has re-appointed M/s Sundaram & Srinivasan as the Statutory Auditors of the Company pursuant to Section 139 of the Act for a second term 5 (five) years to hold office the conclusion of 29th Annual General Meeting of the Company to be held in the financial year 2024-25 till the conclusion of 34th Annual General Meeting of the Company to be held in the financial year 2029-30, subject to approval by the Members at the ensuing AGM.

The Board recommends to seek consent of its Members at the ensuing AGM on re-appointment of M/s Sundaram & Srinivasan as Statutory Auditors for tenure of 5 (five) years, to examine and audit the accounts of the Company during the said period.

The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers, which would be required to be dealt with in the Boards' Report.

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

The remuneration in the form of fees (excluding GST and out of pocket expenses) for the year ended March 31, 2024 to M/s Sundaram & Srinivasan, Chartered Accountants as the Statutory Auditor of the Company are as follows:



In ₹Lakhs

Engagement	Amount
Statutory Audit including limited reviews	27.00
Other audit related services	3.00
<b>Total</b>	<b>30.00</b>

Note: The above fees exclude GST and out of pocket expenses

**(ii) Internal Auditor: M/s GRSM & Associates**

The Board based on the recommendations of the Audit Committee, has re-appointed an Independent Auditor M/s. GRSM & Associates, Chartered Accountants as Internal Auditor of the Company on such terms and conditions as mutually agreed upon between M/s. GRSM &

Associates, Chartered Accountants and the Company, to carry out the internal audit function for FY 2025.

The remuneration in the form of fees (excluding GST) for the year ended March 31, 2024 to M/s GRSM & Associates, Chartered Accountants as Internal Auditor of the Company are as follows:

In ₹Lakhs

Engagement	Amount
Audit Fees	6.60
Other audit related services	-
<b>Total</b>	<b>6.60</b>

Note: The above fees exclude GST and out of pocket expenses

**(iii) Secretarial Auditor: K. Jayachandran, Practicing Company Secretary (ACS No. 11039 and Certificate of Practice No. 4031)**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, the Board of Directors has appointed Mr. K. Jayachandran, Practicing Company Secretary (ACS No. 11309 and

Certificate of Practice No. 4031) as the Secretarial Auditor of the Company on terms and conditions as mutually agreed upon between K. Jayachandran, Practicing Company Secretary and the Company to conduct Secretarial Audit for FY 2025. The remuneration in the form of fees (excluding GST) for the year ended March 31, 2024 to K. Jayachandran, Practicing Company Secretary as the Secretarial Auditor of the Company are as follows:

In ₹Lakhs

Engagement	Amount
Audit Fees	3.00
Other audit related services	0.50
<b>Total</b>	<b>3.50</b>

Note: The above fees exclude GST and out of pocket expenses

The Secretarial Audit Report for FY 2023-24 of the Company is appended as **Annexure II** to the Directors' Report.

The Annual Secretarial Compliance Report of the Company for FY 2023-24 signed by Mr. K. Jayachandran, Practicing Company Secretary is appended as **Annexure III** to the Directors' Report.





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

#### (i) Statutory Auditor's Report

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

#### (ii) Secretarial Auditor's Report

It has been observed in the secretarial audit that pursuant to Regulation 162 of the SEBI (ICDR) Regulation 2018 and as per point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94 the listed entity has converted Share Warrants in to Equity Shares after completing 18 months from the date of allotment of Share warrants and there was a delay of 3 days in converting the Share warrants and there by violated the provision of Regulation 162 of the SEBI (ICDR) Regulation 2018 and point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94 and further National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") have imposed a fine of INR 60,000/- each on the listed entity.

The Board of Directors wish to clarify that it was a one-time non-compliance and ₹60,000/- (Rupees Sixty Thousand each) fine was imposed by BSE and NSE and the Company duly paid the fine.

### 14. Particulars of Remuneration to Directors and Key Managerial Personnel

The details of Nomination and Remuneration Policy of the Company for Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees along with other related matters have been provided in the Corporate Governance Report.

Based on the recommendations of the Nomination and Remuneration Committee, the Board has approved the Remuneration policy for Directors and Key managerial Personnel of the Company.

The copy of the Nomination and Remuneration policy can be accessed by clicking on weblink <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy10.pdf>

It is affirmed that the appointment and remuneration of Directors, Key Managerial Personnel and all other employees during the year ended March 31, 2024 is in accordance with

the Nomination and Remuneration Policy of the Company.

Your Company conducts a Board Evaluation process for the Board of Directors as a whole, Board Committees and also for the Directors individually through self-assessment and peer assessment. The details of Board Evaluation process for the financial year 2023-24 have been provided in the Corporate Governance Report, which forms part of this Annual Report.

The statements required under Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Rules'), as amended, form part of this report as **Annexure IV** and will be made available to any Member on request.

### 15. Particulars of Remuneration to Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure V**.

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate Annexure forming part of this Report.

In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Shareholders. The said statement is also open for inspection by the Shareholders through electronic mode.

### 16. Corporate Social Responsibility

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee, which monitors and oversees various CSR initiatives and activities of the Company. The Company's CSR Policy is available on the website at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy16.pdf>

During the year under review, the Company primarily extended its support to the projects in the areas of promoting education, healthcare and communities, supporting primary education and rehabilitating abandoned women and children. The Chief Financial Officer of the



Company has furnished a “Certificate” to the Management that the funds disbursed has been utilized and in the manner approved by the Board of the Company.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy), Rules, 2014, (including amendments, if any) are set out in **Annexure VI** of this Directors’ Report.

The Company has spent ₹92.97 lakhs on standalone during the year under review.

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

### 17. Management Discussion and Analysis Report

The matters pertaining to industry structure and developments, opportunities and threats, segment-wise/team-wise performance, outlook, risks and concerns, internal control systems and adequacy, discussion on financial and operational performance are detailed in the Report. The Management Discussion and Analysis report for the year under review and as stipulated under the Listing Regulations is presented in a separate section as **Annexure VII** forming part of the Annual Report.

### 18. Business Responsibility and Sustainability Report

In accordance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) forms a part of this Annual Report describing the initiatives undertaken by the Company from an

environmental, social and governance perspective for the Financial Year ended March 31, 2024. In line with the above, the Business Responsibility and Sustainability Report forms part of this report and is available on the Company’s website at <https://shankarabuildpro.com/investors-central/#report>

### 19. Extract of Annual Return

In accordance with the Companies Act, 2013, a copy of the Annual Return of the Company for the Financial Year 2023-24 in the prescribed format is available on the Company’s website at <https://shankarabuildpro.com/investors-central/#report>

### 20. Change in the nature of Business

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

### 21. Credit Rating

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

### 22. Utilisation of Funds

Regulation 32 of the Listing Regulations states that where a listed entity has raised funds through preferential allotment or qualified institutions placement, the listed entity shall disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

The details of funds raised and utilization are as below:

Particulars	In ₹ crore
Mode of Fund Raising	Preferential Issue
Date of Raising Funds	20/04/2022 and 09/11/2023
Amount Raised	20/04/2022 - 26.25 09/11/2023- 78.75
Object	The proceeds of the issue will be utilized for expansion plan, working capital gap requirements, and other general corporate purposes of the Company.



## 23. Directors & Key Managerial Personnel

### A. Composition and size of the Board

The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The total strength of the Board as on the date of reporting is seven Directors, of which four are Independent Directors and one is Non-Executive and Non-Independent Director. The composition of the Board of Directors is in due compliance of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Board and Committee composition, tenure of directors, areas of expertise and other details is available in the Corporate governance report that forms part of this Annual Report. The Nomination and Remuneration Committee engages with the Board to evaluate the appropriate characteristics, skills and experience for the Board as a whole, as well as for its individual members with the objective of having a Board with diverse backgrounds and also experience in business, finance, governance, and public service including independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Nomination and Remuneration Committee, basis such evaluation, determines the role and capabilities required for appointment of Director and thereafter, the Nomination and Remuneration Committee recommends to the Board the selection of new Directors. The policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the Company's website at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy10.pdf>

### B. Retirement by Rotation

As per Section 152 of the Companies Act, 2013, at least two third of the Directors shall be subject to retire by rotation. One-third of such Directors must retire from office at each Annual General Meeting "AGM" of the shareholders and a retiring Director is eligible for re-election.

Accordingly Mr. C. Ravikumar (DIN : 01247347), is liable to retire by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting of the Company and being

eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of the Members.

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

### C. Appointments and Re-appointments

#### Appointment

The Board of Directors in its meeting held on May 20, 2024, based on the recommendation of the Nomination and Remuneration Committee, recommended to the shareholders to consider the appointment of Mr. N. Muthuraman (DIN:02375046) as an Additional Director in the capacity of Independent Director(Non-Executive) of the Company for the first term of Five (5) years subject to the approval of shareholders at the ensuing Annual General Meeting.

The brief particulars and expertise of directors seeking appointment together with their other directorships and committee memberships have been given in the annexure to the Notice of the AGM in accordance with the requirements of the Listing Regulations and Secretarial Standards.

#### Reappointment

The Board of Directors in its meeting held on May 20, 2024 recommend to the Shareholders to consider re-appointment of Mr. C. Ravi Kumar (DIN: 01247347) as Director liable to retire by rotation, forms part of Notice of the Annual General Meeting.

The brief particulars and expertise of Director seeking re-appointment together with their other directorships and committee memberships have been given in the annexure to the Notice of the AGM in accordance with the requirements of the Listing Regulations and Secretarial Standards.

### D. Key Managerial Personnel

In terms of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The key managerial personnel of the Company are

- Sukumar Srinivas, Managing Director
- C. Ravikumar, Whole-time Director
- Alex Varghese, Chief Financial Officer
- Ereena Vikram, Company Secretary and Compliance Officer



The Non-Executive and Independent Directors as part of familiarization exercise are introduced to the Company's culture through orientation sessions wherein an overview of Company operations, matters relating to the values and commitments are provided along with an information kit containing documents about the Company such as annual reports, annual presentations, recent press releases, Code of Business Conduct and Ethics and the memorandum and articles of association etc. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company.

The details regarding the familiarization program for Independent Directors is available on the website of the Company under the link <https://shankarabuildpro.com/wp-content/uploads/2024/04/Familiarization-Programme-2023-24.pdf>

#### **24. Declaration by Independent Directors**

The Independent Directors of your Company have submitted requisite declarations that they continue to meet the criteria of Independence as laid down in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations and as amended by SEBI (Listing Regulations and Disclosure Requirements) (Third Amendment) Regulations, 2021 and there is no change in the status of their Independence and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In terms of Section 150 of the Act and rules framed thereunder, the above Directors have registered themselves with the Indian Institute of Corporate Affairs (IICA) and they are exempted from appearing for the online proficiency self-assessment test. Furthermore, they have also renewed their registration with IICA for applicable tenures.

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

#### **25. Board and Committee Constitution**

The current policy is to have an appropriate mix of Executive, Non- Executive and Independent Directors to maintain the Independence of the Board and separate its functions of governance and management. As on March 31, 2024, the

Board consists of seven members with one Non-Executive and Non-Independent Director, two Executive Directors, and four Independent Directors of which one Independent Director of the Board is a woman. The details of the constitution of the Board and of the Committees, the terms of reference, number of meetings held etc. are given in the Corporate Governance Report which forms part of this Annual Report.

#### **26. Board and Committee Meetings**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. In case of special and urgent business, if the need arises, the Board's / Committee's approval is taken by passing resolutions through circulation or by calling Board / Committee meetings at short notice, as permitted by law.

In line with the requirements of the Companies Act, 2013 and Listing Regulations, seven Board Meetings and (seven meetings- Audit Committee Meetings; four meetings-Risk Management; one each of Nomination & Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committee) meetings were held during the year under review, and all the Board Meeting and Committee Meeting were held in accordance with the guidelines issued by the MCA and by the SEBI. The intervening gap between any two meetings is within the period prescribed by the Act and Listing Regulations. The details of the Board, Committee meetings and of the 28th Annual General Meeting and the attendance of the Directors are given in the Corporate Governance Report which forms part of the Annual Report.

#### **27. Audit Committee**

The Board of Directors of your Company has duly constituted an Audit Committee in compliance with the provisions of Section 177 of the Act, the Rules framed thereunder read with Regulation 18 of the Listing Regulations. The recommendations made by the Audit Committee are accepted by your Board.

As on March 31, 2024, the Audit Committee consisted of 5(five) Directors as its members. The Audit Committee of the Board, is currently headed by an Independent Director as Chairman. The Audit Committee meets at regular intervals to discharge its terms of reference effectively and efficiently.

During the year under review, there were no instances where the recommendations of the





Audit Committee were not accepted by the Board. A detailed note on the composition, role and functions of the Audit Committee are disclosed in the Report on Corporate Governance, which forms part of this Report. The details of charter/policy/code as adopted by the Board is available on the Company website at <https://shankarabuildpro.com/wp-content/uploads/2024/04/Terms-Reference-Audit-Committee.pdf>

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

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Audit Committee meets periodically with the Internal Auditor and the Statutory Auditor to review the manner in which the Auditor are discharging their responsibilities and to discuss audit, internal control and financial reporting issues. To ensure complete independence, the Statutory Auditor and the Internal Auditor have full and free access to the Members of the Audit Committee to discuss any matters of substance.

Further,

- The accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- In the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed and there are no material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this

Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- The Directors had prepared the annual accounts on a going concern basis.
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The financial statements have been audited by M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm registration number No. 004207S), the Company's Statutory Auditor and have given unmodified opinion on the financial statements for the year ended March 31, 2024.

### 29. Human Resource

The Human Resources function had several challenging mandates during the financial year, key among them was hiring across the organization. In FY24, we continued to accelerate hiring across all key functions to support our growth plans. As of March 31, 2024 we have 881 employees on the payroll of the Company.

### 30. Information Technology

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

The Company believes that in the modern digital age, cyber security is not an IT/information security issue, but a business issue. The Company adopted a multidimensional approach to cyber security which enables the Company to protect the data using a multi-layered defense mechanism and a combination of tools and techniques which complement and augment each other. The processes and systems in the Company reduces the threat and to mitigate the





negative financial and reputational impacts, and created an organizational culture of cyber security.

### **31. Annual Evaluation of Board Performance and Performance of its Committee and of Directors**

#### **Board Evaluation**

The Board evaluated the effectiveness of its functioning, of the Committees and of individual Directors, pursuant to the provisions of the Act and Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management; Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The Nomination and Remuneration Committee reviewed the performance of the individual Directors and the performance of the Board and of the Committees of the Board. The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties. The details of the process of performance evaluation are given in the Corporate Governance Report which forms part of this Annual Report.

#### **Succession Planning**

The Company believes that sound succession plans for the leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee coordinates with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in Senior

Management. The Company strives to maintain an appropriate balance of skills and experience within the organization in an endeavor to introduce new perspectives while maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company puts necessary financial and human resources in place so that its objectives can be met. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

### **32. Particulars of contracts or arrangements made with related parties**

During the financial year ended 31 March, 2024, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

The particulars of such transactions with related parties have been disclosed at note no. 47 in the Standalone and Consolidated Financial Statements as required under Ind AS 24- Related Party Disclosures and as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

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

All related party transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature.

During the year, there were no contracts or arrangements or transactions entered into with the related parties other than at arm's length price. Accordingly, there were no transactions during the year ended March 31, 2024 required to be reported in Form AOC-2 of the Companies (Accounts) Rules, 2014.

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the



Listing Regulations. The updated Policy can be accessed on the Company's website at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy20.pdf>

The details of transaction(s) of the Company with entities belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required under para A of Schedule V of the Listing Regulations are provided as part of the financial statements.

The Company is not categorized as Micro, Small and Medium Enterprises (MSME) under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, the MSME Act requires to register under a portal for facilitating MSME vendors. The Company has registered in the platform for MSMEs to electronically factor / discount their receivables, on a without recourse basis, at highly competitive & transparent financing terms.

### 33. Corporate Governance and Shareholders' Information

Governance is the framework that ensures that appropriate business processes and tools are in place for adherence with all the applicable obligations under various regulations across the locations where the Company conducts its business including Board structure, subsidiary performance, Code of Conduct. The Company's governance structure revolves around values based on transparency, integrity, professionalism and accountability which helps to implement the Company strategy effectively and transparently so as to deliver long-term value for the shareholders, employees, business partners and other stakeholders.

Pursuant to Regulation 34 of the Listing Regulations, a report on Corporate Governance for the financial year 2023-24 forms an integral part of this report. The requisite certificate from a Practicing Company Secretary confirming compliance with the mandatory requirements relating to corporate governance as stipulated under the Listing Regulations is attached to the report on Corporate Governance.

### 34. Risk Management

The Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise and these levels form the strategic defence cover of the Company's risk management. The Company has a robust organizational structure for managing and reporting on risks and proactively identifies, assesses, treats, monitors and reports risks as well as to create a risk-aware culture within the organisation and covers areas exposed to risk and also provides a structured process for management of risks and considers the risks that impact mid-term to long-term objective of the business, including those that are reputational in nature.

The Company has constituted a Risk Management Committee of the Board as required under Listing Regulations to frame, implement and monitor the Risk Management Plan of the Company and also has in place a Risk Management Policy approved by the Board. The Risk Management Policy provides oversight and sets the tone for implementing the Risk Framework across the organization. The Risk Management Committee reviews the status of key risks, progress of Risk Framework implementation across locations and any exceptions as flagged to it, on quarterly basis. Further, the Risk Management Committee is authorized to monitor and review risk management plan and empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy. The Chief Risk Officer is the custodian of the framework and oversight of the framework provided by Risk Management Committee of Directors. The Risk Management Committee reviews and monitors the key risks and their mitigation measures periodically and provides an update to the Board on Company's risks. The Audit Committee has additional oversight in the area of financial risks and controls.

The Risk Management Policy can be accessed on the Company's website i.e. <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy14.pdf>

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



### 35. Internal Control Systems and their Adequacy

In accordance with the provision of Section 134(5)(e) of the Companies Act, 2013 and as per the provisions of the SEBI (LODR) Regulations, 2015, the Company has an Internal Control System.

The Company's internal control systems are well established and commensurate with the nature of its business. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control system. Based on the framework of internal financial controls and compliance systems established and maintained by the Company the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2023-24.

Pursuant to the provisions of the Section 134(5)(f) of the Act, the Company during the year devised proper systems to ensure compliance with the provisions of all applicable laws.

The scope and authority of the Internal Audit function is defined in the Audit Charter. To maintain its objectivity and independence, the Independent Internal Auditor reports to the Chairman of the Audit Committee. The Independent Internal Auditor develops an Annual Audit Plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. The significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee, at its meetings, reviews the reports submitted by the Internal Auditor. Also, the Audit Committee at frequent intervals has independent sessions with the Statutory Auditor and the Management to discuss the adequacy and effectiveness of internal financial controls.

### 36. Whistle Blower/Vigil Mechanism

We believe in promoting a culture of trust and transparency and the vigil mechanism resonates with the same values. The Company has a vigil mechanism established in accordance with the Act and Listing Regulations which provides a formal channel for all its Directors, employees, business associates including customers to approach the Chairman of the Audit Committee to make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

The Vigil Mechanism/Whistleblower Policy is available on the Company's website at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy17.pdf>

### 37. Code of Conduct

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and providing updates to Senior Management and the Board periodically. The Audit Committee and the Board of Directors periodically reviews the status of the compliances with the applicable laws.

A declaration regarding compliance with the code of conduct signed by the Company's Managing Director is published in the Corporate Governance Report which forms part of the Annual Report.

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

The Company expects all its employees to act in accordance with the highest professional and ethical standards upholding the principles of integrity and compliance at all times. In this regard, expectations around compliance are communicated to the employees through multiple channels.

The Company as an equal opportunity employer seeks to ensure that the workplace is free of any kind of harassment or inappropriate behaviour. Comprehensive policies and procedures have been laid down, to create an environment where there is respect and dignity in every engagement. The Company has adopted zero tolerance for sexual harassment at the workplace. This is imbibed in the Company's culture. The Company has formulated a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the rules thereunder. The required awareness is created by communicating the essence of the policy to all employees at regular intervals through assimilation and awareness programs. The following are the summary of the complaints received and disposed off during FY 2024:



Particulars	Details
No of Complaints of sexual harassment received in the year	Nil
No of Complaints disposed off during the year	Not Applicable
No of cases pending for more than ninety day	Not Applicable

The Company has constituted an Internal Committee (IC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 39. Deposits

Your Company has not accepted any deposits from the public during the year and there are no deposits which are remaining unclaimed or unpaid as at the end of the year and, as such, no amount of principal or interest was outstanding as on the date of the Balance sheet.

### 40. Compliance with Secretarial Standards

During the year under review, your Company has duly complied with the applicable provisions of the Revised Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

### 41. Book Closure

For the purpose of 29th Annual General Meeting and for the financial year ended March 31, 2024, the Register of Shareholders and Share Transfer Books of the Company will remain closed from Friday, 14th June, 2024 to Friday, 21st June, 2024 (both days inclusive).

### 42. Disclosure requirements

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

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

The particulars relating to conservation of energy, technology absorption, research and development, foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure VIII** to the Board's Repo

Technology absorption, adaptation and innovation:

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

### Foreign Exchange earnings and outgo

There was no Foreign Exchange inflow from our wholly owned subsidiary, Steel Network Holdings Pte Limited in Singapore to Shankara Building Products Limited to during the year.

### 44. Reporting of frauds

There were no instances of frauds during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143 (12) of the Act and the rules made thereunder.

### 45. Significant and Material Orders passed by the Courts/Regulators

There were no significant and material order passed by the Regulators or Courts during the financial year 2023-24.

However, the Company would like to inform that the exchanges have imposed a penalty of RS. 60,000 (Rupees Sixty Thousand Only) under violation of Regulation 162 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"). This was the one time violation and the Company has paid the fine to The National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

### 46. Other disclosures

#### (i) Details of equity shares with differential rights

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

#### (ii) Details of sweat equity shares issued

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



### **(iii) Buy Back of Securities**

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

### **(iv) Bonus Shares**

No Bonus Shares were issued during the year under review.

**(v) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:** Not applicable.

**(vi) There are no applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.**

**(vii) Voting Rights which are not directly exercised by the employees in respect of shares for the subscription/Purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act).**

**(viii) The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.**

### **47. Reconciliation of Share Capital**

The Share capital audit was carried out by a Practising Company Secretary to reconcile the total equity share capital with NSDL and CDSL and the total issued and listed equity share capital issued by the Company for the year ended March 31, 2024.

### **48. Listing with Stock Exchanges**

The Company has paid the Annual Listing Fees for the year 2023-24 and 2024-25 to the Exchanges where the Company shares are listed i. e, the National Stock Exchange of India Ltd ('NSE') and BSE Ltd ('BSE').

### **49. Green Initiatives**

Electronic copies of the Annual report for the year 2024 and the Notice of the 29th Annual General Meeting are sent only to Shareholders whose email addresses are registered with the Company/ depository participant(s). To support the "Green Initiative", Shareholders who have not registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronics form and with RTA in case the shares are held by them in physical form.

## **Acknowledgement**

The Board place on record its thanks to its customers, vendors, investors, bankers, financial institution, employees and all other stakeholders for their continued support during the year. The Board places on record our appreciation of the contribution made by the employees at all levels as the Company consistent growth was made possible only by their hard work, solidarity, cooperation and support.

**For and on behalf of the Board of Directors**

**Place: Bengaluru  
Date: May 20, 2024**

**Sd/-  
Sukumar Srinivas  
Managing Director  
DIN: 01668064**

**Sd/-  
C. Ravikumar  
Whole-time Director  
DIN: 01247347**





**Annexure-I to the Directors' Report**

FORM AOC-1

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

(₹ in crores)

Sl. No	Name of the Subsidiary	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	% of Holding	Sales & Other Income	Profit before Taxation	Provision for taxation	Profit after Tax	Proposed Dividend
1	2	3	4	5	6	7	8	9	10	11	12	13	
1	Taurus Value Steel & Pipes Pvt. Ltd.	Rupees (Crore)	1.51	104.36	113.75	7.88	-	100%	67.53	2.83	0.72	2.11	Nil
2	Vishal Precision Steel Tubes & Strips Pvt. Ltd.	Rupees (Crore)	3.50	74.21	234.13	156.42	-	100%	633.64	6.52	1.68	4.84	Nil
3	Centurywells Roofing India Pvt. Ltd	Rupees (Crore)	2.00	35.40	70.30	32.90	-	100%	308.52	6.13	1.57	4.56	Nil
4	Steel Network Holdings Pte Limited	USD*	0.48	(0.58)	0.01	0.11	-	100%	-	(0.10)	-	(0.10)	Nil
5	Shankara Buildpro Limited	Rupees (Lakhs)	1.00	(2.09)	1.70	2.79	-	100%	-	(2.79)	0.70	(2.09)	Nil

4\* USD In lakhs

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: May 20, 2024

Sd/-  
Sukumar Srinivas  
Managing Director  
DIN: 01668064



**Annexure-II to the Directors' Report**  
Form No. MR-3

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,**  
**The Members,**  
**SHANKARA BUILDING PRODUCTS LIMITED**  
**G-2, Farah Winsford, No.133, Infantry Road,**  
**Bangalore – 560001, Karnataka**

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

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company for the Financial Year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and there were no External Commercial Borrowings during the period under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period);
  - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period);
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period); and
  - (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018 (Not applicable to the Listed Entity during the Review Period).
- (vi) There were no specific Laws, Norms and Directions applicable to the Company except Labour Laws.

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



- (i) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);
- (ii) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

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

1. The listed entity was required to convert the Share warrants into Equity shares within a period of 18 months from the date of allotment of Share warrants as per Regulation 162 of the SEBI (ICDR) Regulation 2018 and as per point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94. However the listed entity has converted Share Warrants in to Equity Shares after completing 18 months from the date of allotment of Share warrants and there was a delay of 3 days in converting the Share warrants and there by violated the provision of Regulation 162 of the SEBI (ICDR) Regulation 2018 and point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94 and further National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") have imposed a fine of INR 60,000/- each on the listed entity.

I further report that:

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

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

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

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried out with requisite majority and the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the audit period:

1. The Company has incorporated a wholly owned Subsidiary Company (WOS) on October 13, 2023 in the name and style of SHANKARA BUILDPRO PRIVATE LIMITED (CIN: U24311KA2023PTC179791) with an Initial Investment of INR 1,00,000/- (Indian Rupees One Lakh Only) divided in to 10,000 (Ten Thousand) Equity shares of INR 10/- (Indian Rupees Ten only) each and the Company has obtained necessary approvals from the Board of Directors for this incorporation and this wholly owned Subsidiary Company was converted into Public Company with effect from November 30, 2023.

2. The Company has entered in to related party transactions during the Financial Year and has considered all the related party transactions are on arm's length basis in the ordinary course of business and the Company has obtained necessary approvals from the Audit Committee and the Board of Directors for those related party transactions which were not in the Ordinary Course of Business.

3. During the previous financial year, the Company had issued and allotted 14,00,000 (Fourteen Lakhs) Share Warrants, each carrying a right to subscribe to 1 (one) Equity Share at an exercise price of INR 750/- (Indian Rupees Seven Hundred and Fifty) per Equity Share aggregating to INR 105,00,00,000/- (Indian Rupees One Hundred and Five Crore) on preferential allotment basis to APL Apollo Mart Limited, wholly owned subsidiary of APL Apollo Tubes Limited and the Company had obtained



necessary approvals from the Committee, Board of Directors and Shareholders for issue of above said Share Warrants and during the current financial year the Company has issued and allotted 14,00,000 (Fourteen Lakhs) Equity shares of INR 10/- (Indian Rupees Ten only) each at a premium of INR 740/- (Indian Rupees Seven Hundred and Forty only ) on November 09, 2023.

4. The Board of Directors of the Company has approved the proposed Scheme of Arrangement amongst Shankara Building Products Limited (CIN: L26922KA1995PLC018990) ("the Company" or

"Demerged Company"), Shankara Buildpro Limited (CIN:U24311KA2023PLC179791) ("the Resulting Company") and their respective shareholders and creditors in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the applicable Rules framed thereunder in the Board meeting held on December 18, 2023 and the Company has given intimation to National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

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

**Place: Bengaluru**  
**Date: May 20, 2024**

**K. Jayachandran**  
**Company Secretary**  
**ACS No.: 11309/CP No.: 4031**  
**UDIN: A011309F000407353**  
**Peer Review No: 784/2020**



## Annexure A

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

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

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

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

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

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

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

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

Place: Bengaluru  
Date: May 20, 2024

**K. Jayachandran**  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309F000407353  
Peer Review No: 784/2020

## Annexure-III to the Directors' Report

### SECRETARIAL COMPLIANCE REPORT of SHANKARA BUILDING PRODUCTS LIMITED

For the year ended March 31, 2024

(Pursuant Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by SHANKARA BUILDING PRODUCTS LIMITED (CIN: L26922KA1995PLC018990) (hereinafter referred as "the listed entity"/"the Company"), having its Registered Office at G-2 Farah Winsford, No.133, Infantry Road, Bangalore, Karnataka, India - 560001 Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide my observations thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the listed entity has, during the review period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

I, K. Jayachandran, Company Secretary in Practice have examined:

- (a) all the documents and records made available to me and explanation provided by SHANKARA BUILDING PRODUCTS LIMITED (CIN: L26922KA1995PLC018990),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) the website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2024 ("Review Period") in respect of compliance with the provisions of:





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

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

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

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

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

(c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to listed entity during the review period);

(d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to listed entity during the review period);

(e) The Securities and Exchange Board of India

(Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the listed entity during the review period); and

(i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018 (Not applicable to the listed entity during the review period).

and circulars/guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

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



Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	The listed entity was required to convert the Share warrants into Equity shares within a period of 18 months from the date of allotment of Share warrants as per the Regulation 162 of the SEBI (ICDR) Regulation 2018 and as per point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94	Regulation 162 of the SEBI (ICDR) Regulation 2018 and as per point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94	There was a delay of 3 days in converting the Share warrants into Equity shares as per Regulation 162 of the SEBI (ICDR) Regulation 2018 and as per point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94	The National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE")	Fine	There was a delay of 3 days in converting the Share warrants into Equity shares as per Regulation 162 of the SEBI (ICDR) Regulation 2018 and as per point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94	Fine of INR 60,000/- each was imposed by the NSE and the BSE	There was a delay of 3 days in converting the Share warrants into Equity shares as per Regulation 162 of the SEBI (ICDR) Regulation 2018 and as per point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94 and thereby violated the above said regulation and SEBI circular	The fine amount of INR 60,000/- each was duly paid to NSE and to BSE by the listed entity and due care is taken by the Board to comply with the SEBI Regulations and Circulars.	It was a one-time non-compliance and the fine was duly paid by the listed entity.



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

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	The listed entity shall give two days prior intimation to stock exchange about declaration/ recommendation of dividend pursuant to Regulation 29(1)(e) and (2) of SEBI (LODR) Regulation, 2015.	Regulation 29(1)(e) and (2) of SEBI (LODR) Regulation, 2015	Two days prior intimation about recommendation of dividend in the Board Meeting held on May 16, 2022 was not given by the Listed Entity to Stock Exchanges as per the Regulation 29(1)(e) and (2) of SEBI (LODR) Regulation, 2015.	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)	Fine	Not given two days prior Intimation as per Regulation 29(1)(e) and (2) Of SEBI (LODR) Regulation, 2015 about the Meeting of board of directors in which dividend was recommended.	INR 10,000/- each by NSE and BSE	The listed entity has not given two days prior Intimation about Meeting of board of directors held on May 16, 2022 in which dividend was recommended pursuant to Regulation 29(1)(e) and (2) Of SEBI (LODR) Regulation, 2015.	The fine of INR 10,000/- each was duly paid to NSE and BSE by the listed entity and due care is taken to give intimation to Stock Exchanges in time.	It was a onetime non-compliance and the fine was duly paid by the listed entity.



II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1	<b>Compliance with the following conditions while appointing/ Re-appointing an auditor</b>		
	<p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter as well as the next quarter; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	<p>NA</p> <p>NA</p> <p>NA</p>	<p>There was no appointment or re-appointment or resignation of the Statutory Auditor in the listed entity during the Review Period.</p>
2	<b>Other conditions relating to resignation of statutory auditor:</b>		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information/ non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the listed entity /the Company, the auditor has</p>	<p>NA</p> <p>NA</p> <p>NA</p>	<p>There was not such instance during the review period.</p>



Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
	<p>informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	NA	
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	NA	There was no resignation of the Statutory Auditors during the Review Period.





III. I hereby report, that, during the review period the compliances status of the listed entity is appended as below:-

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1	<p><b>Secretarial Standard:</b></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).</p>	Yes	
2	<p><b>Adoption and timely updation of the Policies:</b></p> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity.</li> <li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars /guidelines issued by SEBI.</li> </ul>	Yes  Yes	
3	<p><b>Maintenance and disclosures on Website:</b></p> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website.</li> <li>• Timely dissemination of the documents/ information under a separate section on the website.</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website.</li> </ul>	Yes  Yes  Yes	
4	<p><b>Disqualification of Director:</b></p> <p>None of the Directors of the listed entity/the Company are disqualified under Section 164 of Companies Act, 2013.</p>	Yes	



Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
5	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> (a) Identification of material subsidiary companies. (b) Requirements with respect to disclosure of material as well as other subsidiaries.	Yes Yes	
6	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees once in a year as per the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.
8	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit committee.	Yes Yes	
9	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	



Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
10	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No Actions taken against the listed entity/ its promoters/ directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	No	There was a delay of 3 days in converting the Share warrants into Equity shares as per Regulation 162 of the SEBI (ICDR) Regulation 2018 and as per point 2 of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94 and National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have imposed a fine of INR 60,000/- each on the listed entity.
12	<b>Additional Non-compliances, if any:</b> No any additional non-compliance observed for all SEBI regulations/ circulars/ guidance notes etc.	Yes	

#### Assumptions and Limitation of Scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.

3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.

4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Bengaluru  
Date: May 20, 2024

**K. Jayachandran**  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309F000407287  
Peer Review No: 784/2020



## Annexure-IV to the Directors' Report

### STATEMENT OF DISCLOSURE OF REMUNERATION

(Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

**1. Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2024, the percentage increase in remuneration of Managing Director, Whole time Directors, Chief Financial Officer and Company Secretary during the Financial Year 2024.**

Sl. No	Name of Executive Director/ Key Managerial Personnel	Designation	Ratio to Median	% increase in Remuneration
1.	Mr. Sukumar Srinivas	Managing Director	44.63%	-
2.	Mr. C. Ravikumar	Whole-time Director	22.95%	10%
3.	Mr. Alex Varghese	Chief Financial Officer	13.49%	10%
4.	Ms. Ereena Vikram	Company Secretary and Compliance Officer	5.18%	15%

**2. Percentage increase in remuneration of Non-Executive Directors:**

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

**3. Percentage increase in the median remuneration of employees for the financial year 2023-24: 4.85%.**

**4. Number of permanent employees on rolls of the Company as on March 31, 2024: 881 (Standalone).**

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

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

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

It is hereby affirmed that the remuneration to Directors and Key Managerial Personnel for the year 2023-24 was as per the terms of the appointment and remuneration policy of the Company

**For Shankara Building Products Limited**

Sd/  
Sukumar Srinivas  
Managing Director  
DIN: 01668064

Place: Bengaluru  
Date: May 20, 2024



**Annexure-V to the Directors' Report**  
**Information pursuant to Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name	Qualification	Designation	Percentage of Equity Shares held by them (%)	Date of Commencement of Employment	Experience (Yrs.)	Gross Remuneration (₹)	Last Employment
Mr. Sukumar Srinivas	B.Com; PGD (Business Management)	Promoter and Managing Director	47.79	13.10.1995	41	1.34	Gemini Steel Tubes Limited
Mr. C. Ravikumar	B.Sc.	Whole-time Director	0.30	13.10.1995	37	0.68	Gemini Steel Tubes Limited
Mr. Alex Varghese	B.Com	Chief Financial Officer	0.09	13.10.1995	31	0.40	The Aluminium Industries Limited
Ms. Eereena Vikram	B.Com, LL.B, M.A (PMIR)	Company Secretary and Compliance Officer	Nil	08.09.2016	10	0.15	Corpus Software Private Limited
Mr. Dhananjay Mirlay Srinivas	Graduation - Legal Studies Major	Vice President - Buildpro & Director in Shankara Buildpro Ltd (Wholly owned subsidiary)	0.33	14.03.2020	4	0.18	--
Mr. Agfa CN	M.Com	General Manager - Buildpro & Whole-time Director in Shankara Buildpro Ltd (Wholly owned subsidiary)	Nil	01.12.2020	29	0.38	Fontana Impex Private Limited
Mr. M.P.Jayagopal	B.com	General Manager & Regional head	0.08	01.04.2001	37	0.24	Gemini Steel Tubes Limited
Mr. C. Jaiprakash logistics	B.A	General Manager	0.08	13.10.1995	38	0.25	Dimensions Technology Furniture
Mr. Muralidhar	B.Com	General Manager - Marketing	0.05	01.03.2006	39	0.24	Saregama India Raichur Limited
Mr. Narendra Thakur	Engineering (Industrial Production)	Deputy General Manager	0.05	01.11.1997	33	0.19	Gemini Steel Tubes Limited





**Notes:**

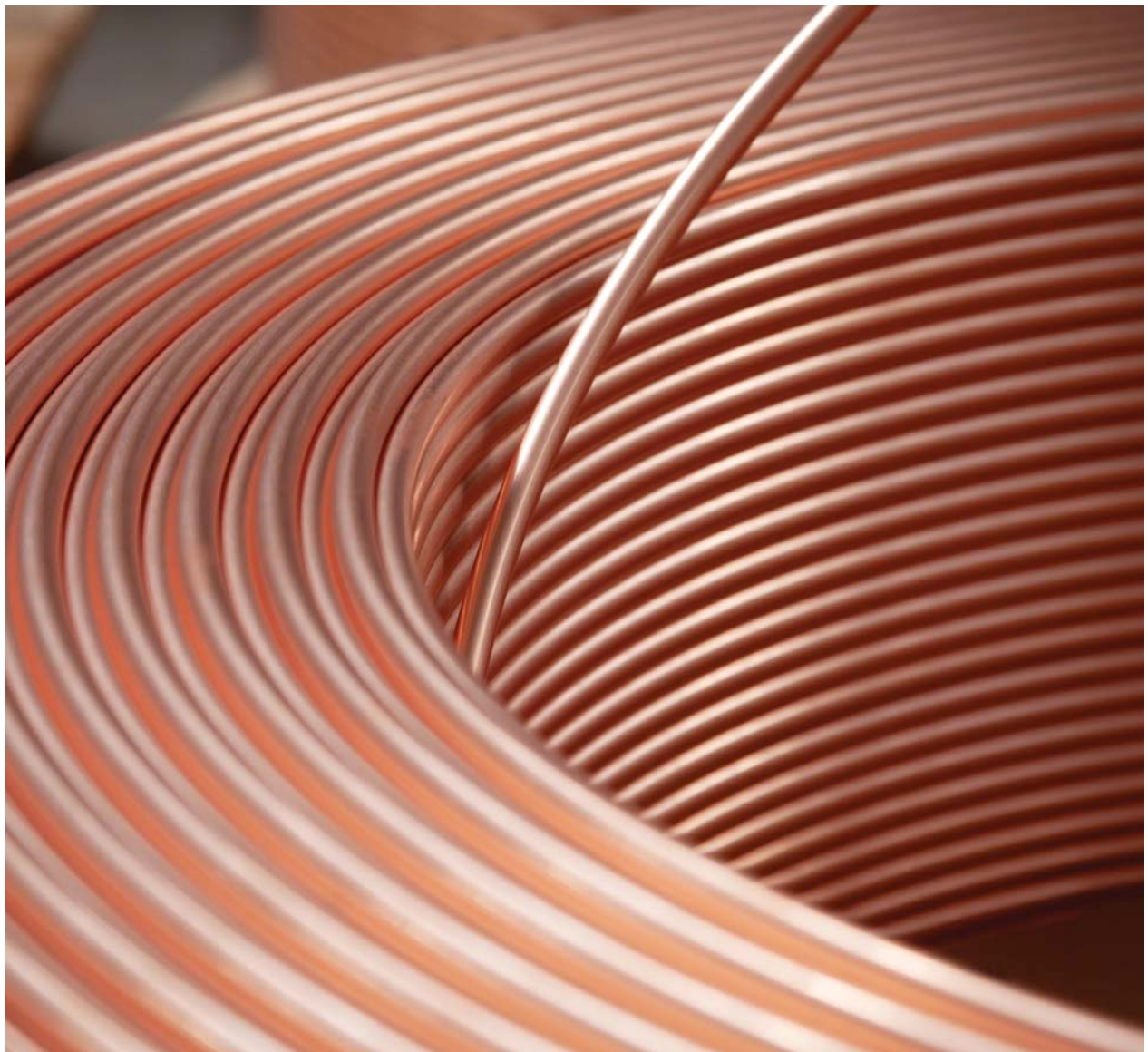
1. Gross Remuneration includes salary, allowances, company contribution to provident fund, commission and other benefits.
2. Except Mr. Dhananjay Miralay Srinivas, no other employee mentioned above is related to any Director of the Company

For Shankara Building Products Limited

Place: Bengaluru

Date: May 20, 2024

Sd/  
**Sukumar Srinivas**  
Managing Director  
DIN: 01668064





## Annexure-VI to the Directors' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE YEAR 2023-24

#### 1. Brief outline on CSR Policy of the Company.

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

The objective of the Corporate Social Responsibility ("CSR") policy of Shankara Building Products Limited ("the Company") is to lay down guidelines to enable the Company to take the required measures to make a meaningful contribution to the society and other stakeholders. The Policy is available on <https://www.shankarabuildpro.com/pdf/Revised%20Shankara-%20CSR%20Policy.pdf>

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

#### 2. Composition of the CSR Committee:

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

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

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

The Company's CSR Policy is available on the website at <https://www.shankarabuildpro.com/pdf/Revised%20Shankara-%20CSR%20Policy.pdf>

#### CSR projects:

<https://shankarabuildpro.com/corporate-social-responsibility/>

Shankara CSR activities will focus on:

**Empowering tomorrow's Hope:** Adoption of a school in Bengaluru with the entire team of Need Base India and setting up of new home for boys and girls in Govt. primary school.

**Uplifting Communities, Enriching Lives:** Focusing on healthcare, girl child welfare, and supporting the elderly, crafting a tapestry of positive change. Collaboration with the Jala Nela-Water Shed Programme.

**Beyond Boundaries, Embracing Abilities:** Focused on vocational training and medical check-ups. Additionally, Shankara sponsors critical initiatives like spinal cord checkups.

**Serving Senior Citizens with Care and Compassion:** healthcare for the elderly funded a mobile health care van. This vehicle caters to a range of medical needs, including facilitating cataract operations.

Shankara Building Products Limited ("SBPL") on a standalone basis was expected to spend ₹81.51 Lakhs towards CSR in the year 2023-24. It has identified and disbursed ₹92.97 lakhs.



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

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

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

6. Average net profit of the Company as per Section 135 (5): ₹4,075.39 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹81.51 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹81.51 lakhs

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

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

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

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



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

₹ in Lakhs

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	To provide care, protection, love and affection to children without proper parental care and empower them through education and give them all sources of exposure and opportunities to perform their best and lead a happy childhood.	i	Yes	Karnataka	Bengaluru	28.37	No	Need Base Boys School	CSR00003957
2.	A Program for Girls-mainly focused on the girl's education, health, hygiene, life skills, and Personality Development Class.	ii	Yes	Karnataka	Bengaluru	25.53	No	Need Base Girls School	CSR00003957
3.	Sponsorship for spinal cord & medical check-up	i	Yes	Tamil Nadu	Ayikudy	2.20	No	Amar Seva Sangh	CSR00000229
4.	Conference Gold Sponsorship		Yes	Karnataka	Bengaluru	10.00	No	Udaan	-
5.	Medical Checkup sensitization program, group activities for elderly women	ii	Yes	Karnataka	Bengaluru	2.00	No	Dhiriti	-
6.	Conservation of natural resources-Water	iv	Yes	Karnataka	Tumkur	24.87	No	Concern India Foundation	CSR000008
	<b>Total</b>					<b>92.97</b>			



(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

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

(g) Excess amount for set off, if any: Nil

Sl. No	Particular	Amount (₹ in crores)
1.	Two percent of average net profit of the Company as per Section 135(5)	81.51
2.	Total amount spent for the Financial Year	92.97
3.	Excess amount spent for the financial year [(ii)-(i)]	11.46
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

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

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

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





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

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

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

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

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

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

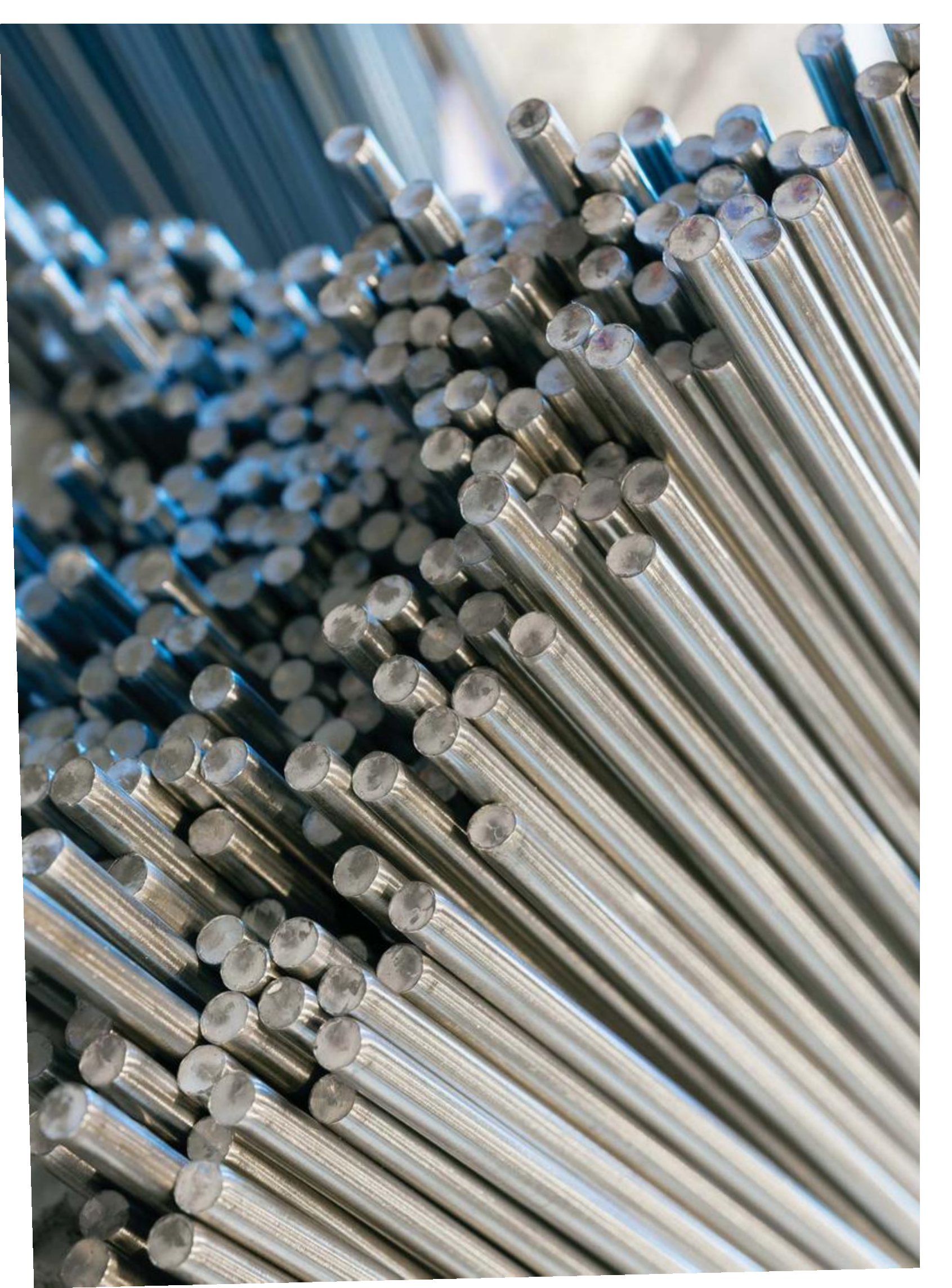
For Shankara Building Products Limited

Sd/  
Sukumar Srinivas  
Managing Director  
DIN: 01668064

Sd/  
Jayashri Murali  
Chairman, Corporate Social Responsibility  
DIN: 00317201

Place: Bengaluru  
Date: May 20, 2024









## Annexure-VII to the Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### I. Overview

Shankara Building Products Limited (hereinafter referred as "Shankara", "SBPL" or "We") is an organized seller of home improvement and building products (such as construction material, steel pipes and sanitary wares etc.) in India, operating under brand name "Shankara Buildpro". We run 125 fulfillment centers out of which 91 are stores and 21 warehouses and 13 processing units spread across Karnataka, Kerala, Andhra Pradesh, Telangana, Tamil Nadu, Maharashtra, Gujarat, Odisha, Madhya Pradesh, and Pondicherry. Our products are also available on our online website [www.buildpro.store](http://www.buildpro.store).

Your Company sells over 1,00,000+ SKUs across the entire home construction and renovation lifecycle through the retail stores. The products are spread across categories of Steel Pipes and Tubes, Structural Steel Products, Infrastructure Materials, PVC Products, Aluminum and Metal Products, Fabrications and hardware accessories, Tiles, Plumbing, Sanitary ware, Electricals Products, Interior-Exterior finishing through multiple sales channel. It has tied up with leading brands across categories. The customers include homeowners as well as professional customers like architects, interior designers, contractors, developers, plumbers, electricians, tile layers, masons, carpenters, painters, etc. as well as small enterprises spread across Tier 1, 2 and 3 locations. We also have industrial customers in addition to retailers and wholesalers.

Your Company has strategically introduced a private label, Fotia Ceramica, catering to a diverse range of customers in the tile segment. After a successful launch in Kerala, Fotia is expanding its footprint in Karnataka, Tamil Nadu, Maharashtra & other Southern regions.

#### Key announcements in FY 24

##### Demerger

Your Company has proposed a demerger of its core business which is retail and trading of building material into its wholly owned subsidiary Shankara Buildpro Limited. Consequent to the approval by the Board of Directors of Shankara, the Company has filed the

scheme of arrangement with the stock exchanges.

Your Company felt the need for the demerger to focus better on its many diverse businesses and thereby unlock greater value for the stakeholders.

Shankara today is engaged in multiple activities like manufacturing of steel tubes and cold rolled strips, manufacturing color coated profiles for roofing and other sections for general engineering applications. These activities are housed in multiple subsidiaries. The core business of Shankara is organized retailing and distribution of steel products and numerous building materials.

Therefore, the Management proposes a demerger of its core business into a separate entity.

The demerger will result in two entities. Shankara Building Products limited which will be the legacy company housing the three subsidiaries which are manufacturing entities. The second entity will be Shankara Buildpro Limited ("Buildpro") which will carry out the current core business of retailing and distribution of steel and other building materials.

1. Both the entities will have clear, well-defined goals and objectives. The individual Management and Operation teams will be able to allocate resources optimally.
2. The enhanced focus will improve the performance of the SBPL and could result in better use of its assets.
3. Financial performance will definitely improve for both entities. Both the companies can streamline cost, have clearer financial reporting and optimize their capital structure potentially leading to better financial results.
4. Both the businesses are free to pursue their individual goals, which will lead to greater flexibility in future strategies.
5. There will be a better alignment with industry trends and this will enhance our competitive ability.
6. There will be a simplification of the organization structure which will improve our decision-making and overall improve the efficiency of both the entities.



As per the scheme of arrangement it is proposed that the existing shareholders of SBPL will be allotted 1:1 shares in the resultant entity.

### **Addition of Luxury brands**

The Company have store-in-store with Nippon Paints, modular kitchens and wardrobes with Panasonic, German engineered wooden doors with Wesmarc and added appliances with Faber, Caryl, Siemens and Hafele.

## **II. Industry Structure and Developments**

The building material industry is well diversified and organized in India. We produce excellent quality steel, cement, plastic products, paints, bathroom related products, electricals and myriad other related items for the building and construction industry. We have world-class companies, both Indian and Multinational, in this industry. The structure of the industry is well defined in most of the building materials. The supply chain generally consists of manufacturers warehouses at multi locations, distributors and retailers to cater to the needs of the end consumer. This industry keeps pace with new developments and is quick to adopt the changes and introduce new products on a continuous basis.

India emerged as the fifth largest economy worldwide and maintained its reputation as the fastest growing economy. Our GDP grew by about 6.8% in the last financial year 2023-24. And is expected to maintain this momentum in the coming year ending March 2025.

The government's economic policy focused on India's growth potential by getting the financial sector back on track, facilitating economic activity by easing conditions for business, and massively augmenting physical and digital infrastructure to enhance India's connectivity and, thus, the competitiveness of its manufacturing and service sector. The government has undertaken diverse economic reforms to prepare the economy to grow at its potential by creating a business-friendly environment, improving quality of life, and strengthening the governance systems and processes.

The focus on infrastructure creation and demand for housing is driving construction activity, as reflected in increased steel consumption and cement production. The government's massive

push for capex not only reduced logistics costs but also bolstered the construction industry. This, coupled with the measures to increase domestic steel production and the focus on affordable housing, has helped India achieve a growth of around 12 per cent per annum in the construction industry in the last year. The advancements in the real estate sector, along with government initiatives on housing and infrastructure are expected to provide an additional boost to the industry.

The government is implementing the following projects for the coming fiscal:

- i. Three major railway corridor programmes under PM Gati Shakti-to improve logistics efficiency and reduce cost.
- ii. Expansion of existing airports and comprehensive development of new airports under UDAN scheme.
- iii. Promotion of urban transformation via Metro rail and NaMo Bharat
- iv. Rooftop solar program for over one crore households
- v. Pradhan Mantri Awas Yojana (Grameen) to provide additional two crore houses over the next five years.

The demand for private housing and improvement in standard of living augurs well for our industry. All these schemes are beneficial to the construction and building material industry.

## **III. Opportunities and Threats**

Shankara sees good opportunity for growth as the construction and infrastructure boom continues unabated. The Company has substantial presence in various parts of India and is well positioned to cater to the increasing demand.

The building material industry is seeing continuous developments over the last few years. Customer preferences change with the introduction of new materials, greater exposure to new thoughts and design through digital media. Enhanced competition also leads to newer products and design.

Uncertainties always exist in any economy. Our financial performance depends significantly on the stability of the housing, residential construction and home improvements market.



Uncertainty about these markets, or the economy could adversely impact our customers' confidence or financial condition thereby postponing purchase decisions.

Every business environment has significant competition inbuilt in it. We believe that this industry is a very operations intensive business with low margins.

However, Shankara is a well-poised to withstand competition. The Company has built a lot of insight in this industry in its 50 years journey, which will stand us in good stead. Shankara has adopted a market place approach.

#### IV. Segment wise or Product wise performance

Our business is structured across three key revenue streams – retail, enterprise and channel. Retail contributes ~53% of the total revenues of the Company and grew at 14% in FY 24.

##### I. Retail segment

Our retail revenue was ₹2556 crores in FY24 which was 53% of our total sales. Our segment EBITDA margins stood at 5.7% in FY 24.

Our retail footprint spans ~4. 64 lakhs sq.ft. Our average store size is ~5,097 sq.ft.

##### II. Enterprise segment

In this segment, we cater to the requirements of large end users, contractors and OEMs. Our sales in this segment was ₹1,000crores in FY 2024.

The enterprise business contributes ~21% of the total revenues and the channel business contributes to ~26% of the total revenues.

The Company is moving towards a market place model. We have 125 fulfillment centers which includes 91 stores, 21 warehouses and 13 processing units. As the market place model grows it makes more sense to classify our business segments as (i) Steel Products and (ii) Non-Steel Products. Steel products includes pipes, HR, CR,GP sheets (flat products), construction steel and angles, channels, beams (long products), roofing material etc. Non-Steel includes sanitary ware, tiles, Pvc pipes and fittings, electricals, paints and building accessories.

Enterprise customers are more demanding in terms of quality parameters and specifications. This can be partly catered to with our integrated processing facilities.

##### III. Channel segment

In this segment we cater to dealers and other retailers through our branch network. The Channel segment continues to be a strategic business for us. It builds understanding of the markets and the emerging trends. The channel business recorded revenues of ₹1,272crores for FY 24.

#### IV. When we look at our business through the segments of Steel and Non-Steel, the revenue would be as follows:

	Product	FY 24	FY23	Growth
i.	Steel Products	4,357	3,667	19%
ii.	Non-Steel Products	471	362	30%
	Total Revenue	4,828	4,029	20%

The Company feels the above classification of business segment would be more relevant in the future as the margin profile of non-steel products is better than steel products. This necessitates the Company to focus more on these products and ensure rapid growth of the same.

#### Processing

We have 13 functional processing units. Most of these units are engaged in the profiling of roofing sheets, accessories etc. Two units are engaged in the manufacture of precision steel tubes.





## Supply chain management

Supply chain is an integral part of our business. We have a warehousing network spread over ~5 lakhs sq.ft across our area of operations. Warehousing is very critical in ensuring storage of the required range of material and timely delivery to our customers. The Company owns most of our warehousing space. We also own a fleet of trucks, primarily catering to short distance deliveries.

## V. Outlook

The Indian economy is poised to grow at 6% for the year 2024-25. The Annual Budget presented by the Union Government emphasized considerably on infrastructure and the housing sector. The Budget has allotted considerable resources for the same.

	(₹ in crores)
Ministry of Defense	: 6.2
Ministry of Road Transport and Highways	: 2.78
Ministry of Railways	: 2.55
Ministry of Rural Development	: 1.77

Considering the above Shankara hopes to see a favorable environment. The real estate and building industry is also witnessing substantial demand in residential and in the commercial sector. This augurs well for the Company.

## VI. Risks and Concerns

As our investor, you already understand that risks are part of any business. It is not possible to detail every risk to the business. For our business, we have identified key risks:

- **Business Risks:** A significant portion of our business is generated from a large number of customers. Our business operations may fluctuate due to a variety of factors such as loss of key customers, fluctuation in demand and sales volume, timing and size of customer capital spends, inventory management practices.
- **Market Risks:** The fragmented unorganized market and owner driven competition at a fairly large scale affects the environment. The intensity of competition has moved beyond metros.
- **Financial Risks:** We have a very diversified customer base. A lot of our sales is credit based. Therefore, in case the customer reneges on payments, this could lead to bad debts and affect profitability. Interest rates have been increasing in the recent past. Further increase of interest rates could affect the profit margins accruing to the Company.

## VII. Internal control systems and their adequacy

In accordance with the provision of Section 134(5) (e) of the Companies Act, 2013, and as per the provisions of the SEBI (LODR), Regulations, 2015, the Company has an Internal Control System.

Shankara management assessed the effectiveness of the company's internal control over financial reporting (as defined in Regulation 17 of SEBI LODR Regulations 2015) as of March 31, 2024. Sundaram & Srinivasan, the statutory auditors of Shankara have audited the financial statements.

The internal control forms an integral part of the Company's corporate governance and plays a critical role in managing operational risks. The Company has a defined Risk Management policy applicable to all businesses of the company. This helps in identifying, assessing and mitigating the risk that could impact the Company's performance and achievement of its business objectives. The Company has Risk Management Committee consisting of Independent and Executive Directors. On a quarterly basis, the Risk Management Committee independently reviews all identified major risks & new risks, if any, and assess the status of mitigation measures/plan.

The Company has adopted accounting policies which are in line with Indian Accounting Standards ("Ind AS"). Pursuant to the provisions of the Section 134(5) (f) of the Act, the Company during the year devised proper systems and continued to ensure compliance with the provisions of all applicable laws. Any matter that required attention was immediately dealt with. The compliance system was largely found to be adequate and operating effectively. The Directors have in the Directors Responsibility Statement under paragraph (f) confirmed the same to this effect. The Internal Auditors monitor and evaluate the effectiveness and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries.



## VIII. Discussion on financial performance with respect to operational performance.

Financial Highlights/ Year Ending 31st March	2023 -24		2022-23	
	Consolidated	Standalone	Consolidated	Standalone
Revenue from operations	4,828.44	4,862.73	4,029.72	4,036.22
Total Income	4,833.68	4,869.41	4,037.42	4,043.53
Earnings Before Interest, Exceptional Items & Taxes (EBIT)	156.35	134.04	108.62	97.79
Profit/(Loss) before Exceptional items & tax	108.10	92.92	84.37	76.25
Exceptional Items	-	-	-	-
Profit/(Loss) before tax	108.10	92.92	84.37	76.25
Tax expenses	26.97	23.06	21.32	19.23
Profit/ (Loss) after tax	81.13	69.86	63.05	57.02
Other comprehensive income	0.31	0.27	0.12	0.10
Equity dividend %				
Share Capital	24.25	24.25	22.85	22.85
Other Equity	773.32	576.96	620.24	435.19
Net worth	797.57	601.21	643.09	458.04

### Share Capital

During the year under review, there was an increase in paid-up equity share capital, in view of the Company issuing and allotting equity shares as follows:

Preferential allotment of 14,00,000 equity shares with a face value of ₹10/- per equity share at a issue price of ₹750/- (including premium of ₹740/- per equity share) to APL Apollo Mart Limited , on November 9, 2023 consequent to the rights of conversion attached to Share Warrants.

As a result of the above, the paid-up equity share capital stands at ₹24,24,93,260/- comprising of 2,42,49,326 equity shares of ₹10/- per share fully paid up, as on March 31, 2024.

### Reserve & Surplus

On standalone and consolidated basis, the balance of security premium as at March 31, 2024 amounted to ₹214.88 crores.

### Goodwill

On a consolidated basis, carrying value of goodwill as at March 31, 2024 stood at ₹14.04 crores.

### Trade Receivables

On a consolidated basis trade receivable amounted to ₹686.11 crores (previous year ₹511.06 crores) net of provision for doubtful debts of ₹ 7.39 crores (previous year ₹3.82 crores).

### Loans and Advances

It represents employee advances. On a consolidated basis loans and advances amounting to ₹0.83 crores.

### Borrowings

On a consolidated basis, borrowing current as at March 31, 2024 is ₹69.01 crores and non-current borrowing ₹ 14.40 crores.

### Other Income

Please refer note no. 32 in consolidated financials.

### Expenditure

The employee benefits expenses increased to ₹54.97 crores compared to previous year at ₹48.24 crores on consolidated basis.

### Profit before Tax

Our profit before tax increased by 23.73 crores from a profit before tax of ₹84.37 crores for FY 2023.



## Tax Expense

For the year ended March 31, 2024, there was a tax expense of ₹22.62 crores (Previous year: tax expense of ₹16.92 crores) on a standalone basis. On a consolidated basis, tax expense was ₹26.86 crores (previous year ₹19.32 crores).

## Net Profit

On consolidated basis, the net profit of the Company amounted to ₹81.13 crores as against a ₹63.05 crores during the previous year. Total Comprehensive profit for the year is ₹0.31 crores as compared to ₹0.12 crores during previous year.

On standalone basis, the net profit of the Company amounted to ₹69.86 crores as against a ₹57.02 crores during the previous year. Total Comprehensive profit for the year is ₹0.27 crores as compared to ₹0.10 crores during previous year.

## Earnings per Share

Basic Earnings per share computed based on number of common stock outstanding, as on the Balance Sheet date is ₹34.67 per share (Previous year: ₹27.59 per share) on a consolidated basis and ₹29.85 per share (Previous year: ₹24.95 per share) on a standalone basis.

## X. Key financial ratios:

The comparison of key financial ratios for FY 24 and FY 23 is detailed below:

Particulars	2023-24	2022- 23
	<b>Consolidated</b>	
Debtor Turnover in Days (on gross sales)	44	39
Inventory Turnover in Days	37	39
Interest Coverage Ratio	4.34	4.41
Current Ratio	1.67	1.63
Debt Equity Ratio	0.06	0.11
Operating Profit Margin (%)	3.24	3.11
Net Profit Margin (%)	1.68	1.56
Return on Net Worth	18	15

## IX. Material developments in Human Resources/Industrial Relations front, including number of people employed

In a business environment and marketplace that is continuously changing, the major competitive advantage for a leading organization hinges upon knowledge, skills, and experience of its employees. HR practices with business needs, total commitment to the highest standards of corporate governance, business ethics and social responsibility has lead our organization to create a work environment that nurtures empowerment, transparency and ownership.

The Company's strong foundation of policies and processes ensures health, safety and welfare of its employees. Throughout the year, the Company has organized several medical camps and cultural activities for employees and their families. The Company has established harmonious industrial relations, proactive and inclusive practices with all employee bodies.



## Annexure-VIII to the Directors' Report

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, R&D CELL AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

#### Subsidiary Companies:

Taurus Value Steel & Pipes Pvt. Ltd	Units	Amount in ₹	Rate/Unit
Total Energy purchased	2,96,142	44,73,956	15.11

Vishal Precision Steel Tubes & Strips Pvt. Ltd	Units	Amount in ₹	Rate/Unit
Total Energy purchased	33,15,794	3,51,08,390	10.59

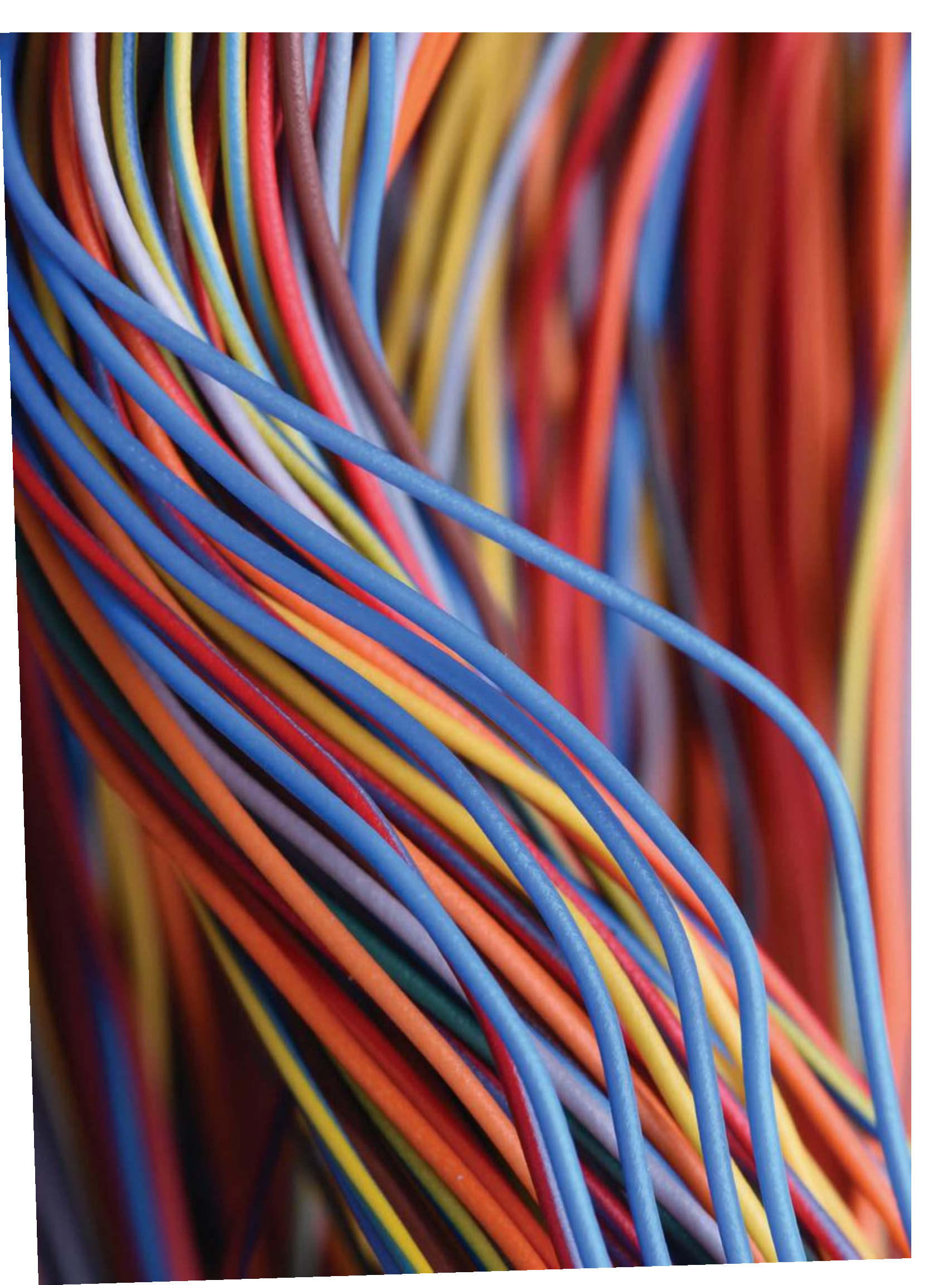
Centurywells Roofing India Pvt. Ltd	Units	Amount in ₹	Rate/Unit
Total Energy purchased	1,67,685	21,35,335	12.73

For Shankara Building Products Limited

Place: Bengaluru  
Date: May 20, 2024

Sd/  
Sukumar Srinivas  
Managing Director  
DIN: 01668064









## Report on Corporate Governance

[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 (the "Act") and forms part of the Annual Report for the year ended March 31, 2024.]

### Shankara Philosophy on Corporate Governance

The Company's ideology of corporate governance is based on ethical conduct of business, accountability and transparency. Being a value-driven organisation, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz., integrity, equity, fairness, disclosure and commitment to values.

The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

In line with the Company's commitment to good corporate governance practices and compliance with the provisions of Companies Act, 2013 and Listing regulations, our Company has constituted Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Company complies with the requirements stipulated under Regulation 17 to 27 and 46 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations" or SEBI LODR) as applicable with regards to corporate governance.

The operations of the Company are conducted under the supervision and directions of the Board within the framework set by the Companies Act, 2013 and the Rules made there under (the "Act"), its Articles of Association, SEBI Guidelines, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

A report on compliance with corporate governance principles as prescribed under SEBI LODR is given below.

### Date of Report

The information provided in this Report on Corporate Governance is as on May 31, 2024.

### Board of Directors

In line with the Listing Regulations, the Company has an optimal combination of Executive and Non-Executive Directors and duly constituted under the Chairmanship of an Independent Director. As on March 31, 2024, the Company has Seven(7) Directors out of which Two (2) are Executive Directors, One (1) Non-Executive and Non-Independent Director and Four (4) are Non-Executive Independent Directors out of which one is a Woman Director. The composition of the Board is as provided herein below.

The profiles of directors is available on Company's website at <https://shankarabuildpro.com/about-us/leadership-team/>

Category	No. of Directors	Percentage of total strength of the Board (rounded-off)
Executive Directors	2	29
Independent Directors	4	57
Non-Executive and Non- Independent Directors	1	14

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which they are a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024 have been made by the Directors. None of the Directors are related to each other.



Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149(6) of the Companies Act, 2013. The maximum tenure of independent directors is in compliance with the Act. All the independent directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013.

None of the Directors of the Company is restrained/debarred from holding the office of director pursuant to any of order of the SEBI.

#### a. Composition of the Board

The Board of Directors of the Company is well comprised of Executive and Non-Executive Directors with more than half of the Board of the Company comprising Independent Directors. During the year 2023-2024, the Board consisted of seven directors comprising two Executive Directors, four Independent Directors and one Non-Executive Non Independent Director.

The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013.

#### b. Category of Directors and Directorships and Committee Memberships

The details of Directorships and Committee Memberships of the Directors as on March 31, 2024 are given below:

Name of the Directors and DIN	Age	Executive/ Non-Executive	Designation and Category of the Directors	No. of Directorships*	Committee Membership**	Chairman of Committee**	No. of shares held
Mr. V. Ravichandar (DIN:00634180)	68	Non-Executive Independent	Chairman & Director	3	2	-	-
Mr. Sukumar Srinivas (DIN: 01668064)	64	Executive	Promoter & Managing Director	5	1	-	1,15,88,787
Mr. B. Jayaraman (DIN: 00022567)	69	Non-Executive Independent	Director	1	1	1	-
Mr. Chandu Nair (DIN: 00259276)	62	Non-Executive Independent	Director	4	2	-	-
Ms. Jayashri Murali (DIN: 00317201)	65	Non-Executive Independent	Director	6	2	1	-
Mr. RSV. Siva Prasad (DIN: 01247339)	67	Non-Executive/ Non-Independent	Director	2	-	-	35,873
Mr. C. Ravikumar (DIN: 01247347)	58	Executive	Director	4	1	-	72,400

\* Including Shankara Building Products Limited and Public Limited Companies. Excludes foreign companies, high value debt listed entities and Section 8 Companies.

\*\* Only membership/chairpersonship of the Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies have been considered.



### c. Appointment and Tenure of the Board

The Board, on recommendations of the Nomination and Remuneration committee, subject to the approval of the Shareholders, considers the appointment and re-appointment of Directors. The Nomination and Remuneration committee, based on defined criteria such as existing composition of the Board, the tenure as well as the years left of the existing members to serve on the Board and the need for new domain expertise for the appointment of new member, makes recommendations to the Board on the induction of new directors who are appointed as Additional Directors and then the Board recommends appointment of the Director to the Shareholders for their approval.

As regards the tenure of Directors, following is the policy adopted by the Board:

i. Executive Directors - The Executive Directors on the Board are appointed as per the provisions of the Act and serve in accordance with the terms of their contract of employment/ service with the Company.

ii. Independent Directors - The Independent Directors on the Board are appointed as per the provisions of the Act and Listing Regulations and their tenure is consistent with the Act and Listing Regulations. The Independent Directors can serve a maximum of two terms of five years each, subject to the approval of the Shareholders by way of special resolution and are not liable to retire by rotation.

iii. Non-Executive Directors - The Non-Executive Directors on the Board are appointed as per the provisions of the Act and are liable to retire by rotation.

#### Details of appointments/ re-appointments:

i. The members at the 28th AGM approved the re-appointment of Mr. B. Jayaraman (DIN: 00022567) as an Independent Director of the Company for the period of 5 (five) years with effect from August 14, 2023.

ii. The members at the 28th AGM approved the re-appointment of Mr. RSV. Siva Prasad (DIN: 01247339), Director retire by rotation, as the Non-Executive, Non-Independent Director of the Company.

iii. Every Director intimates the Company of his shareholding in the Company as well as directorships in other Companies in the prescribed forms on an annual basis and also the subsequent changes, if any.

iv. None of the Directors is a Member of committee of more than ten committees or acting as a Chairperson of more than five committees across all listed companies in which they are directors, including this Company as prescribed under Regulation 26 of SEBI (LODR) Regulations, 2015. The Directors of the Company are in compliance with the requirements of the Listing regulations and the Companies Act, 2013 (as amended) (the "Act") with regard to the maximum number of directorships.

v. The Independent Directors of the Company have declared that they meet the criteria for "independence" and / or "eligibility" as prescribed under amended Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Act and have given necessary confirmations in terms of Regulation 25(8) of the Listing Regulations. Based on the said declarations and confirmations received from the Independent Directors, the Board confirms the same.

vi. None of the Directors of the Company are related to each other. The Company is in compliance with the provisions regarding Board, its composition and committees under the Act and the Listing Regulations including Regulation 17 (1) thereof.

### d. Board Process and Meeting

The Board meets at regular intervals or at least once in each quarter to discuss and decide on Company / business policy and strategy apart from other Board businesses. The Board/Committee Meetings are pre-scheduled and informed to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meeting. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The agenda items along with notes and



information thereto (except price sensitive information, which is either placed at the meeting or sent just before meeting) as provided in Secretarial Standard (SS-1) on “ Meeting of the Board of Directors” read with SEBI (LODR) Regulations, 2015 and Companies Act, 2013 (“Act”), are circulated to all Board Members well in advance before the Board Meetings. Additional

agenda in the form of ‘Other Business’ are included with the permission of the Chairman and with the consent of the majority of the Independent Directors present at the meeting. The intimation and outcome of every Board Meeting of the Company are given to the Stock Exchanges (BSE and NSE).

The maximum gap between any two Board meetings did not exceed 120 days during the year. There were seven Board Meeting held for the year 2023-2024, the details of which are as follows:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2023-24	May 11, 2023
2.	No. 2/2023-24	June 22, 2023
3.	No. 3/2023-24	August 9, 2023
4.	No. 4/2023-24	October 3, 2023
5.	No. 5/2023-24	November 9, 2023
6.	No. 6/2023-24	December 18, 2023
7.	No. 7/2023-24	February 13, 2024

**Details of attendance of Board of Directors and other directorship/ committee positions, etc. as on March 31, 2024 and at the 28th Annual General Meeting held on June 22, 2023 are as under:**

Director	Position & Category	No. of Board Meetings Held	No. of Board Meetings Attended	Last AGM Attended	*Directorships held in other public companies	**No. of Committees in which the Director is Chairman	**No. of Committees in which the Director is Member
Mr. V. Ravichandar	Chairman Independent Director	7	7	Yes	-	-	2
Mr. Sukumar Srinivas	Managing Director Executive	7	7	Yes	1	-	1
***Mr. B. Jayaraman	Independent Director	7	7	Yes	-	1	1
Mr. Chandu Nair	Independent Director	7	7	Yes	-	-	2
Ms. Jayashri Murali	Independent Director	7	7	Yes	-	1	2
Mr. C. Ravikumar	Executive Director	7	7	Yes	-	-	-
Mr. RSV Siva Prasad	Non-Executive Non-Independent Director	7	4	No	-	-	-

Notes: \*Directorships in companies (listed and public companies).

\*\* The disclosure includes Membership/Chairman of Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted).

\*\*\* Reappointed in 28th Annual General Meeting as an Independent Director of the Company for the period of 5 (five) years with effect from August 14, 2023.



### e. Core competencies of the Board

The Board of Directors comprises of highly renowned professionals from diverse field. They bring to with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision-making process.

The following are the core skills, expertise and competencies for effective functioning of the Company.

Sl. No	Name of the Director(s)	Existing Skills/expertise/competence
1.	Mr. V. Ravichandar	Strategy and Marketing
2.	Mr. Sukumar Srinivas	Strategy, Finance, General Management
3.	Mr. B. Jayaraman	Finance, Business Strategy, Corporate Law, Taxation, Mergers & Acquisitions, Internal Control, ERP system implementation
4.	Mr. Chandu Nair	Corporate Development, Marketing, Business Strategy, Risk Management, Entrepreneurship
5.	Ms. Jayashri Murali	Legal, Regulatory Framework, Corporate Governance
6.	Mr. C. Ravikumar	Business and Marketing Strategy, Risk Management, Production Planning and Execution, Retail Management
7.	Mr. RSV. Siva Prasad	Product Planning, SKUs monitoring, Operations

### f. Board Evaluation

Pursuant to the provisions of section 178 of the Act, the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI in January, 2017, a Performance Evaluation was carried out internally for the Board, Committees of the Board, Individual Directors including the Chairman of the Board.

The evaluation criteria included aspects related to competency of directors, strategy and performance evaluation, governance, independence, effectiveness, structure of the board/committee, level of engagement and contribution, independence of judgment etc.

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

### 2. Independent Directors and Declarations of Independence

The Company has four Independent Directors as on March 31, 2024 including one Women Director and all the Independent Directors satisfy the criteria of Independence as laid down in the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015.

In terms of Regulation 25(8) of Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Act and that they are independent of the management.





### a. Composition of the Independent Directors

The composition of the Independent Directors as on March 31, 2024 is in accordance with the Act and the Listing Regulations and consist of:

Sl. No	Name of the Member
1.	Mr. V. Ravichandar
2.	Mr. B. Jayaraman
3.	Mr. Chandu Nair
4.	Ms. Jayashri Murali

### b. Appointments

i. The appointment and tenure of Independent Director to be in line with the Act and the Listing Regulations and must not be disqualified from being appointed as Director in terms of the applicable provisions of the Act and the Listing Regulations.

ii. The Independent Directors will serve a maximum of two terms of five years each in line with the requirements of the Act and are not to be on the Board of more than seven listed companies and if they are serving as a Whole-time Director in any listed Company then it shall be restricted to three listed companies.

iii. At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Act, Listing Regulations and by the Company, among other disclosures to the Board.

### c. Meeting of Independent Directors

In terms of the provision of Schedule IV of the Companies Act, 2013 read with Regulation 25 of SEBI (LODR), Regulations, 2015, mandate the Independent Directors to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management.

During the financial year ended March 31, 2024, all the Independent Directors met on February 13, 2024. The following items were considered and reviewed by the Independent Directors:

i. Review of performance of Executive Director and Non- Executive/ Non-Independent Directors and the Board as a whole;

ii. Review of performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

iii. The performance of the Company, Corporate Strategy, risks, competition, succession planning of the Board and the management;

iv. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### d. Formal letter of appointment to the Independent Directors

The Company has issued formal letters of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties as Directors of the Company.

### e. Familiarization Programme for Independent Directors

Pursuant to Regulation 25(7) of the SEBI (LODR) Regulations, 2015, the familiarization programme aims to provide independent directors with the industry scenario, the socioeconomic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments to enable them to take well-informed decisions in a timely manner. The familiarization programme also seeks to update the directors on the roles, responsibilities, rights and duties under the Companies Act, 2013 and other statutes.

The details of the familiarization programme for Independent Directors is disclosed on the Company's website at <https://shankarabuildpro.com/wp-content/uploads/2024/04/Familiarization-Programme-2023-24.pdf>

### 3. The Committees of the Board of Directors

The Board has delegated specific responsibilities to various committees. The Board currently has seven Committees:



- i. Audit Committee**
- ii. Nomination and Remuneration Committee**
- iii. Stakeholders' Relationship Committee**
- iv. Corporate Social Responsibility Committee**
- v. Risk Management Committee**
- vi. Whistle-blower Committee**
- vii. Finance Committee**

The terms of reference of the committees are in compliance with the provisions of the Companies Act, 2013, Listing Regulations and are also reviewed by the Board from time to time. The Committees are provided, on a timely basis, with requisite information and detailed agenda papers, together with necessary supporting papers, as required.

All the recommendations and decisions of the Committees were placed before the Board for approval. During the year under review, there were no instances where recommendations of the Committees were not accepted by the Board. The Committee can request special invitees to join the meeting as appropriate. The minutes of the meetings of the Committees were placed before the Board for review.

The brief description of terms of reference, composition, meetings and attendance of the Committees during the financial year 2023-24 are provided below.

#### **I. Audit Committee**

In accordance with the Listing Regulations and requirements of the Act, the Audit Committee of the Company is constituted with five Directors with four members of the Committee are Independent Directors including the Chairman who is also a Non-Executive Independent Director. The majority of the members of the Committee are financially literate and have adequate accounting and financial management expertise. The Committee reports to the Board with the Company Secretary acting as Secretary to the Committee in addition to being the Compliance Officer of the Committee.

#### **A. Terms of Reference**

The Audit Committee has, inter alia, the following mandate as prescribed under Part C of Schedule II of The SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 some of which are:

- a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Reviewing and monitoring the auditor's independence, performance, and the effectiveness of audit process;
- d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3) (c) of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications and modified opinions in the draft audit report.
- f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- g) Scrutiny of inter-corporate loans and investments;
- h) Valuation of undertakings or assets of our Company, wherever it is necessary;
- i) Evaluation of internal financial controls and risk management systems;



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

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

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

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

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

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

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

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

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

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

t) Approval of appointment of the chief financial officer after assessing the qualifications,

experience and background, etc. of the candidate;

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

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

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

The powers of the Audit Committee include the following:

a) To investigate activity within its terms of reference;

b) To seek information from any employees;

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

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

The Audit Committee shall mandatorily review the following information:

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

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

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

d) Internal audit reports relating to internal control weaknesses;

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

f) Statement of deviations:

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

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



Audit Committee charter containing terms of reference is also available on the Company's website at <https://shankarabuildpro.com/wp-content/uploads/2024/04/Terms-Reference-Audit-Committee.pdf>

### B. Composition, Meetings and Attendance

The Audit Committee of the Company is constituted in accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. The Statutory Auditors and Internal Auditor are amongst the permanent

invitees to the Audit Committee meetings. The meeting of the Committee is also attended by the Chief Financial Officer. The Company Secretary of the Company acts as Secretary to the Audit Committee. The minutes of the Audit Committee meetings were circulated by the Board, discussed and taken note of. All the recommendations made by the Audit Committee during the year were accepted by the Board.

The composition of the Audit Committee and particulars of meeting attended by the members of the Audit Committee during the financial year ended March 31, 2024 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. B. Jayaraman	Independent Director	Chairman	7	7
Mr. V. Ravichandar	Independent Director	Member	7	7
Mr. Sukumar Srinivas	Executive Director	Member	7	7
Mr. Chandu Nair	Independent Director	Member	7	7
Ms. Jayashri Murali	Independent Director	Member	7	7

As on March 31, 2024, the composition of the Audit Committee is in conformity with Section 177 of the Act and Regulation 18 of Listing Regulations.

**During FY 2024, seven meetings were held on:**

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2023-24	May 11, 2023*
2.	No. 2/2023-24	June 22, 2023
3.	No. 3/2023-24	August 9, 2023*
4.	No. 4/2023-24	October 3, 2023
5.	No. 5/2023-24	November 9, 2023*
6.	No. 6/2023-24	December 18, 2023
7.	No. 7/2023-24	February 13, 2024*

\*dates on which the Quarterly/Half Yearly/Year ended results for the financial year 2023-24 were considered.



## II. Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been constituted as required under Section 178 of the Act and Regulation 19 of SEBI (LODR) Regulations, 2015. The Nomination & Remuneration Committee comprises of four Independent directors including Chairman. The Committee reports to the Board with the Company Secretary acting as Secretary to the Committee in addition to being the Compliance Officer of the Committee.

### A. Terms and Reference of the Nomination and Remuneration Committee

The Nomination & Remuneration Committee has, inter alia, the following mandate as prescribed under Part C of Schedule II of The SEBI (LODR) Regulations, 2015:

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

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

c) Devising a policy on Board diversity;

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

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

f) Determining our Company's policy on specific remuneration packages for executive directors

including pension rights and any compensation payment, and determining remuneration packages of such directors;

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

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

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

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

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

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

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

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

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





The detailed terms of reference of the Nomination and Remuneration Committee is available on the Company's website at at <https://shankarabuildpro.com/wp-content/uploads/2024/04/Terms-Reference-Nomination-Remuneration-Committee.pdf>

## B. Composition, Meetings and Attendance

The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the members of the Committee during the financial year ended March 31, 2024 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Chandu Nair	Independent Director	Chairman	1	1
Mr. V. Ravichandar	Independent Director	Member	1	1
Mr. B. Jayaraman	Independent Director	Member	1	1
Ms. Jayashri Murali	Independent Director	Member	1	1

As on March 31, 2024, the composition of the Nomination and Remuneration Committee is in conformity with Section 178 of the Act and Regulation 19 of the SEBI (LODR) Regulations, 2015.

During FY 2024, one meeting was held on:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2023-24	April 25, 2023

## C. Remuneration Policy

The Remuneration policy is devised in accordance with Section 178(3) and 178(4) of the Companies Act, 2013 and is available on the website of the Company at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy10.pdf>.

The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by the combination of individual and business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives (variable component) to its Executive Directors and Key Managerial Personnel.

## D. Remuneration of Directors

### Pecuniary relationships or transaction

During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees.

### i. Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fees for attending the meetings of the Board. The sitting fees paid to the Non-Executive Independent Directors are within the limits prescribed by the Act.

The details of sitting fees paid to the Independent Directors along with their shareholding during the financial year ended March 31, 2024 are as follows



## Independent and Non-Independent Director (s):

Name	Sitting Fees (₹)	No. of Shares held as on 31.03.2024
Mr. V. Ravichandar	7,00,000	Nil
Mr. Chandu Nair	7,00,000	Nil
Mr. B. Jayaraman	12,25,000	Nil
Ms. Jayashri Murali	7,00,000	Nil
Mr. RSV. Siva Prasad	2,00,000	35,773

### ii. Remuneration of Executive Directors

The compensation paid to the Executive Directors were within the limits approved by the Shareholders. The elements of the total compensation are approved by the Nomination & Remuneration Committee within the overall limits specified under the Companies Act, 2013. The elements of compensation of the Executive Directors include the fixed compensation, variable compensation in the form of benefits and perquisites. The Nomination & Remuneration Committee determines the annual increment for the Executive Directors based on Company's and individual's performance as against the pre agreed objectives for the year. The Executive Directors are not paid sitting fees for any Board/Committee meeting attended by them. The term of Executive Directors is generally for a period of five years, and are liable to retire by rotation. Their tenure is approved by the Shareholders and renewed for similar periods from time to time. However, the Board reserves the right to increase/decrease the period as it may deem fit.

### Details of Remuneration of Executive Directors during the year are given below:

Particulars of Remuneration	Mr. Sukumar Srinivas	Mr. C. Ravikumar
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,18,30,088	33,29,868
Contribution to Provident Fund	14,19,611	3,99,588
Bonus	-	3,10,677
Others	-	27,27,648
<b>Total</b>	<b>1,32,49,699</b>	<b>67,67,781</b>
No. of Shares held as on March 31, 2024	1,15,88,787	72,500
Term of Service Contract	From April 01, 2021	From April 01, 2021
Ter	Till March 31, 2026	Till March 31, 2026

### Notes:

- i) Salary includes fixed pay and performance linked variable pay
- ii) In view of no profits/ inadequate profits as computed in accordance with Section 198 of the Act, the Managing Director and Whole-time Director have been paid remuneration in accordance with Part II of Section II of Schedule V of the Act for the year ended March 31, 2024.
- iii) The retirement benefit shall include benefit such as provident fund and gratuity.



### iii. Remuneration for Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

The Company's total compensation for KMP and SMP consists of Fixed compensation, Variable compensation in the form of benefits and other work related facilities. The Fixed compensation is determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value for the job and the skills, experience and performance of the employee and includes Basic Salary, Housing Allowance and certain other allowances. The other benefits includes the Health insurance, the Accident and Life insurance, the contribution to Provident Fund account, Gratuity, etc.

Particulars of Remuneration	Mr. Alex Varghese Chief Financial Officer	Ms. Ereena Vikram Company Secretary & Compliance Officer
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	17,88,864	6,84,000
Provident Fund	2,14,668	82,080
Others	17,72,088	6,83,568
Bonus	1,78,886	68,400
<b>Total</b>	<b>39,54,506</b>	<b>15,18,048</b>
No. of Shares held	20,720	-

### iv. Remuneration for other Employees

The remuneration paid to other employees of the Company consists of fixed pay and performance linked variable pay which is reviewed on an annual basis. Increase in the remuneration of employees is given based on an annual review taking into account performance of the employee, the performance of the Company and comparable market wage levels. The retirement benefits shall include benefits such as provident fund and gratuity.

### E. Directors and Officers Insurance

Pursuant to requirement under Regulation 25(10) of SEBI (LODR) Regulations, 2015, the Company has undertaken Directors and Officers Insurance ('D and O' insurance) for all its Directors, including Independent Directors for such quantum and risks as determined by the Board of Directors of the Company.

### III. Stakeholders' Relationship Committee

In accordance with the Listing Regulations and requirements of the Act, the Stakeholders Relationship Committee of the Company is constituted with three Independent Directors

and one Executive Director including Chairman being Non-Executive Independent Director. The Committee reports to the Board with the Company secretary acting as Secretary to the Committee in addition to being the Compliance Officer of the Committee.

The Stakeholders Relationship Committee is responsible for addressing the investor complaints and grievances. The Committee meets on a periodic basis to address the investor complaints like transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

#### A. Terms and Reference of the Stakeholders' Relationship Committee

- a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;
- b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;



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

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

The detailed terms of reference of the Stakeholders' Relationship Committee is available on the Company's website at

<https://shankarabuildpro.com/wp-content/uploads/2024/04/Terms-Reference-Stakeholder-Relationship-Committee.pdf>

#### B. Composition, meetings and attendance

The composition of the Stakeholders' Relationship Committee and particulars of meetings attended by the members of the Committee during the financial year ended March 31, 2024 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Ms. Jayashri Murali	Independent Director	Chairman	1	1
Mr. V. Ravichandar	Independent Director	Member	1	1
Mr. Chandu Nair	Independent Director	Member	1	1
Mr. C. Ravikumar	Whole-time Director	Member	1	1

As on March 31, 2024, the composition of the Stakeholders' Relationship Committee is in conformity with Section 178 of the Act and Regulation 20 of the SEBI (LODR) Regulations, 2015.

**During FY 2024, one meeting was held on:**

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2023-24	May 11, 2023

Ms. Jayashri Murali, Chairperson of the Committee attended the last Annual General Meeting of the Company held on June 22, 2023. The committee expresses satisfaction with the Company's performance in dealing with investor grievances and its share transfer system. The details of the complaints received and resolved during the financial year ended March 31, 2024 are as follows

Name of the Non-Executive Director heading the Committee	Ms. Jayashri Murali
Name and designation of the Compliance Officer	Ms. Ereena Vikram
Number of shareholders complaints pending at the beginning of the year	Nil
Number of shareholders complaints received during the year	3
Number of shareholders complaints redressed during the year	3
Number of shareholders complaints not solved to the satisfaction of the shareholders	Nil
Number of shareholders complaints pending at end of the year	Nil



### Investors Grievance Redressal

In compliance with the requirements of SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained exclusive User Id and password for processing the investor complaints in a centralized web based SEBI Complaints Redress System- 'SCORES'. This enables the investors to view online the actions taken by the Company to their complaints and current status thereof, by logging on to the SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in).

### Compliance Officer

Ms. Ereena Vikram  
Company Secretary & Compliance Officer  
Corporate Office: Shankara Building  
Products Limited

21/1 & 35-A-1, Hosur Main Road  
Electronic City Post, Veerasandra  
Bengaluru-560100.  
Email-cs@shankarabuildpro.com

## IV. Corporate Social Responsibility Committee

In accordance with the Listing Regulations and requirements of the Act, the Corporate Social Responsibility Committee of the Company is constituted with two Independent Directors and one Executive Director with the Chairperson being Independent Director. The Company Secretary acts as Secretary to the Committee with the Chief Financial Officer is invited as special invitees.

### A. Terms and Reference of the Corporate Social Responsibility Committee

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

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

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

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

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

f) Reviewing and monitoring the implementation of corporate social responsibility programs and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programs; and

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

The detailed terms of reference and policy of the Corporate Social Responsibility Committee is available on the Company's website at <https://shankarabuildpro.com/investors-central/#shareholder-information>. The Corporate Social Responsibility as required under the Act forms part of the **Annexure VI** of the Board Report.

### B. Composition, meeting and attendance

The composition of the Corporate Social Responsibility Committee and particulars of meetings attended by the members of the Committee during the financial year ended March 31, 2024 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Ms. Jayashri Murali	Independent Director	Chairman	1	1
Mr. Chandu Nair	Independent Director	Member	1	1
Mr. C. Ravikumar	Independent Director	Member	1	1





As on March 31, 2024, the composition of the Corporate Social Responsibility Committee is in conformity with Section 135 of the Act

During FY 2024, one meeting was held on:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2023-24	May 11, 2023

## V. Risk Management Committee

The Risk Management Committee is constituted in accordance with the requirements of Listing Regulations comprising of four Independent Directors two Executive Directors with one performing the role of the Chief Risk Officer.

The Risk Management Committee meetings is attended by the Chief Financial Officer as special invitee, if required. The Company Secretary acts as a Secretary to the Committee. The Risk Management Committee of the Board of Directors has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Risk Management Committee is responsible for oversight on overall risk management processes of the Company and shall ensure that key strategic and business risks are identified and necessary steps are taken for mitigation / redressal of the said risks under various categories like strategic, financial, operational, regulatory, people, and other risks and these have been identified and suitable mitigation measures have also been formulated including cyber security.

### A. Terms and Reference of the Risk Management Committee

a. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.

b. To establish a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, cyber security risks or any other risk as may be determined by the Risk Management Committee ("the Committee") for the company's risk management process and to ensure its implementation.

c. To measure risk mitigation including systems and processes for Internal Control of identified risks.

d. Business Continuity Plan.

e. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

f. To assure business growth with financial stability.

### B. Composition, meeting and attendance

The composition of the Risk Management Committee and particulars of meetings attended by the members of the Committee during the financial year ended March 31, 2024 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. B. Jayaraman	Independent Director	Chairman	4	4
Mr. V. Ravichandar	Independent Director	Member	4	4
Ms. Jayashri Murali	Independent Director	Member	4	4
Mr. Chandu Nair	Independent Director	Member	4	4
Mr. Sukumar Srinivas	Executive Director	Member	4	4
Mr. C. Ravikumar	Whole-time Director	Chief Risk Officer	4	4



As on March 31, 2024, the composition of the Risk Management Committee is in conformity with Regulation 21 of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

**During FY 2024, four meeting was held on:**

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2023-24	May 11, 2023
2.	No. 2/2023-24	August 9, 2023
3.	No. 3/2023-24	November 9, 2023
4.	No. 4/2023-24	February 13, 2024

Other Committee

## VI. Finance Committee

The Finance Committee has been constituted with the primary objective for execution of transactions related to banks/financial institutions and other activities related thereto.

The main terms of reference of the Committee include the following:-

a. Review banking arrangements and cash management;

b. Approval for new banking limits and renewal and enhancement of existing limits upto cumulative maximum of Rs. 100 crores and to be ratified in the subsequent board meeting.

c. Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board, and take necessary actions connected therewith, including refinancing for optimization of borrowing costs;

d. Give guarantees / issue letters of comfort / providing securities within the limits approved by the Board;

e. Provide corporate guarantee by the Company within the limits approved by the Board;

f. Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;

g. Delegate authorities from time to time to the executives / authorised persons to implement the Committee's decisions;

Composition, meetings and attendance

The Finance Committee comprises of two Executive Directors and one Chief Financial Officer. The Company Secretary of the Company acts as Secretary of the Committee.

The composition of the Finance Committee as on March 31, 2024 is as under:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Sukumar Srinivas	Executive Director	Chairman	3	3
Mr. C. Ravikumar	Executive Director	Member	3	3
Mr. Alex Varghese	Chief Financial Officer	Member	3	3



During FY 2024, three meeting was held on:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2023-24	May 15, 2023
2.	No. 2/2023-24	July 24, 2023
3.	No. 3/2023-24	September 11, 2023

## VII. Whistle Blower Committee

**1.1** The Whistle Blower Committee was constituted by our Board of Directors on August 9, 2017 and the policy was revised to adhere to the current provisions of the Companies Act, 2013. Shankara Building Products Limited (“Company”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company has formulated Shankara Code of Conduct for Board of Directors and Senior Management (“Code”) which is attached to the policy as Annexure A, for the Company to keep a check on malpractices and any unethical behavior by all such persons related with the management, administration and any operations of the Company with the Company (“Senior Personnel”). The role of the employees/stakeholders in pointing out violations by the Company and to keep check on the unethical practices are in place be undermined. The Company is committed to developing a culture where it is safe for all employees without fear to raise concerns about any poor or unacceptable practice and any event of misconduct impacting the Company and any of its stakeholders.

**1.2** Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with revised Clause 49 of the Listing Agreement between the Company and Stock Exchanges, inter alia, requires all listed companies to establish a mechanism called “Vigil Mechanism/Whistleblower Policy” for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation by the Company of any statutory, legal, mandatory and other compliances of whatever

nature and also to ensure that no fraudulent act is committed by the Company whether it impacts the stakeholders or not.

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

### 2. Objective of the Policy

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

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



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

The details of the Whistle Blower Policy is available on the website of the Company i.e., <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy17.pdf>

The composition of the Whistle Blower Committee and particulars of meetings attended by the members of the Committee during the financial year ended March 31, 2024 are given below:

Name	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Chandu Nair	Independent Director	Chairman	-	-
Mr. V. Ravichandar	Independent Director	Member	-	-
Ms. Jayashri Murali	Independent Director	Member	-	-
Mr. B. Jayaraman	Independent Director	Member	-	-



## VIII. General Body Meetings

### i. Annual General Meeting (“AGM”)

AGM	Financial year	Date	Time	Venue	Special Resolution
26th AGM	2020-21	July 29,2021	11.00 A.M	Video Conference (“VC”) / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001	<p>i. Re-appointment of Mr. Sukumar Srinivas (DIN: 01668064) as Managing Director of the Company.</p> <p>ii. Re-appointment of Mr. C. Ravikumar (DIN: 01247347) as Whole-time Director of the Company.</p>
27th AGM	2021-22	July 22, 2022	10.15 A.M	Video Conference (“VC”) / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001	<p>i. Increase in remuneration of Mr. Sukumar Srinivas (DIN: 0166804), Managing Director of the Company.</p> <p>ii. Increase in remuneration of Mr. C. Ravikumar (DIN: 01247347), Whole-time Director of the Company.</p>





AGM	Financial year	Date	Time	Venue	Special Resolution
28th AGM	2022-23	June 22, 2023	10.30 A.M	Video Conference ("VC") / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001	i. Increase in remuneration of Mr. Sukumar Srinivas (DIN: 01668064), Managing Director of the Company. ii. Increase in remuneration of Mr. C. Ravikumar (DIN: 01247347), Whole-time Director of the Company. iii. Re-appoint Mr. B. Jayaraman (DIN: 00022567) as an Independent Director of the Company.

## ii. Extraordinary General Meetings

The date, time and venue of last three Extra-Ordinary General Meetings (EGMs) are as follows

Year	Date	Time (IST)	Venue	Special Resolution
2022 -2023	April 20, 2022	11.00 A.M	Video Conference ("VC") / Other Audit Visual Means (OAVM) without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars). The EGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the EGM i.e. G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001	i. Issuance of warrants convertible into equity shares to an entity not related to the promoters of the Company. ii. Increase in borrowing power in terms of Section 180 (1) (c) of the Companies Act, 2013. iii. Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1) (a) of the Companies Act, 2013.



### iii. Postal Ballot during year 2023-2024

There were no other meetings held during the year under review nor were any resolutions passed through postal ballot during the financial year 2023-2024.

### ix. Means of Communication

The Company emphasizes on continuous, efficient and relevant communication to public at large and regularly interacts with its members through multiple channels of communication viz. through annual report, general meeting, newspapers and disclosure through website. Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders, which promotes management-investor relations.

In terms of the MCA Circulars and SEBI Circulars, the Company has taken measures to allow Members to vote through the mechanism of e-voting or other electronic modes in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, without holding an AGM that requires physical presence of Members at a common venue. With respect to detailed procedure for Remote e-voting or voting through electronic mode and attending the AGM through VC/OAVM, please refer the Notes and Instructions annexed to Notice of the 29th AGM.

**i. Website:** The Investor Relations page of the Company's website <https://shankarabuildpro.com/investors-central/#shareholder-information> where the information related to meetings of Board and shareholders, periodic financial results, annual reports, presentation made to institutional investors or to the analysts, earnings conference call transcripts, shareholding pattern, stock exchange disclosures etc and other shareholders information are regularly updated.

### ii. Financial Results and Newspaper Publication:

The quarterly, half-yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard and Kannada Prabha. These results are also

made available on the website of the Company at <https://shankarabuildpro.com/investors-central/#shareholder-information>. Every quarter, the Company holds results briefing for the investors. The Company participates in the investor conferences held both in India and overseas to communicate directly with all investors. The management participates in the press call and earnings call every quarter, after the announcement of results. During the financial year 2023-2024, the Company had participated in eight Earnings/ Analysts Call. The transcripts of the quarterly earnings call with Analysts have also been published on its website.

**iii. Annual Report:** The Company's annual report containing, inter alia, the Boards' report, the Corporate Governance Report, the Business Responsibility and Sustainability Report, Management Discussion and Analysis, Audited Standalone and Consolidated Financial Statements, Statutory Reports and other important information is circulated to Shareholders and others so entitled. The annual report is also available on the Company's website at <https://shankarabuildpro.com/investors-central/#shareholder-information>.

**iv. Disclosure to Stock Exchanges:** The Company informs BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) all information as required under the Listing Regulations through their web – based applications i. e BSE Listing Centre and NSE's Electronic Application Processing System (NEAPS) respectively. All periodical reports such as shareholding pattern, corporate governance report, financial results, etc., price sensitive information and such other matters which in the opinion of the Board are material and of relevance to the shareholders are filed electronically with the stock exchanges. The stock exchange filings are also made available on the Company's website at <https://shankarabuildpro.com/investors-central/#shareholder-information>.



The Members/Investors can view the details of electronic filings done by the Company on the websites of BSE and NSE i.e., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

**v. Press/News Release:** Official Press Releases including Press Release on Financial Results of the Company are sent to the Stock Exchanges and the same are subsequently hosted on the website of the Company.

**vi. Investor grievance and share transfer system:**

The Stakeholder's Relationship Committee examines and redress complaints received from Shareholders and investors. The status of complaints and share transfers are reported to the entire Board. The stakeholder committee will meet as often required to take note of the situation on investor grievance. Since the shares of the company are to be traded under 100% dematerialized mode, KFin Technologies Limited (R&T Agent) handles matters like transfer of shares, change of address etc.

**Other Disclosures**

**(a) Related Party Transactions**

During the year ended March 31, 2024, all transactions entered with Related Parties as defined under The Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year, which were in conflict with the interest of the Company. Suitable disclosures as required by Ind AS has been made.

None of the Independent Directors has any material pecuniary relationship or transactions with its Promoters, its Directors, its Senior Management or its subsidiaries, which may affect their independence. The Company has received the relevant declarations in this regard from its Independent Directors

The Company has formulated a policy on dealing with related party transactions and for determin-

ing the materiality of such transactions and the same is disclosed on the website of the Company at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy20.pdf>

**(b) Management Discussion and Analysis Report**

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

**(c) Business Responsibility and Sustainability Report**

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

**(d) Compliance with the requirements of SEBI/Stock Exchanges and Statutory Authorities**

The Company have paid penalty to Stock Exchanges i. e BSE Limited and NSE Limited for non-compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"). The report on the legal compliance is periodically reviewed by the Board.

**(e) Subsidiary Companies**

The Company has five wholly owned subsidiaries viz., Vishal Precision Steel Tubes & Strips Private limited, Taurus Value Steel & Pipes Private Limited, Centurywells Roofing India Private Limited and Steel Network Holdings Pte Limited and Shankara Buildpro Limited.

The Company has adopted a policy for determining 'Material Subsidiary' in terms of Regulation 16(c) of SEBI (LODR) Regulations, 2015, which can be viewed on the Company's website at <https://shankarabuildpro.com/wp-content/uploads/2024/04/Revised-Policy-on-determining-material-subsidiaries.pdf>



The Audit Committee periodically reviews the financial statements of the subsidiary companies, including the investments made by the subsidiaries and the statement containing all significant transactions entered into by them. Minutes of the Board meetings of the subsidiary companies are also reviewed periodically by the Company's Board.

#### **(f) Whistle Blower Policy and Vigil Mechanism**

The Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 require all the listed companies to institutionalize the vigil mechanism and whistle blower policy. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. The said policy has been also put up on the website of the Company at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy17.pdf>

No person has been denied access to the Audit Committee.

#### **(g) Details of Compliance with Mandatory and Discretionary requirements**

##### **Mandatory Requirements**

As on March 31, 2024, the Company is in compliance with all mandatory requirements of corporate governance as prescribed in the Listing Regulations. The Board of Directors periodically reviews the compliance of all applicable laws.

##### **Discretionary Requirements**

##### **i. Certificate of Non-disqualification of Directors**

A Certificate from the Practicing Company Secretary is received by the Company stating that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the board/ ministry of corporate affairs or any such statutory authority and the same is annexed to this report.

##### **ii. Certificate by Managing Director and Chief Financial Officer**

The Company has obtained a certificate from Managing Director and Chief Financial Officer of the Company as required by Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations, 2015 and same forms a part of this report.

##### **iii. Certificate on Corporate Governance**

The Company has complied with disclosure requirements, wherever applicable, as specified in clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 and Regulation 17 to 27 of SEBI (LODR) Regulations, 2015.

##### **iv. Shareholders rights**

Quarterly and half-yearly results are being displayed on the Company's website <https://shankarabuildpro.com/investors-central/#shareholder-information>. The same are also being submitted to the Stock Exchanges and published in widely circulated newspapers.

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

##### **v. Reporting of Internal Auditor**

The Internal Auditors report to the Audit Committee of the Board of Directors and are requested to be present as invitees at the Audit Committee meetings held every quarter.

##### **vi. Recommendation of the Committees of the Company**

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

##### **vii. Director seeking appointment/ reappointment**

Particulars of directors seeking appointment/re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.



Mr. N. Muthuraman (DIN:02375046), an Additional Director in the capacity of Independent Director(Non-Executive) of the Company is seeking appointment in the ensuing Annual General Meeting.

The re-appointment of Mr. C. Ravi Kumar (DIN: 01247347) as Director liable to retire by rotation, forms part of Notice of the Annual General Meeting.

The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.

The Chairman does not maintain any office at the expense of the Company.

#### viii. Commodity Price Risk or Foreign Risk and Hedging Activities

The Company does not deal in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable.

#### ix. Proceeds from Public/Right/Preferential Issue

The Company had received Rs. 78,75,00,000, on

2nd November, 2023 from APL Apollo Mart Limited, wholly owned subsidiary of APL Apollo Tubes Limited for exercise of 14,00,000 warrants into equity shares. During the year, there was an increase in paid-up equity share capital in view of the Company issuing and allotting equity shares.

#### x. Disclosure on Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under Section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

#### vi. Details of fees paid to the Statutory Auditors

Fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below.

The total fees for all services paid by Shankara Building Products Limited and its subsidiaries, on a consolidated basis, to M/s. Sundaram & Srinivasan Statutory Auditors included in the consolidated financial statements of the Company for the year ended March 31, 2024, is as follows:

	(₹ in Lakhs)
Fees for audit and related services paid to M/s Sundaram & Srinivasan	27.00
Other fees paid to M/s Sundaram & Srinivasan	3.00
Total fees	30.00

#### xii. Disclosure in Demat suspense/ unclaimed suspense accounts

There are no shares lying in the demat suspense account or unclaimed suspense account.

#### xiii. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In terms of the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended) and Rules framed thereunder, the number of complaints received during the financial year 2023-24 are as under:

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





#### xiv. Unclaimed Dividend of the previous years

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

Financial Year	Date of Declaration of Dividend	Last date of Claiming the Dividend	Unclaimed amount as on 31.03.2021 (₹)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2016-17	July 21, 2017	July 22, 2024	1,08,669.00	September 19, 2024
2017-18	June 12, 2018	July 12, 2025	1,31,498.25	August 11, 2025
2018-19	June 25, 2019	July 25, 2026	67,741.50	August 24, 2026
2019-20	March 13, 2020	April 13, 2027	72,854.00	May 12, 2027
2021-22	July 22, 2022	June 22, 2029	28,757.70	September 20, 2029
2022-23	June 22, 2023	July 31, 2030	1,25,533.10	August 30, 2030

#### xv. Insider Trading Regulations

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Prohibition of Insider Trading Regulations'), the Company has formulated and adopted the 'Code of Conduct to regulate, monitor and report trading by designated persons and immediate relatives of designated persons and Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information' ('Code').

The said Code is applicable to all the Designated Persons, their immediate relatives, and subsidiaries of the Company, requires pre-clearance for dealing in the Company's shares and prohibits trading in securities of the Company while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Code has also been uploaded on the Company's website and can be accessed at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy7.pdf>. Pursuant to the above, the Company has put in place an adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations, 2015.

The Code expressly lays down the guidelines and the procedures to be followed and disclosures to

be made, while dealing with the shares of the Company.

#### xvi. Risk Management

The Company ensures that sound risk management practices, which covers identification of various risks impacting the Company, assessment and evaluation of the same in line with overall business objectives and mitigating actions to systematically address the identified risk on continuing basis.

#### xvii. Reconciliation of share capital audit:

An audit is conducted on a quarterly basis by Mr. K. Jayachandran, Company Secretary in Practice, in terms of Regulation 76 of SEBI (Depositories and Participants), Regulations, 2018 to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**xviii. Code of Conduct**

In compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015, the Company has adopted a Code of Conduct (the 'Code'). This Code is applicable to the Members of the Board, Senior Management Personnel and all employees of the Company and its subsidiaries. The Code lays down the standard of conduct which is expected to be followed by the Board of Directors and the designated employees in their business dealings particularly on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders.

All the members of the Board and the Senior Management Personnel have affirmed compliance to the Code, as at March 31, 2024. A declaration to this effect, signed by the Managing Director & Chief Financial Officer forms part of this report. The Code has been posted on the Company's website under the link <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy8.pdf>

**xix. Credit Rating**

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

**xx. Members' / Investors' Complaints**

The Company and the RTA attend to the Members' / Investors' Complaints within the minimum possible time and steps have been taken to

resolve the same within the statutory time limit.

**xxi. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': NIL (Not including Loans and Advances in the nature of Loans, if any, given by the Company to its wholly owned subsidiaries).**

**xxii. All mandatory requirements relating to corporate governance under the Listing Regulations have been appropriately complied with and the status of non-mandatory (discretionary) requirements are given below:**

- a. The Chairman does not maintain any office at the expense of the Company;
- b. In view of publication of the Financial Results of the Company in newspapers having wide circulation and dissemination of the same on the website of the Company as well as on the website of the Stock Exchanges, the Company does not consider it prudent to circulate the half-yearly results separately to the Shareholders;
- c. The Company's Financial Statements have been accompanied with unmodified audit opinion - both on quarterly and yearly basis and also both on standalone and consolidated basis;
- d. Mr. V. Ravichandar, Non-Executive Independent Director, holds the position of the Chairman of the Board and is not related to Mr. Sukumar Srinivas, who holds the position of Managing Director of the Company.



## General shareholder information

### I. Annual General Meeting for FY 2023-24

Date	Friday, 21st June, 2024
Time	10.00 A.M
Venue	The Company is conducting AGM through VC/OAVM pursuant to the MCA Circulars and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM
Financial Year	April 1, 2023 to March 31, 2024
Book closure dates	Friday, 14th June, 2024 to Friday, 21st June, 2024 (both days inclusive)
Dividend Payment	The final dividend, if declared, shall be paid within thirty days to those members whose name stand registered on the Company's Registers of Members

### II. Financial Year

The Financial Year of the Company is from 1st April to 31st March

Financial Calendar (Current Financial Year 2024-25)	Tentative Dates
Results for the Quarter ending June 30, 2024	Within 45 days from the end of quarter
Results for the Quarter ending September 30, 2024	Within 45 days from the end of quarter
Results for Quarter ending December 31, 2024	Within 45 days from the end of quarter
Results for Quarter ending March, 2025	Within 60 days from March 31, 2025
Annual General Meeting	On or before September 30, 2025

### III Listing Details

The Equity Shares of the Company are listed on the following Stock Exchanges:

#### **BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai – 400 001

Stock Code/Symbol – 540425

#### **The National Stock Exchange of India Limited (NSE)**

Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E)

Mumbai – 400 051

Stock Codes/Symbol- SHANKARA

### IV. Listing Fees and Custody Fees

The Company has paid Annual Listing Fees for the financial year 2023-24 and 2024-25 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE); and Annual Custody Fees for the financial year 2023-24 and 2024-25 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).



## V. Market Price Data

Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2023-24 at BSE and NSE are as given below:

	BSE			NSE			Volume (A+B) Nos
	High(₹)	Low(₹)	Volume A (Nos.)	High(₹)	Low(₹)	Volume B (Nos.)	
April, 2023	675.00	602.95	23,156	678.30	605.85	3,67,069	3,90,225
May, 2023	739.95	629.15	1,20,344	739.50	628.30	1,61,260	2,81,604
June, 2023	787.00	700.05	86,728	787.00	701.35	2,84,827	3,71,555
July, 2023	769.60	709.95	1,02,816	769.95	717.00	1,00,891	2,03,707
August, 2023	929.30	706.20	1,93,348	917.00	711.80	2,46,065	4,39,413
September, 2023	924.95	706.95	2,12,229	920.00	707.15	2,53,792	4,66,021
October, 2023	794.00	670.50	90,926	794.80	670.00	78,593	1,69,519
November, 2023	757.55	683.75	66,690	757.20	681.85	46,004	1,12,694
December, 2023	800.90	680.80	88,376	792.00	680.65	10,69,697	11,58,073
January, 2024	779.00	698.00	1,13,899	779.40	696.80	1,54,139	2,68,038
February, 2024	835.30	720.00	2,61,812	834.75	720.00	2,82,334	5,44,146
March, 2024	759.35	627.00	1,02,997	759.95	626.00	1,24,019	2,27,016

## VI. Performance of the Company's Equity shares (closing share price) in comparison to BSE SENSEX and NSE Nifty during the financial year 2023-24

Month	Share Price	BSE Sensex	Month	Share Price	Nifty 50
April, 2023	631.30	61,112.44	April, 2023	632.80	18065.00
May, 2023	715.65	62,622.24	May, 2023	717.60	18534.40
June, 2023	726.35	64,718.56	June, 2023	727.10	19189.05
July, 2023	748.50	66,527.67	July, 2023	747.75	19753.80
August, 2023	857.35	64,831.41	August, 2023	856.35	19253.80
September, 2023	718.20	65,828.41	September, 2023	717.70	19638.30
October, 2023	727.50	63,874.93	October, 2023	725.80	19079.60
November, 2023	698.15	66,988.44	November, 2023	698.30	20133.15
December, 2023	713.30	72,240.26	December, 2023	713.70	21731.40
January, 2024	768.45	71,752.11	January, 2024	767.70	21725.70
February, 2024	726.55	72,500.30	February, 2024	724.05	21982.80
March, 2024	641.15	73,651.35	March, 2024	641.15	22326.90

(Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com))



## VII. Share Transfer System

Share transfer and related operations for Shankara Building Products Limited are conducted by M/s KFin Technologies limited. In compliance with the provisions of Regulation 40(9) of the Listing Regulations, a Practicing Company Secretary conducts Audit of the Share Operations System of the Company maintained at the office of the RTA.

## VIII. Distribution of equity shareholding as on March 31, 2024

S. No	Category (Shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1	1-5000	32,129	99.42	35,,66,380	14.71
2	5001-10000	97	0.30	6,90,145	2.85
3	10001-20000	40	0.12	6,13,048	2.53
4	20001 - 30000	10	0.03	2,51,476	1.04
5	30001 - 40000	7	0.02	2,59,295	1.07
6	40001 - 50000	4	0.01	1,85,278	0.76
7	50001 - 100000	14	0.04	9,93,727	4.10
8	100001 and above	16	0.05	1,76,89,977	72.95
	<b>Total</b>	<b>32,317</b>	<b>100.00</b>	<b>2,42,49,326</b>	<b>100.00</b>





## IX. Shareholding Pattern as on March 31, 2024

Category	No of Holders	Number of equity shares held	Percentage of holding
Promoters	1	1,15,88,787	47.79
Promoters Individuals	2	1,81,050	0.75
Promoters Companies	1	1,66,200	0.69
Resident Individuals	30,518	57,55,493	23.73
Bodies Corporate	271	20,25,820	8.35
Mutual Funds	6	11,59,221	4.78
Foreign Portfolio-Corp	51	28,53,189	11.77
Clearing Members	4	98	0.00
Trusts	1	1085	0.00
HUF	812	1,80,530	0.74
Non Resident Indian Non Repatriable	282	66,674	0.27
Non Resident Indians	364	1,85,206	0.76
Alternative Investment Fund	4	85,973	0.35
<b>Total</b>	<b>32,317</b>	<b>2,42,49,326</b>	<b>100.00</b>

## X. Dematerialization of shares and liquidity:

As on March 31, 2024, 2,38,06,206 equity shares representing 98.18 % of the total equity share capital of the Company were held in dematerialized form with National Securities Depository Limited (85.97%) and Central Depository Services (India) Limited (12.21%). The break-up of equity shares held in Physical and Dematerialized form as on March 31, 2024 is given below:

Mode of Holding	Shares	% of Equity
Demat		
NSDL	2,08,46,237	85.97%
CDSL	29,59,969	12.21%
<b>Total</b>	<b>2,38,06,206</b>	<b>98.18%</b>
Physical	4,43,120	1.83%
<b>Total</b>	<b>2,42,49,326</b>	<b>100.00%</b>

Your Company confirms that the promoters' holdings were converted into electronic form and the same is in line with the circulars issued by SEBI. Shareholders who are still holding shares in physical form are requested to dematerialize their shares at the earliest, this will be more advantageous to deal in securities. For queries / clarification/ assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.



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

The Company has not issued any Global Depository Receipts or American Depository Receipts. There are no warrants or any convertible instruments outstanding as on March 31, 2024.

### **XII. Commodity Price Risk or Foreign Risk and Hedging Activities**

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

**XIII. Plant Locations:** Not Applicable

### **XIV. Address for Correspondence**

#### **i. Shankara Building Products Limited**

##### **Registered Office**

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

Telephone No : +91 080 40117777

Fax No. : +91 080 41119317

Email : [compliance@shankarabuildpro.com](mailto:compliance@shankarabuildpro.com)

##### **Corporate Office**

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

Telephone No : +91 080 27836955/ 080 27836244

Email : [cs@shankarabuildpro.com](mailto:cs@shankarabuildpro.com)

##### **Contact Person**

Ms. Ereena Vikram : Company Secretary & Compliance Officer

E-mail : [cs@shankarabuildpro.com](mailto:cs@shankarabuildpro.com)

#### **ii. Registrar and Share Transfer Agent**

M/s KFin Technologies Limited is the Registrar and Share Transfer Agent of the Company. Any request pertaining to investor relations may be addressed to the following address:

M/s KFin Technologies Limited

(Formerly known as KFin Technologies Private Limited)

Selenium Building, Tower B, Plot Nos. 31 & 32,

Financial District, Nanakramguda, Serilingampally, Hyderabad-500032

Toll Free No. 1800-309-4001

Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website: [www.kfintech.com](http://www.kfintech.com)

**For Shankara Building Products Limited**

**Sd/**

**Sukumar Srinivas**

**Managing Director**

**DIN: 01668064**

**Place: Bengaluru**  
**Date: May 20, 2024**



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

Corporate Identity No. : L26922KA1995PLC018990

Nominal Capital: INR 30,00,00,000/-

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

I have examined all the relevant records of “**SHANKARA BUILDING PRODUCTS LIMITED**” (“the Company”) for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ( “Listing Regulations”) for the financial year ended **March 31, 2024**. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

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

Place: Bengaluru  
Date: May 20, 2024

**K. Jayachandran**  
Company Secretary  
ACS No.: 11309/CP No.: 4031  
UDIN: A011309F000407375  
Peer Review No: 784/2020



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## **Certification by Managing Director (“MD”) and Chief Financial Officer (“CFO”) in terms of Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

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

A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief, we state that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

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

1. there has been no significant change in internal control over financial reporting during the year;
2. there has been no significant change in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. there has been no instance of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company’s internal control systems over financial reporting

**For Shankara Building Products Limited**

**Place: Bengaluru**  
**Date: May 20, 2024**

**Sd/  
Sukumar Srinivas  
Managing Director  
DIN: 01668064**

**Sd/  
Alex Varghese  
Chief Financial Officer**



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

Place: Bengaluru  
Dated: May 20, 2024

**K. JAYACHANDRAN**  
Company Secretary  
ACS No. 11309/CP No. 4031  
UDIN: A011309F000407364  
Peer Review No: 784/2020





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

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

- The Board of Directors of Shankara Building Products Limited has laid down a Code of Conduct for all the Board members and senior managerial personnel of the Company. The said Code of Conduct has also been posted on the Investors page of the Company's website <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy8.pdf>
- All the Board members and Senior Managerial Personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2024.

Place: Bengaluru  
Date: May 20, 2024

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING 2024

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L26922KA1995PLC018990
2. Name of the Listed Entity: Shankara Building Products Limited
3. Year of incorporation: 1995
4. Registered office address: G-2, Farah Winsford, 133 Infantry Road, Bengaluru-560001
5. Corporate address: 21/1 & 35-A-1, Hosur Main Road, Electronic City Post, Veerasandra, Bengaluru- 560 100
6. E-mail: compliance@shankarabuildpro.com
7. Telephone: 080-27836955
8. Website: www.shankarabuildpro.com
9. Financial year for which reporting is being done: 2024
10. Name of the Stock Exchange(s) where shares are listed: BSE Limited and National Stock Exchange of India Limited
11. Paid-up Capital ₹24.24 crore
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report : Ereena Vikram  
Email: cs@shankarabuildpro.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):  
Disclosures under this report are made on a standalone basis for Shankara Building Products Limited.

#### II Product Services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Retail Sales	Retailer of construction materials, plumbing and sanitary ware, flooring, electrical items and interior-exterior finishing.	53%
2.	Enterprise Sale	This category caters to large end users, contractors and OEMs.	21%
3.	Channel Sales	This category caters to dealers and other retailers.	26%



15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed	Turnover (amount in crore)
1.	Steel, Pipes and Tubes	477,466	59%	2848.56
2.	HR, CR, GP, GC, Flat Steel Products	477,466	13%	632.82
3.	TMT Rebars	477,466	6%	304.03
4.	Colour Coated Profiles	477,466	7%	326.26
5.	Angle, Channel, Rerolled long products	477,466	5%	246.22
6.	PVC Pipes and Fittings, Other Accessories	477,466	3%	120.34
7.	CP Fittings, Sanitary ware and tiles	477,466	7%	350.21

### III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices*	Total
National	Nil	113	113
International	Nil	Nil	Nil

\*No. of offices includes retail outlets/warehouses with GST registration

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	10 States 1 Union Territory
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity? NIL

c. A brief on types of customers:

The company's customers includes individual home owners, Influencers like Contractors, Plumbers, Architects, Dealers, Retailers, Automobile ancillaries, PEB Fabrication units, Developers, Engineering Industry.



#### IV. Employees

18. Details as at the end of Financial Year: 2023-2024

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	725	613	85%	112	15%
2.	Other than Permanent (E)	156	117	75%	39	25%
3.	<b>Total Employees (D + E)</b>	<b>881</b>	<b>730</b>	<b>83%</b>	<b>151</b>	<b>17%</b>
<b>WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total workers (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled Employees (D + E)</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total differently abled (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of	
		No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel	4	1	25%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	83%	17%	100%	87%	13%	100%	88%	12%	100%
Permanent Workers	Not Applicable								

V. Holding Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding /subsidiary/associate companies /joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiative of the listed entity? (Yes/No)
1.	Taurus Value Steel & Pipes Private Limited	Wholly-Owned Subsidiary	100%	No
2.	Vishal Precision Steel Tubes & Strips Private Limited	Wholly-Owned Subsidiary	100%	No
3.	Century wells Roofing India Private Limited	Wholly-Owned Subsidiary	100%	No
4.	Steel Network Holdings Pte Limited	Wholly-Owned Subsidiary	100%	No
5.	Shankara Buildpro Limited	Wholly-Owned Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act 2013: (Yes/No): - Yes.

		As of March 31, 2024	As of March 31, 2023
(ii)	Turnover (in ₹ crore)	4,862.73	4,036.22
(iii)	Net worth (in ₹ crore)	601.21	458.04





**VII. Transparency and Disclosures Compliances**

**23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (if yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy17.pdf">https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy17.pdf</a>	-	-	-	-	-	-
Investors (other than shareholders)		Not Applicable					
Shareholders	Yes <a href="mailto:ir@shankarabuildpro.com">ir@shankarabuildpro.com</a> & <a href="https://scores.gov.in/scores/Welcome.html">https://scores.gov.in/scores/Welcome.html</a>		-	-	14	0	-
Employees and former employees)	Yes	-	-	-	-	-	-



Customers	Yes	-	-	-	-	-	-
Value Chain Partners		-	-	-	-	-	-
Others (Anonymous reporters or others who do not fall under above categories)		-	-	-	-	-	-

#### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to env and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Conserving Power	Opportunity LED lights	Power record has been maintained to track the consumption. Energy efficient LED lighting are being used in the office premises to ensure minimum power consumption	-	Positive
2.	Employee well-being	Opportunity	Employee well-being is critical to the Business operations and overall responsibility of the Company to manage well-being aspects of its critical stakeholder	We have various employee friendly initiatives at our workplaces to ensure well-being of employees like health awareness session	Positive



**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has updated and adopted nine areas of Business Responsibility. These are briefly as under:

P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect and promote the well-being of all employees, including those in their value chains
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should respect and make efforts to protect and restore the environment
P9	Businesses should engage with and provide value to their consumers in a responsible manner



No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
2.	Has the policy been approved by the board?	Yes*	Yes***	Yes**	Yes**	Yes*	Yes**	No	Yes***	Yes****
3.	Web Link of the Policies, if available	CSR Policy, Whistle Blower Policy <a href="https://shankarabuildpro.com/wpcontent/uploads/2023/10/Policy16.pdf">https://shankarabuildpro.com/wpcontent/uploads/2023/10/Policy16.pdf</a> <a href="https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy17.pdf">https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy17.pdf</a>								
4.	Whether the entity has translated the policy into procedures (Yes/No)	No	No	No	No	No	No	No	No	No
5.	Do the enlisted policies extend to your value chain partner (Yes/No)	No	No	No	No	No	No	No	No	No
6.	Name of the National and international codes/certifications/labels/ standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015								
7.	Specific commitments, goals and targets set by the entity with defined timelines, if any	In the beginning of the financial year specific goals, commitments and target placed before the Board of Directors. The Risk Management Committee focusing on various parameters to monitor the performance to achieve its targets. The following activities are undertaken to meet the commitments: 1. Installed energy efficient lighting equipment, replacing CFL lighting with LED lights across our premises; 2. Monitoring energy consumption trends to identify energy-saving opportunities; 3. Improvement in supply chain efficiency; 4. Insurance coverage to minimize potential losses 5. Separate teams have been formed across the organization to focus on likely risks and mitigation plan.								
8.	Performance of the entity against the specific commitments' goals and targets along with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by Risk Management Committee.								
<b>Governance, leadership and oversight</b>										
9.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):  The Company is committed to conducting beneficial, fair business practices to all stakeholders including the community at large. We provide employees and business associates with working conditions that are clean, safe, healthy and fair. We are committed to transparently sharing our progress, challenges, and successes as we strive to create lasting value for our stakeholders while leaving a positive impact on society and the environment.									
10.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policies.  At the highest level, the Board of Directors of your Company is responsible for implementation and oversight of the Business Responsibility policy.  The Risk Management Committee (RMC) reviews the Company Environment and Sustainability goals. The Risk Management Committee also oversees the operational, market and business risks, regulatory and reporting requirements under the Listing Regulations.  The Corporate Social Responsibility (CSR) Committee oversees, corporate social responsibility and other related matters as may be referred by the Board of Directors. All the CSR projects and programmes are undertaken, monitored, assessed and reported as per the CSR Rules.									



11	<p>Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details :-</p> <p>Yes, the Board of Directors has entrusted Risk Management Committee to oversee the sustainability initiatives of your Company. The Committee comprises of four Non-Executive Independent Directors and Two Executive Directors of your Company.</p> <p>The Company has Risk Management Committee headed by an Independent Directors monitoring the progress of Risk Management on a quarterly basis. Mr. C. Ravikumar, Whole-time Director of the Company has been appointed as Chief Risk Officer to monitor the various programs and conduct monthly meeting and measure the progress.</p>		
	<b>Member of the Risk Management Committee</b>	<b>Designation</b>	<b>DIN</b>
	Mr. Bhadrannarasimham Jayaraman	Non-Executive - Independent Director	00022567
	Mr. Ravichandar Venkataraman	Non-Executive - Independent Director	00634180
	Ms. Jayashri Murali	Non-Executive - Independent Director	00317201
	Mr. Chandu Nair	Non-Executive - Independent Director	00259276
	Mr. Sukumar Srinivas	Executive Director-Managing Director	01668064
	Mr. Chowdappa Ravikumar	Executive Director- Whole-time Director	01247347

\* Shankara Code of Conduct

\*\* Corporate Social Responsibility Policy

\*\*\*Shankara Vision & Mission

\*\*\*\*Shankara Quality Policy





## 10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board/Any Other Committee									Frequency (Annually/ Half yearly/quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes									On a need basis								
Compliance with Statutory requirements of relevance to the principles and rectification of any non-compliances	Yes									On a need basis								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/ no). If yes, provide name of the agency.

No, the Company has various policies in place, which are reviewed from time to time by the Board, its Committees and Senior Management. Further, the above policies and processes may be subject to regulatory compliances and changes, as applicable.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

## Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:			
Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of the persons in the respective category covered by the awareness programmes
Board of Directors	7 (as a part of Board Meeting)	Familiarization Programme at regular intervals, in each Board Meeting. Updates related to regulatory changes, topic covered includes: 1) SEBI Regulations 2) Companies Act 3) Corporate Governance At each meeting of the Board/ Audit Committee, members also deliberate on key integrity matters that helps to reflect and focus on key strategies and financials. As a part CSR agenda, members also discuss various sustainable initiatives of the Company.	100%
Key Managerial Personnel	1	1) Code of Conduct 2) Whistleblower Policy 3) Prevention of Sexual Harassment at the Workplace	100%
Employees other than Board of Directors and KMPs	1	1) Code of Conduct 2) Whistleblower Policy 3) Prevention of Sexual Harassment at the Workplace	100%

Note: All the principles laid down in this Report are covered in the Company's Code of Conduct, which is mandatorily adhered to by all employees of the Company



**2. Details of fines/penalties/ punishment/ award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions in the financial year:**

The Company shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.

For details related to fines/ penalties/punishment/ award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, refer Directors Report.

**3. Of the instancing disclosed in question 2 above, details of Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

**4. Does the entity have an anti-corruption or anti-bribery policy if yes, provide details in brief and if available please provide a web link to the policy**

Yes, the Company does have the Code of Conduct where anti-corruption or anti-bribery is covered. The Company has also adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides

for adequate safeguards against victimisation of employees who avail of the mechanism. The Whistleblower Policy as adopted by the Company is available on the Company's website at <https://shankarabuildpro.com/wp-content/uploads/2023/10/Policy17.pdf>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

Case Details	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

**6. Details of complains with regard to conflict of interest**

	FY 2023-24 (Current Financial year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Not Applicable	Nil	Not Applicable
Number of complaints received in relation to issues of conflict NIL of Interest of the KMPs				

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest**

Not Applicable



## Leadership Indicators

### 1. Awareness programmes conducted for value chain partners on any principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil		

In the Company's Code of Conduct and general terms and conditions, the Company has emphasized on all integrity aspects, which are applicable to all suppliers.

### 2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, every Director of the Company discloses his/her concern or interest in the Company or companies or bodies corporate, firms or other association of individuals and any change therein, annually or upon any change, which includes the shareholding.

Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal

association which they may have, does not involve any conflict of interest with the operations of the Company and the role therein. The Senior Management also affirms annually that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large.

### PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

#### Essential Indicators

### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year 2023-24	Previous Financial Year 2022-23	Details of improvements in environmental and social impacts
R & D	Nil		
Capex			

### 2. Does the Company have procedures in place for sustainable sourcing?

Yes, Shankara intent to source products and services that are environment friendly, recycled, energy efficient and locally sourced, to the extent possible.

### 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

In Shankara, we minimize plastic usage and embracing recycling practices, we strive to create a greener and more sustainable future for generations to come.

### 4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

Not Applicable



## Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the format

Not Applicable

2. If there are any significant social or environmental concerns and /or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same.  
3. Percentage of recycled or reused input material to 3.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

Indicate input material	Recycled or re-used input material to total material Action Taken	
	FY 2023-24 (Current Financial year)	FY 2022-23(Previous Financial Year)
	Nil	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed

Indicate input material	Recycled or re-used input material to total material Action Taken					
	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Nil



**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees including those in their value chains.**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	% of workers covered by:									
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity benefits availed		Day Care facilities
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	(D) % (D/A)	Number (E)	% (E/A)	
Permanent employees										
Male	613	384	63 %	384	63 %	-	-	-	-	-
Female	112	42	38 %	42	38 %	42	38 %	-	-	-
Total	725	426	59 %	426	59 %	42	38 %	-	-	-
Other than Permanent employees										
Male	117	Not Applicable								
Female	39									
Total	156									

Note: Include employees other than ESI coverage  
Health Insurance covers maternity benefits. It is renewed till 13th January, 2025.

**b. Details of measures for the well-being of workers**

Category	% of workers covered by:									
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity benefits availed		Day Care facilities
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	(D) % (D/A)	Number (E)	% (E/A)	
Permanent workers										
Male	Not Applicable									
Female										
Total										
Other than Permanent (workers)										
Male	Not Applicable									
Female										
Total										

**2. Details of retirement benefits for Current FY and Previous financial year**

Your Company makes contributions to Provident Fund (PF), Employee State Insurance (ESI), National Pension System (NPS) etc. for eligible employees.

Benefits	FY 2023- 2024 Current financial year			FY 2022- 2023 Previous financial year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100%	Not Applicable	Yes	100%	Not Applicable	Yes
Gratuity	82%	Not Applicable	Yes	82%	Not Applicable	Yes
ESI	33%	Not Applicable	Yes	33%	Not Applicable	Yes





**3. Accessibility of workplaces-** Are the premises/offices of the entity accessible to differently-abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company's existing and new infrastructure has a comprehensive plan to address accessibility of workplaces.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, your Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The Company encourage diversity in the workplace. All applicants will receive consideration for employment without regard to their sex, gender identity race, color, religious creed, national origin, physical disability.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Non-Permanent workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker (Permanent Workers/Employees)? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Employees can report their concerns initially to their Department Heads. Human Resource Head. In case of lack of redressal, employees can approach the Senior Management.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

Employees are encouraged to share their concerns with their reporting managers and the HR department. Employees can raise their concerns to POSH Committee Members, the Whistleblower channel, and Grievance Redressal channel.

**7. Membership of employees and worker in association(s) or unions recognized by the listed entity:**

Category	FY 2023- 2024 Current financial year			FY 2022- 2023 Previous financial year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	Not Applicable					
Male						
Female						
Total Permanent Employees						
Male						
Female						



**8. Details of training given to employees and workers**

Category	FY 2023-2024					Total (D)	FY 2023-2024			
	Total (A)	On Health and safety measures		On Skill upgradation			On Health and safety measures		On Skill upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (D)	Number (F)	% (F/D)
<b>Employees</b>										
Male	613	613	100 %	328	53 %	578	578	100 %	268	46 %
Female	112	112	100 %	62	55 %	86	86	100 %	52	60%
<b>Total</b>	<b>725</b>	<b>725</b>	<b>100%</b>	<b>390</b>	<b>54 %</b>	<b>664</b>	<b>664</b>	<b>100%</b>	<b>320</b>	<b>48 %</b>
<b>Workers</b>										
Male	117	-	-	-	-	-	-	-	-	-
Female	39	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**9. Details of performance and career development reviews of employees and worker.**

Throughout the year, the managers and employees regularly review and discuss performance and development for all employees. For your Company, skill up gradation of employees remains one of the key focus areas.

**10. Health and safety management system**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system**

Yes. The Company provide safe and healthy working conditions for the prevention of incidents and work-related illness. Your Company devotes adequate energy and attention to protect employees, contractors and any other people involved with the company along the value chain, including suppliers and customers.

**b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the Company?**

Not Applicable

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/ No)**

Yes. Any kind of incidents are recorded. Process and procedures have been established and complied with.

**d. Do the employees/worker of the Company have access to non-occupational medical and healthcare services?**

Yes, the employees/workers of your Company have access to non-occupational medical and healthcare services. They are insured under the Group Health Insurance Policy.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-2024 Current financial year	FY 2022-2023 Previous financial year
Lost Time Injury Frequency Rate (LTIFR) (per one million -person hours worked)	Employees	Nil	Nil
	Workers		
Total recordable work-related injuries	Employees	Nil	Nil
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers		



**12. Describe the measures taken by the entity to ensure a safe and healthy workplace**

The Company is committed to monitoring the safety and providing a healthy environment for all the employees. The Management of the

Company reviews and monitors the policies and activities of the company to ensure that the Company is in compliance with appropriate laws and legislation.

**13. Number of Complaints on the following made by employees and workers**

	FY 2023-2024			FY 2023-2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil					
Health & Safety						

**14. Assessments for the year: 2023-2024**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Shankara Building Products Limited does not have any safety-related incidents or significant risks/concerns related to health and safety practices and working conditions that require corrective action. Our commitment to maintaining a safe and healthy work environment remains committed, and we continue to uphold the standards to prevent incidents and address any concerns promptly.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

Yes. The Company has systems in place to provide

financial assistance to the legal dependents of the employees in case of death while in service. The Company has Group Term Life Insurance Policy in place for employees.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners**

The Company is compliant to statutory dues of employees towards income tax, provident fund, professional tax, ESIC etc. as applicable from time to time.

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-2024	FY 2022-2023	FY 2023-2024	FY 2022-2023
Employees	Nil			
Workers				



4. Does the Company provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?  
(Yes/ No)

No

Your Company is committed to continuously raise awareness to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption.

5. Details on assessment of value chain partners on health and safety practices and working conditions

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	80 %
Working Conditions	80 %

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Some associate partners were not having adequate working conditions for their employees. They have been advised to conform to statutory standards.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive of all its stakeholders**

**Essential Indicators**

1. Describe the process for identifying key stakeholder groups:

The stakeholders that could be identified can be employees, shareholders and investors, customers, key partners, regulators, lenders, vendors. Key stakeholders are identified in consultation with the Company's Management.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meeting, Shareholder meets, email, Stock Exchange intimations, investor/ analysts meet/ conference calls, annual report, quarterly results, media releases and Company/SE website	Ongoing	Share price appreciation, dividends, profitability and financial stability, growth prospects
Employees	No	Senior leaders' communication, Employee Communication, goal setting and performance appraisal meetings/ review,	Ongoing	Efficiencies, improvement areas, long- term strategy plans, training and awareness, brand
Customers	No	Website, distributor / direct customer, senior leader-customer meets / visits, Dealer's meet	Ongoing	Product quality and availability, responsiveness to needs, after sales service
Suppliers / Partners	No	Communication and partnership meets, MoU and framework agreements, professional networks, contract management/ review, on site presentations, satisfaction surveys	Ongoing	Quality, timely delivery and payments and digitalization opportunities



## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated how is feedback from such consultations provided to the Board

The Board of Directors, through the Risk Management Committee and Corporate Social Responsibility monitors and provides strategic direction to the Company's social responsibility obligations and other societal and sustainability practices.

Key stakeholders are identified through an exercise undertaken in consultation with the Company's management. The prioritized list includes everyone from customers, employees, shareholders, investors, vendors, government and regulatory bodies, communities and NGOs etc. The Consultation medium between stakeholders, Company Management, and Board takes place through various channels.

2. Whether stakeholder consultation is used to

support the identification and management of environmental and social topics (Yes/No) If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

No

3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.

Several programs under the Company's Corporate Social Responsibility have been implemented to address the above vulnerable groups.

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

The Company identifies underprivileged communities around its business locations as disadvantaged, vulnerable and marginalized stakeholders and continuously engages with all such stakeholders identifying their needs and priorities so as to serve these needs accordingly

## PRINCIPLE 5 Businesses should respect and promote Human Rights

### Essential Indicators

1. Employees and workers who have been provide training on human rights issues and policy (ies) of the entity

Category	FY 2023- 2024 Current financial year			FY 2022- 2023 Previous financial year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (C/D)
<b>Employees</b>						
Permanent	725	725	100%	664	664	100%
Other than permanent	156	156	100%	327	327	100%
<b>Total Employees</b>	<b>881</b>	<b>881</b>	<b>100%</b>	<b>991</b>	<b>991</b>	<b>100%</b>
<b>Workers</b>						
Permanent	Not Applicable					
Permanent						
<b>Total Workers</b>						



## 2. Details of minimum wages paid to employees and workers

Category	Total (A)	FY 2023- 2024 Current financial year				Total (D)	FY 2022- 2023 Previous financial year			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent										
Male	613	-	-	613	85%	578	-	-	578	87%
Female	112	-	-	112	15%	86	-	-	86	13%
Other than Permanent							-	-		
Male	117	-	-	117	75%	270	-	-	270	83%
Female	39	-	-	39	25%	57	-	-	57	17%
<b>Workers</b>										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Male										
Female										

As both Central and State Government have authorization over fixing the wages, the State Governments fix their own scheduled employments and further release the rates of Minimum Wage along with the VDA (Variable Dearness Allowance). The wage rates in scheduled employments differ across states, sectors, skills, regions and occupations owing to a lot of

differentiating factors. Hence, there is no single uniform minimum wage rate across the country and the revision cycle differs for each state. However, Minimum wages are paid and adhered to by the Company as per the Minimum Wages Act, 1948.

### 3. Details of remuneration /salary/wages in the following format:

	Number	Male	Number	Female
		Median remuneration/ salary/wages of respective category		Median remuneration/ salary/wages of respective category
Board of Directors (BoD)*	2			
Key Managerial Personnel	2			
Employees other than BoD and KMP				
Workers	-	-	-	-

\* Only Executive Directors are considered for median calculation.





**4. Do you have a focal point (Individual/Committee) responsible for addressing Human Rights impacts issues caused or contributed to by the business? (Yes/No)**

No

**5. Describe the internal mechanism in place to redress grievances related to Human Rights issues.**

The Company is committed to maintain a safe and harmonious business environment and workplace for everyone and believes that every workplace shall be free from harassment and / or any other unsafe or disruptive conditions. Accordingly, the Company has in place POSH committee for redressal of such related issues.

	FY 2023 - 2024 Current Financial year			FY 2022 - 2023 Previous Financial year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment						
Discrimination at workplace (discriminations based on caste, age, gender, ethnic backgrounds, or other factors etc.)		NIL			NIL	
Child labour						
Forced labour/In-voluntary Labour						
Wages						
Other human rights related issues						

**7. Mechanisms to prevent adverse consequences to the complaints in discrimination and harassment cases.**

Policies are made and awareness have been given to employees on the same. The Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. The Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Whistle Blower

Committee and Sexual Harassment Committee has been constituted to enquire into any such complaints to recommend appropriate action, wherever required.

**8. Do Human Rights requirements form a part of your business agreements and contracts? (Yes/No)**

The Company does not employ children at its workplaces and does not use forced labor in any form.



**9. Assessments for the year:**

	% of your Plants and Offices that were Assessed (by Entity or Statutory Authorities or Third Parties)
Child Labour	Not Applicable
Child Labour 100% Forced/Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others- please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable

**Leadership Indicators**

**1. Details of a business process being modified/introduced as a result of addressing Human Rights grievances/ complaints:**

Not Applicable

**2. Details of the scope and coverage of human rights due diligence conducted:**

None

**3. Is the premise/office of the entity accessible to differently abled visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, most of our locations are accessible to differently abled visitors.

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessment at Question 4 above:**

Not Applicable



## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in MWh) and energy intensity, in the following format:

Parameter	FY 2023-2024 Current Financial year	FY 2022-2023 Previous Financial Year
Total electricity consumption (A)	14,28,000 Units	12,05,000 Units
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	14,28,000 Units	12,05,000 Units
Energy intensity per Rupee of turnover (Total energy consumption turnover in Rupees) (MWh/INR Crores)	₹9.2 per Unit	₹9.00 per Unit
Energy intensity (optional)- the relevant metric may be selected by the entity	-	-

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Not Applicable

3. Provide details of the following disclosures related to water in the following format:

Parameter	FY2023-24 Current Financial year	FY 2022-23 Previous financial year
Water withdrawal by source (in KL)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
Seawater/desalinated water		
(iv) Others (Rainwater use)		
Total volume of water withdrawal (in KL) (i + ii + iii+ iv + v)		
Water intensity per rupee of turnover (Water consumed/turnover) (KL/₹ - Crores)		
Water intensity (optional) – the relevant metric may be selected by the entity		



4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Not Applicable

5. Please provide details of air emissions (other than GHG emission) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 Current Financial year	FY 2022-23 Previous financial year
NOx	-	-	-
Sox	-	-	-
Particulate Matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)			
Others-please specify	-	-	-

6. Does the entity have any project related to reducing Greenhouse Gas emission?  
If yes, the provide details:

Parameter	Unit	FY 2023-2024 Current Financial year	FY 2022-2023 Previous financial year
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	-	-	-
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	-	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) the relevant metric may be selected by the entity	-	-	-

7. Does the entity have any project related to reducing Green House Gas emission?  
If Yes, then provide details.

No



8. Provide details related to waste management by the entity:

Parameter	FY 2023 - 2024	FY 2022 - 2023
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	Not Applicable	
E-waste (B)		
Bio -medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A+B + C + D + E + F + G+ H)</b>		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste	Not Applicable	
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
<b>Total</b>		
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste	Not Applicable	
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
<b>Total</b>		



9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxics chemicals in your products and processes and the practices adopted to manage such wastes:

Not Applicable

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspot, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, specify details in the following format.

S. No	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken if any
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:

Name and brief details of projects	EIA Notifications No	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
Not Applicable					

12. Is the entity compliant with the applicable environmental law/regulations/ guidelines in India; Such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection at and rules thereunder (Y/N). If not, provide details of all such non-compliances:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				





## Leadership Indicators

1. Provide break-up of the total energy consumed (in Mwh) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023 - 2024 Current financial year	FY2022 -2023 Previous financial year
From renewable sources	Not Applicable	Not Applicable
Total electricity consumption (A)		
Total fuel consumption (B)+		
Energy consumption through other sources (C)		
Total energy consumed form renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)		
Total fuel consumption (E)+		
Energy consumption through other sources (F)		
Total energy consumed form renewable sources (D+E+F)		



2. Provide the following details related to water discharged:

Parameter	FY 2023 - 2024 Current financial year	FY 2022 - 2024 Previous financial year
Water discharge by destination and level of treatment (in kilolitres)	Not Applicable	Not Applicable
(i) To Surface water		
No treatment		
With treatment-please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment-please specify level of treatment		
(iii) To Seawater		
No treatment		
With treatment-please specify level of treatment		
(iv) Sent to third -parties		
No treatment		
With treatment-please specify level of treatment		
(v) Others (municipal sewerage system after State pollution control board permission)		
No treatment		
With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate		
Total water discharged (in KL)		

3. Water withdrawal consumption and discharge in the areas of water stress (in KL):

For each facility/plant located in areas of water stress, provide the following information:

- (i) **Name of the area** : Not Applicable
- (ii) **Nature of operations**: Not Applicable



**(iii) Water withdrawal consumption and discharge in the following format:**

Parameter	FY 2023 - 2024 Current financial year	FY 2022 - 2023 Previous financial year
Water withdrawal by source (in KL)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater /desalinated water		
(v) Others (rain water)		
Total volume of water withdrawal (in KL)		
Total volume of water consumption (in KL)		
Water intensity (optional)-the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in KL)		
(i) Into Surface water		
No treatment	Not Applicable	Not Applicable
With treatment – please specify level of treatment		
(ii) Into Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) Into Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others (To municipal sewerage)		
No treatment		
With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate		
Total water discharged ( in KL)		



4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-2024 Current financial year	FY2022-2023 Previous financial year
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent		
Total Scope 3 emissions per Rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

5. With respect to the ecologically sensitive areas reported at Question 10 of essential Indicators above, provide details of significant direct and indirect impact of the entity on bio-diversity in such areas along with prevention and remediation activities:

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emission/ effluent discharge/ waste generated please provide details of the same as well as outcome of such initiatives as per the following format:

S. No	Initiative undertaken	Details of the initiatives (Web-link, if any, may be provided along with summary)	Outcome of the initiative
Not Applicable			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Our Risk Management Committee is pivotal in defining our risk management strategies related to disaster management and business continuity.

The Business Continuity Plan has been prepared to assist the organization to manage a serious disruptive crisis in a controlled and structured manner. It contains information on emergency contact details, strategies to mitigate impact, procedures to be implemented and communication processes to be followed in response to a serious disruptive event.

8. Disclosure any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not available

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Not available



**PRINCIPLE 7: Businesses, when engaging in influencing public a regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations:**

Ten (10)

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of /affiliated to as provide below:**

S. No	Name of the trade and Industry chambers/ associations	Reach of trade and industry chambers / associations (State/ National)
1.	Peenya Industries Association	State
2.	FKCCI, Karnataka Chambers of Commerce & Industry	State
3.	FEI (Federation of Engineering Industry)	State
4.	Karnataka Pipes <i>Dealer</i> Association	State
5.	Bangalore Iron & Steel Merchant Association	State
6.	Bangalore Builders Association	State
7.	Telangana State Tube Manufacturers Association	State
8.	Salem Pipe Dealers Association	State
9.	Canara Chambers Association	State
10.	Steel Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable since the Company has not received any issues related to anti-competitive conduct.

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity**

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually Half yearly/ Quarterly/Others please specify)	Web Link, if available
Nil					



## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

#### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The Company shall make CSR contributions to projects or programs of Healthcare and Education and other areas in accordance with the CSR Policy of the Company.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

#### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

#### 3. Describe the mechanisms to receive and redress grievances of the community

The Company has in place Stakeholder's Relationship and Sexual Harassment Committee for grievances. However, the employees and workers can approach to the Human Resource Department for any grievances. The Company has contact details and email on its website for enquiry related to Company's service and sales query.

#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2023-2024	FY 2022-2023
Directly sourced from MSMEs/ small producers		
Sourced directly from within the district and neighboring districts		

### Leadership Indicators

#### 1. Provide details of actions taken to mitigate any negative social impacts identified in Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

#### 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by Government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable			





The Company is committed towards the development of society and extended its support to the projects in the areas of promoting education, healthcare infrastructure, supporting primary education, environment sustainability, rehabilitating abandoned women and children.

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from supplies comprising marginalized / vulnerable groups? (Yes/No):**

No

**(b) From which marginalized /vulnerable groups do you procure?**

If such a vendor is available, the Company prefers the vendor, if competitive.

**(c) What percentage of total procurement (by value) does it constitute?**

Not Applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes / No)	Benefits Shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

**5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

**6. Details of beneficiaries of key CSR Projects: Please refer Corporate Social Responsibility Annual Report.**

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Not Applicable			

## **PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

### **Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

In order to address any customer query, issues and complaints, the Company has separate email id and contact number.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage of total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposa	Not Applicable



### 3. Number of consumer complaints in respect of the following

Sl. no	FY 2023-2024 (Previous financial year)		Remarks	FY 2022-2023 (Previous financial year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
1.	Nil			Nil		

### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls		

5. Does the entity have a framework /policy on cyber security and risks related to data privacy? (Yes/No) If available provide a web-link of the policy: No

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services cyber security and data privacy of customers re-occurrence of instances of product recalls penalty action taken by regulatory authorities on safety of products/services :-

No issue were reported as on March 31, 2024.

#### Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available):

Information relating to all products of the Company are available on the website at <https://shankarabuildpro.com/>

An agency has been appointed for monitoring the website, coordinating digital marketing, which includes SEO and related efforts.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

The Company conducts meetings to educate its customers on responsible usage of our products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

Not Applicable

4. Provide the following information relating to data breachers:

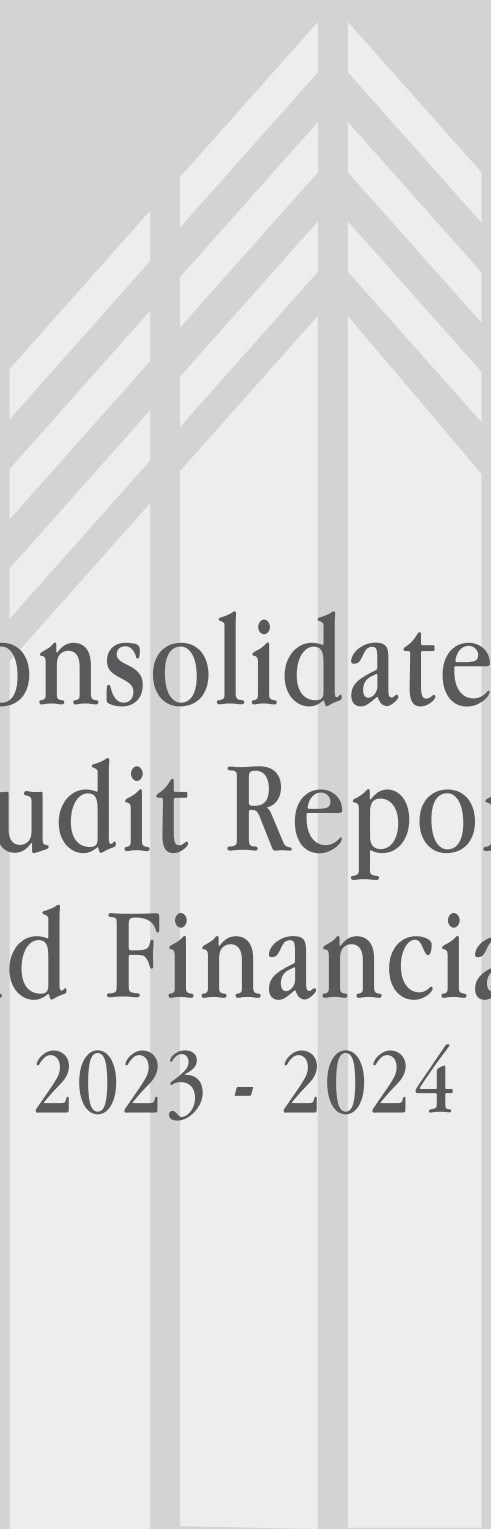
a. Number of instances of data breaches along-with impact:

There were no data breaches as on March 31, 2024.

b. Percentage of data breaches involving personally identifiable information of customers:

Not Applicable



A large, light gray, stylized graphic of a building with a pointed top, composed of several vertical and diagonal lines, serving as a background for the title text.

# Consolidated Audit Report and Financials 2023 - 2024



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

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

### Opinion

We have audited the accompanying Consolidated financial statements of Shankara Building Products Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss, (including other comprehensive income), consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of Material accounting policies information and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the 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 consolidated state of affairs of the Group as at March 31, 2024, of its consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated 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
<p><b><u>Inventory existence and valuation</u></b> Inventory is held in various locations by the Holding Company. There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse &amp; numerous inventory products, multiple storage locations and price fluctuations of products. Hence, inventory quantities and valuation thereof is identified as a key audit Matter.</p>	<p><b><u>We have performed the following procedures:</u></b></p> <ul style="list-style-type: none"> <li>• Reviewed the Inventory verification reports of the Internal auditors for all the quarters.</li> <li>• Also during the year the Management has performed Inventory verification in some locations and have provided us with the Inventory verification reports for review</li> <li>• Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.</li> </ul>





Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><b><u>Carrying value of Goodwill</u></b></p> <p>The group has recognised goodwill on consolidation involving three subsidiaries amounting to ₹14.04 crore. The goodwill has to be tested for impairment annually, which requires significant judgement on the part of the management in identifying and valuing the relevant Cash Generating Unit that contains goodwill.</p>	<p>The Board of Directors of the Holding Company has tested whether there is any impairment of goodwill recognised in the financials viz. ₹14.04 crore. The projected discounted cash flow of the respective Cash Generating Unit was considered in detail and on such due consideration, the Board has come to the conclusion that goodwill has not suffered any impairment and can be carried at ₹14.04 crore.</p> <p>We have considered the basis on which the Board has arrived at this consideration and we agree with their assessment.</p>

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

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

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p><b><u>ASSESSMENT OF THE APPROPRIATENESS OF THE ALLOWANCE FOR DOUBTFUL DEBTS.</u></b></p> <ul style="list-style-type: none"> <li>• Trade Receivable comprises 29.79% (2022-23 23.67%) of the total assets in the Statement of Financial Position (the Balance Sheet)</li> <li>• The appropriateness of the allowance for doubtful debts is subjective due to high degree of judgement applied by the management in determining the impairment provision.</li> <li>• Due to the significance of trade receivables and the related estimation uncertainty, this is considered as key audit risk.</li> <li>• This disclosure is set out in the Note under Schedule 10.</li> </ul>	<p><b><u>Our procedure included among others:</u></b></p> <ul style="list-style-type: none"> <li>• Evaluated the debtor impairment methodology applied in the current year against the requirements of Ind AS 113 in respect of fair valuation.</li> <li>• Analysed the methodology by comparing the prior year provision to the actual current year write offs. Assessed key ratios which include cash collections, days outstanding and delinquencies.</li> <li>• We considered the changes in credit strategy and assessed the impact on the allowances for doubtful debts.</li> <li>• Assessed the changes in the economy with particular reference to the sector where the company predominantly operates and the impact on the collectively of the trade receivables.</li> </ul>





KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
	<ul style="list-style-type: none"> <li>Based on the above, we satisfied ourselves that the management had taken reasonable judgements that were materially supported by the available evidence in respect of the receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.</li> </ul>
<p><b><u>INVENTORY PROVISION</u></b></p> <ul style="list-style-type: none"> <li>Inventory comprises of 40.98% (2022-23 32.49%) of the total assets in the statement of financial position (Balance Sheet).</li> <li>As discussed in the Notes on Accounts, the management has made provision for markdowns against inventory in respect of damaged, unmarketable, unserviceable and have become obsolete.</li> <li>The allowance for markdown of inventory takes into account the historic information related to sales trends and estimated net realisable value has been applied in respect of the class of inventory stated above.</li> <li>This requires significant management judgement based on past experience, inventory ageing profile as well as different market factors impacting sale of these products. As these factors change each year, this required specific focus on the current year assumptions. Further due to the significance of the inventories and related estimation uncertainty, this is considered as key audit risk. Accordingly, the markdown against inventory is considered to be a key audit matter and disclosure is included in the Notes on accounts.</li> </ul>	<p><b><u>Our procedure included, among others:</u></b></p> <ul style="list-style-type: none"> <li>Compared the provision/valuation methodology applied by the management by comparing to previous year methodology.</li> <li>Evaluated the assumptions and judgements applied by the management in determining such markdown provision/valuation.</li> <li>Tested and evaluated historical information, data trends and ageing profiles and shelf lives.</li> <li>Analysed the provisions by performing analytical procedures on provisioning/valuation levels including against historical experience.</li> </ul>

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



KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p><b><u>ASSESSMENT OF THE APPROPRIATENESS OF THE ALLOWANCE FOR DOUBTFUL DEBTS.</u></b></p> <ul style="list-style-type: none"> <li>• Trade Receivable comprises 28.90% (2022-23 47.49%) of the total assets in the Statement of Financial Position (the Balance Sheet)</li> <li>• The appropriateness of the allowance for doubtful debts is subjective due to high degree of judgement applied by the management in determining the impairment provision. Although there is a quantum jump in the overall debtors' values, the increase in terms of percentage of assets has not marked a significant growth.</li> <li>• The recoverability of trade receivables and the level of provisions for bad and doubtful debts are considered to be key risk due to the significance of these balances to the Ind AS financial statements and the judgement required in making appropriate provisions.</li> <li>• The disclosure is set out in the Note under Schedule 11</li> </ul>	<p><b><u>Our procedure included, among others:</u></b></p> <ul style="list-style-type: none"> <li>• Evaluated the debtor impairment methodology applied in the current year against the requirements of Ind AS 113 in respect of fair valuation.</li> <li>• Analysed the methodology by comparing the prior year provision to the actual current year write offs. Assessed key ratios which include cash collections, days outstanding and delinquencies.</li> <li>• We considered the changes in credit strategy and assessed the impact on the allowances for doubtful debts.</li> <li>• Assessed the changes in the economy with particular reference to the sector where the company predominantly operates and the impact on the collectively of the trade receivables.</li> <li>• Based on the above, we satisfied ourselves that the management had taken reasonable judgements that were materially supported by the available evidence in respect of the receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.</li> </ul>
<p><b><u>INVENTORY PROVISION</u></b></p> <ul style="list-style-type: none"> <li>• Inventory comprises of 41.08% (2022-23 32.11%) of the total assets in the statement of financial position (Balance Sheet).</li> <li>• As discussed in the Notes on Accounts, the management has made provision for markdowns against inventory in respect of damaged, unmarketable, unserviceable and have become obsolete.</li> <li>• The allowance for markdown of inventory takes into account the historic information related to sales trends and estimated net realisable value has been applied in respect of the class of inventory stated above.</li> <li>• This requires significant management judgement based on past experience, inventory ageing profile as well as different market factors impacting sale of these products. As these factors change each year, this required specific focus on the current year assumptions. Further due to the</li> </ul>	<p><b><u>Our procedure include, among others:</u></b></p> <ul style="list-style-type: none"> <li>• Compared the provision/valuation methodology applied by the management by comparing to previous year methodology.</li> <li>• Evaluated the assumptions and judgements applied by the management in determining such markdown provision/valuation.</li> <li>• Tested and evaluated historical information, data trends and ageing profiles and shelf lives.</li> <li>• Analysed the provisions by performing analytical procedures on provisioning/valuation levels including against historical experience.</li> </ul>



KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p>significance of the inventories and related estimation uncertainty, this is considered as key audit risk. Accordingly the markdown against inventory is considered to be a key audit matter and disclosure is included in the Notes on accounts.</p>	

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

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our report thereon.

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

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

If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the consolidated financial statements**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance,

consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the



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

### **Auditor's Responsibilities for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of

management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our



independence, and where applicable, related safeguards.

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

### Other matters

(a) We did not audit the financial statements of three wholly owned subsidiaries, whose financial statements reflect total assets of ₹418.18 crore as at March 31, 2024, total revenues of ₹1,009.69 crore, total net profit after tax of ₹11.51 crore and net cash inflow amounting to ₹0.01 crore for the year then ended on that date, as considered in the Consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The financial information of one overseas subsidiary, whose financial statements / financial information reflect total assets of ₹ 0.01 crore as at March 31, 2024, Nil total revenue total net loss of ₹ 0.08 Crore and net cash outflow amounting to ₹ 0.05 crore as of and for the year ended March 31, 2024, are considered in the Consolidated Ind AS financial statements. These financial information are UNAUDITED and have been furnished to us by the management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited

financial information. According to the information and explanations given to us by the management, these financial information are not material to the Group and we concur.

(c) The Consolidated financial statements include the audited financial Statement of one Subsidiary whose financial statement reflect total assets of ₹0.02 crore as at March 31, 2024, NIL total revenue for the period from October 13, 2023 to March 31, 2024, total net loss of ₹0.02 crore for the period from October 13, 2023 to March 31, 2024 and net cash inflow of ₹0.01 crore for the period from October 13, 2023 to March 31, 2024, which has been audited by us

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3), we report, to the extent applicable, that:

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

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS





specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and on the basis of the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group incorporated in India is disqualified as on March 31, 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 Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the remuneration paid / provided during the year to directors is in accordance with the provisions of section 197 of the Act, in respect of the Holding Company. Remuneration was not paid to the director(s) of the subsidiaries.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group - Refer note no. 39 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2024.

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

iv. a) The Management of the Holding Company and the subsidiaries (incorporated in India) have

represented that, to the best of its knowledge and belief, other than as disclosed in notes to account (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 Group 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management of the Holding Company and the subsidiaries (incorporated in India) have represented that, to the best of its knowledge and belief, other than as disclosed in the note no. 54 to consolidated financial statements, no funds have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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 provided under sub-clause (a) and (b) above, contain any material misstatement.

(v) The final dividend paid by the Holding company during the year in respect of the same declared for the previous year is in accordance with the Section 123 of the Act to the extent it applies to payment of Dividend. The Board of the Holding Company has not declared interim dividend during the year. However, the Board of the Holding Company at its meeting held today ie. 20th May 2024 has recommended a final dividend of ₹3.00 /- per equity share (face value of ₹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, on the basis of test checks, and as communicated by the respective auditor of three subsidiaries and one subsidiary company which was audited by us, the Holding Company and its subsidiary companies incorporated in India have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the Holding company and one subsidiary company audited by us. In respect of the three subsidiary companies not audited by us, the respective auditors have not reported any instance of tampering with audit trail.

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.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company and One wholly owned subsidiary company incorporated in India and by other auditors in respect of three wholly owned subsidiaries incorporated in India included in the Consolidated financial statements, we report that there are no qualifications or adverse remarks in these CARO reports.

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

**Srinivasan K**  
Partner  
Membership No. : 209120  
ICAI UDIN: 24209120BKBKIC5518

Place : Bengaluru  
Date : May 20, 2024

### **Annexure A – referred to in our report under “Report on Other Legal and Regulatory requirements Para 1 (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”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Shankara Building Products Limited (hereinafter referred to as “the Holding Company”), and its Indian subsidiary companies (the Holding Company and its Indian subsidiaries together referred to as “the Group”), as of that date.

#### **Management’s Responsibility for Internal Financial Controls with reference to Financial Statements**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to



the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the group, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the group, which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

### **Report on the Internal Financial Controls Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



### Opinion

In our opinion, the Holding Company and its Indian subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to three Indian subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

Place : Bengaluru  
Date : May 20, 2024

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

**Srinivasan K**  
Partner  
Membership No. : 209120  
ICAI UDIN: 24209120BKBKIC5518



CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2024

(Rupees in Crores)

Particulars	Note No	As at 31-3-2024	As at 31-03-2023
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	268.50	253.36
(b) Capital work-in-progress	4(a)	-	2.34
(c) Investment Property	5	7.67	9.53
(d) Right-of-use Asset	6, 41(b)	2.66	3.79
(e) Goodwill on Consolidation	7(a)	14.04	14.04
(f) Other Intangible assets	7(b)	-	-
(g) Intangible assets under development	7(c)	2.89	1.33
(h) Financial Assets			
i) Trade receivables	8	2.80	2.90
ii) Loans	9	0.06	0.06
iii) Other financial assets	10	10.15	10.43
(i) Deferred tax Assets	24(e)	0.01	-
(j) Other non-current assets	11	5.83	3.70
<b>Total Non-current assets</b>		<b>314.61</b>	<b>301.48</b>
<b>(2) Current Assets</b>			
(a) Inventories	12	484.76	425.35
(b) Financial Assets			
i) Trade receivables	13	686.11	511.06
ii) Cash and cash equivalents	14	28.35	5.87
iii) Bank balances other than (ii) above	15	6.05	6.04
iv) Other financial assets	16	1.35	1.38
(c) Current Tax Asset (Net)	24(c)	1.63	0.77
(d) Other current assets	17	62.68	39.80
<b>Total current assets</b>		<b>1,270.93</b>	<b>990.27</b>
<b>Total Assets</b>		<b>1,585.54</b>	<b>1,291.75</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	18	24.25	22.85
(b) Other Equity	19	773.32	620.24
<b>Total Equity</b>		<b>797.57</b>	<b>643.09</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	20	14.40	26.85
(ia) Lease Liabilities	21	1.59	4.59
ii) Other financial liabilities	22	0.09	0.12
(b) Provisions	23	-	-
(c) Deferred tax liabilities (Net)	24(d)	8.72	8.79
<b>Total Non-current liabilities</b>		<b>24.80</b>	<b>40.35</b>

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2024 Contd.**

(Rupees in Crores)

Particulars	Note No	As at 31-3-2024	As at 31-03-2023
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	25	69.01	55.75
(ii) Lease Liabilities	26	1.65	0.65
ii) Trade payables	27		
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		629.17	414.63
iii) Other financial liabilities	28	12.18	11.36
(b) Other current liabilities	29	24.45	13.55
(c) Provisions	30	0.58	0.74
(d) Current Tax Liabilities(Net)	24(b)	4.80	5.97
<b>Total current liabilities</b>		<b>763.17</b>	<b>608.31</b>
<b>Total Equity and Liabilities</b>		<b>1,585.54</b>	<b>1,291.75</b>
Material accounting policies information	1 to 3		

**See accompanying notes to the consolidated financial statements**

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

**Srinivasan K**  
Partner  
Membership No: 209120  
ICAI UDIN:24209120BKBKIA5545

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



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> 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	31	4,828.44	4,029.72
II Other Income	32	5.24	7.70
<b>III Total Income (I+II)</b>		<b>4,833.68</b>	<b>4,037.42</b>
<b>IV Expenses</b>			
Cost of materials consumed	33	961.69	722.89
Purchases of Stock-in-Trade		3,636.48	3,135.67
Changes in inventories of Finished Goods & Stock-in-Trade	34	(46.11)	(52.86)
Employee benefits expense	35	54.97	48.24
Finance costs	36	32.34	24.76
Depreciation and amortization expense	36(a)	15.91	16.34
Other expenses	37	70.30	58.01
<b>Total expenses (IV)</b>		<b>4,725.58</b>	<b>3,953.05</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>108.10</b>	<b>84.37</b>
<b>VI Exceptional items</b>		-	-
<b>VII Profit before tax [V+VI]</b>		<b>108.10</b>	<b>84.37</b>
<b>VIII Tax expense:</b>	24(a)		
(1) Current tax		26.86	19.32
(2) Tax - earlier years		0.29	0.11
(3) Deferred tax		(0.18)	1.89
<b>Total Tax Expenses</b>		<b>26.97</b>	<b>21.32</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>81.13</b>	<b>63.05</b>
<b>X Other Comprehensive Income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
(i) Re-measurements of defined benefit plans		0.41	0.20
(ii) Income tax relating to items that will not be reclassified to Profit or loss		(0.10)	(0.06)
<b>Total A</b>		<b>0.31</b>	<b>0.14</b>
<b>B Items that will be reclassified to profit or loss</b>			
(i) Exchange differences in translating the financial statements of a foreign operation (CY ₹61,100)		(0.00)	(0.02)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total B</b>		<b>(0.00)</b>	<b>(0.02)</b>
<b>Total Other Comprehensive Income (A+B)</b>		<b>0.31</b>	<b>0.12</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>81.44</b>	<b>63.17</b>
<b>XII Total Profit for the year attributable to:</b>			
- Owners of the parent		81.13	63.05
- Non-controlling interest		-	-
		<b>81.13</b>	<b>63.05</b>

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 Contd.**

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>XIII Other comprehensive income for the year attributable to:</b>			
- Owners of the parent		0.31	0.12
- Non-controlling interest		-	-
		<b>0.31</b>	<b>0.12</b>
<b>XIV Total comprehensive income for the year attributable to:</b>			
- Owners of the parent		81.44	63.17
- Non-controlling interest		-	-
		<b>81.44</b>	<b>63.17</b>
<b>XV Earning per equity share [Face value Rs.10 per share]</b>	38		
Basic (in ₹)		34.67	27.59
Diluted (in ₹)		34.67	27.59
Material accounting policies information	1 to 3		

**See accompanying notes to the consolidated financial statements**

As per our report attached of even date

**For SUNDARAM & SRINIVASAN**

Chartered Accountants

ICAI Firm Reg.No: 004207S

**Srinivasan K**

Partner

Membership No: 209120

ICAI UDIN:24209120BKBKIA5545

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



(Rupees in Crores)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

**A. Equity Share Capital**

(1) Year ended 31st March 2024 (refer note no 18)

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 18)

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 19)**

(1) Year ended 31st March 2024

Particulars	Note No	Reserves and Surplus					Other items of other comprehensive income			Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Items that will be reclassified to profit or loss	Exchange differences on translating the Financial Statements of a foreign operation	Money received against Share warrants*	
					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	481.08	(0.02)	-	0.22	26.25	620.24
Profit for the year		-	-	-	81.13	-	-	(0.00)	-	81.13
Other comprehensive income for the year, net of income tax (CY ₹61,100)		-	-	-	-	-	0.31	-	-	0.31
Dividends paid	49(A)(2)	-	-	-	(5.71)	0.31	(0.31)	-	-	(5.71)
Transfer to retained earnings		-	-	-	-	-	-	-	(26.25)	-
Issue of shares on conversion of share warrant		-	103.60	-	-	-	-	-	-	77.35
<b>Balance at the end i.e. 31st March 2024</b>		<b>0.19</b>	<b>214.88</b>	<b>1.24</b>	<b>556.50</b>	<b>0.29</b>	<b>-</b>	<b>0.22</b>	<b>-</b>	<b>773.32</b>

\*refer note no 18(f)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 Contd.

(Rupees in Crores)

(2) Year ended 31st March 2023

Particulars	Note No	Reserve and Surplus					Other Items of other comprehensive income			Money received against Share warrants*	Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Items that will not be reclassified to profit and loss	Exchange differences on translating the Financial Statements of a foreign operation	Items that will be reclassified to Profit or loss		
					Surplus in Statement of Profit and Loss	Defined benefit plan					
<b>Balance at the beginning i.e. 01st April 2022</b>		0.19	111.28	1.24	420.32	(0.16)	0.24	-	-	533.11	
Other comprehensive income for the year, net of income tax		-	-	-	63.05	-	(0.02)	0.14	-	63.05	
Dividends Paid	49(A)(2)	-	-	-	(2.29)	-	-	(0.14)	-	(2.29)	
Transfer to retained earnings		-	-	-	-	0.14	-	-	-	-	
Money received against Share warrants		-	-	-	-	-	-	-	26.25	26.25	
<b>Balance at the end i.e. 31st March 2023</b>		0.19	111.28	1.24	481.08	(0.02)	0.22	-	26.25	620.24	

\*refer note no 18(f)

Material accounting policies information- 1 to 3

See accompanying notes to the consolidated financial statements

As per our report attached of even date  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
ICAI Firm Reg.No: 0042075

Srinivasan K  
Partner  
Membership No: 209120  
ICAI UDIN:242091208BKIA545

For and on behalf of the Board of Directors  
Sukumar Srinivas  
Managing Director  
DIN: 01668064

Alex Varghese  
Chief Financial Officer  
Ereena Vikram  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru  
Date : May 20, 2024

Place : Bengaluru  
Date : May 20, 2024



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>Cash flow from operating activities</b>			
Profit before tax for the year		108.10	84.37
<b>Adjustments to reconcile profit before tax to net cash flow:</b>			
Depreciation and amortization expense	36(a)	15.91	16.34
Loss on sale of property, plant and equipment	37	0.05	0.06
Profit on sale of property, plant and equipment/ Investment property	32	(1.25)	(0.07)
Unwinding of interest income on rental deposits	32	(0.34)	(0.47)
Interest income	32	(0.57)	(0.41)
Provision for damaged goods	37	0.50	-
Write off of property, plant and equipment	37	0.28	-
Provision for doubtful debts written back (CY - ₹41,865)	32	(0.00)	(5.00)
Interest expense on borrowings	36	31.59	23.67
Interest on Lease liability	36	0.27	0.58
Payables written back	32	(1.73)	(0.04)
Bad Debts written off (PY ₹23,709)	37	1.01	0.00
Loss Allowance for doubtful trade receivables	37	3.46	0.35
Provision for expenses no longer required written back	32	(0.05)	-
Gain on termination of lease	32	(0.29)	(0.74)
Foreign currency translation reserve (CY ₹61,100)		(0.00)	(0.02)
<b>Operating profit before working capital changes</b>		<b>156.94</b>	<b>118.62</b>
Adjustments for :			
Decrease/ (Increase) in inventories		(59.91)	(53.02)
Decrease/ (Increase) in trade receivables		(179.42)	(152.14)
Decrease/ (Increase) in loans and other financial assets		0.62	(0.97)
Decrease/ (Increase) in other current assets		(22.88)	(7.64)
Decrease/ (Increase) in other non-current assets		0.11	(0.26)
(Decrease)/ Increase in trade payables		131.94	201.60
(Decrease)/ Increase in other financial liabilities		0.35	2.11
(Decrease)/ Increase in other current liabilities		10.90	0.75
(Decrease)/Increase in provisions		(3.17)	(1.77)
<b>Cash flow from/(used in) operations</b>		<b>35.48</b>	<b>107.28</b>
Income taxes paid		(25.76)	(15.32)
<b>Net cash flows from/(used in) operating activities (A)</b>		<b>9.72</b>	<b>91.96</b>
<b>Cash flow from investing activities</b>			
Consideration paid for purchase of property, plant and equipment (including capital work-in-progress and capital advances)		(30.18)	(43.47)
Proceeds from sale of property, plant and equipment\Investment property		3.95	0.83
Purchase of software (Including intangible assets under development)	7(c)	(1.56)	(1.28)
(Purchase)/proceeds from maturity of bank deposits		(0.01)	(1.67)
Interest receipt		0.60	0.39
<b>Net cash flows from/(used in) investing activities (B)</b>		<b>(27.20)</b>	<b>(45.20)</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 Contd.**

(Rupees in Crores)

Particulars	Note No	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>Cash flow from financing activities</b>			
Proceeds from Issue of Share warrants *(CY - 75% , PY- 25%)		78.75	26.25
Principial element of lease payments		(2.52)	(3.81)
Interest on lease liability	36	(0.27)	(0.58)
Proceeds from non current borrowings		-	0.95
Repayment of term loans		(9.03)	(10.13)
Current Borrowings availed/ (repaid)		9.84	(29.81)
Interest paid		(31.11)	(23.95)
Unclaimed dividend - Transfer in/(out) (PY ₹28,757)		0.01	0.00
Dividends paid	49(A)(2)	(5.71)	(2.29)
<b>Net cash from/(used in) financing activities (C)</b>		<b>39.96</b>	<b>(43.37)</b>
<b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b>		<b>22.48</b>	<b>3.39</b>
<b>Cash and cash equivalents - at the beginning of the year</b>		<b>5.87</b>	<b>2.48</b>
Cash and cash equivalents - at the end of the year		<b>28.35</b>	<b>5.87</b>
<b>Non cash financing and investing activities</b>			
- Acquisition of Right-of-use assets	6	<b>1.52</b>	<b>0.66</b>
Note: Cash and Cash equivalents in the Statement of Cash flow comprise of the following :			
<b>i) Cash on Hand</b>		0.90	0.55
<b>ii) Balance with Banks :</b>	14		
- In Current Account and Cash Credit Account		27.45	5.32
		<b>28.35</b>	<b>5.87</b>
Material accounting policies information	1 to 3		
*Share warrants were converted to shares on 9th November 2023.			

See accompanying notes to the consolidated 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  
ICAI UDIN:24209120BKBKIA5545

Place: Bengaluru  
Date : May 20, 2024

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





## CONSOLIDATED ACCOUNTING POLICIES

### 1. GENERAL INFORMATION

Shankara Building Products Limited ("SBPL" or "the company") is a public listed company incorporated and domiciled in India. The registered office is situated at G-2 Farah Winsford, 133, Infantry Road, Bengaluru – 560001.

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

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

### 2. MATERIAL ACCOUNTING POLICIES INFORMATION

#### 2.1 Statement Of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The aforesaid financial statements 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

The consolidated financial statements are prepared and presented in Indian Rupees and all amounts have been presented in crore with two decimals, unless otherwise indicated.

#### 2.3 Basis Of Preparation and Presentation

These consolidated 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.

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

#### Current and Non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle or 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the group has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

#### BASIS OF CONSOLIDATION

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

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



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

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

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

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

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

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

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to

transactions between members of the Group are eliminated in full on consolidation.

## 2.4 REVENUE RECOGNITION

### 2.4.1 Sale of products

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

Revenue is measured at the fair value of the consideration received or receivable. The Group recognizes revenues on sale of products, net of discounts, rebates, returns, taxes and duties on sales when the products are delivered to a carrier for sale / or direct delivery to the customer, as the case may be, which is when significant risks and rewards of ownership pass to the customer.

### 2.4.2 Dividend and interest income

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is recognised on time proportion basis.

### 2.4.3. Rental income

Rental income from operating leases (of the Group'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 Group and the amount of income can be measured reliably.

## 2.5 PROPERTY, PLANT AND EQUIPMENT

### 2.5.1 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.

### 2.5.2 Subsequent expenditure

Expenditure incurred after the Property, Plant and Equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

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

### 2.5.3 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. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

### 2.5.4 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 ₹0.0005 crore (₹5,000/-) are depreciated fully during the year of purchase.

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

### 2.5.5 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 is classified as capital advances under other non-current assets.

## 2.6 INVESTMENT PROPERTIES

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

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



on technical evaluation by management.

## 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 life are as follows:

Software - 3 years

Brand - 3 years

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

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

Intangible assets under development:

Intangible assets under development includes cost of services used and cost of

Licenses in generating the intangible asset under development as at the balance sheet date.

## 2.8 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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

cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

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

## 2.9 BUSINESS COMBINATIONS

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is 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 Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach method. The Group as a lessee has recognised the lease liability based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application (being 01st April, 2019). The Right-of-Use (ROU) asset has been recognised at its carrying amount as if Ind AS 116 has been applied since the commencement date of the lease arrangement by using the incremental borrowing rate as at the transaction date (being 01st April, 2019). The Group has not restated the comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 01st April, 2019.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment of the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term for future periods is reassessed to ensure that the lease term reflects the current economic circumstances. In respect of such long term contracts, Ind AS 116 is applied.

### 2.10.1 Where the Group is lessor

As per terms of lease agreements there is no substantial transfer of risk and reward of the property to the lessee. Accordingly such leased

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

### 2.10.2 Where the Group is a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The Group has however elected to use the exemptions 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset whichever is shorter.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an Individual asset basis unless the asset does not generate cash flows that are



largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.11 INVENTORIES

Inventories are stated at lower of cost and net realizable value.

Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First in First out ('FIFO') basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

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

### 2.11.1 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.

### 2.11.2 Finished goods

Finished goods include conversion costs in addition to the landed cost of raw materials.

### 2.11.3 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.

### 2.11.4 Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## 2.12 EMPLOYEE BENEFITS

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

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement gains and losses recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

The retirement benefit obligation recognised in





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

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

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

The Group recognizes a liability and an expense for 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 TAX

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.

### 2.13.1 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 Income Tax Act, 1961.

### 2.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is

probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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

The Group 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 Group is determined on the basis of the primary economic



environment in which it operates. The functional currency of the Group is Indian National Rupee (INR).

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

## **2.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is

measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.

## **2.16 EARNING PER SHARE**

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

## **2.17 BORROWING COSTS**

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



## 2.18 GOVERNMENT GRANTS & SUBSIDIES

Grants from the Government are recognized at their fair market value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available. Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## 2.19 NON-CURRENT ASSETS HELD FOR SALE/ DISTRIBUTION TO OWNERS AND DISCONTINUED OPERATIONS

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

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

- The appropriate level of management is committed to a plan to sell the asset (or disposal group);
- An active programme to locate a buyer and complete the plan has been initiated;
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in

relation to its current fair value;

- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn."

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

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

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to resale

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

## 2.20 FINANCIAL INSTRUMENTS

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

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



initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Trade receivables are recognised when they are originated.

Trade payables are in respect of the amount due on account of goods purchased or services availed in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

## **a) Financial Assets**

### **(i) Initial recognition and measurement**

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

### **(ii) Subsequent measurement**

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

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

### **Debt instruments at amortised cost:**

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

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on

specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

### **Debt instrument at FVTOCI:**

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

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

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

### **Debt instrument at FVTPL:**

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

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

### **(iii) Derecognition of financial assets**

A financial asset is de-recognised only when;

- a. The Group has transferred the rights to receive cash flows from the financial asset or



b. The Group retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Group examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is de-recognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is de-recognised, if the Group has not retained control of the financial asset.

Where the Group retains control of the financial asset, it is continued to be recognised to the extent of continuing involvement in the financial asset.

## **b) Financial liabilities and equity instruments**

### **(i) Initial recognition and measurement**

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

### **(ii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### **Trade and other payables:**

These amounts represent liabilities for goods or services provided to the Group which are unpaid at the end of the reporting period. Trade and

other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

The Group enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the 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 Group 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 profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

### **(iii) Derecognition of financial liabilities:**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **c) Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **d) Impairment of Financial assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

### **e) Fair value measurement:**

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes

place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability which are accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### **f) Derivative financial instruments**

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge





relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

These arrangements have been entered into to mitigate currency exchange risk arising on account of repayment of foreign currency term loan and interest thereon. For the reporting periods under review, the Group has not designated any forward currency contracts as hedging instruments.

### 2.21 CASH & CASH EQUIVALENTS AND CASH FLOW STATEMENT

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the Indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

### 2.22 DIVIDEND ON ORDINARY SHARES

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.23 SEGMENT REPORTING

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The

operating segments are based on the Group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

### 2.24 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

Ind AS - 34 Interim Financial Reporting

The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated 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.



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#### **(i) Useful lives of property, plant and equipment**

The Board reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

#### **(ii) Provisions and liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### **(iii) Contingencies**

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

#### **(iv) Fair value measurements**

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

**4. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	
<b>Gross carrying amount as at 01-04-2022</b>									
Additions	57.84	99.23	80.37	37.70	10.83	4.34	2.48	292.79	
Disposals/Adjustment	14.40 0.07	16.21 0.27	1.59 0.42	5.50 0.17	2.80 0.71	0.48 0.04	0.41 0.05	41.39 1.73	
<b>Gross carrying amount as at 31-03-2023</b>	<b>72.17</b>	<b>115.17</b>	<b>81.54</b>	<b>43.03</b>	<b>12.92</b>	<b>4.78</b>	<b>2.84</b>	<b>332.45</b>	
Additions	1.83	13.85	2.61	8.01	2.18	1.27	0.53	30.28	
Transfer in / Transfer (out)	0.24	(0.24)	-	-	-	-	-	-	
Disposals/Adjustment	0.70	0.14	0.15	0.86	0.17	0.38	0.03	2.43	
<b>Gross carrying amount as at 31-3-2024</b>	<b>73.54</b>	<b>128.64</b>	<b>84.00</b>	<b>50.18</b>	<b>14.93</b>	<b>5.67</b>	<b>3.34</b>	<b>360.30</b>	
<b>Accumulated depreciation and impairment</b>									
<b>Balance as at 01-04-2022</b>	-	11.36	29.66	15.35	5.73	2.82	2.10	67.02	
Depreciation for the year	-	2.05	5.31	3.73	1.24	0.49	0.16	12.98	
Depreciation on disposals/Adjustment	-	0.02	0.09	0.14	0.59	0.03	0.04	0.91	
<b>Balance as at 31-03-2023</b>	-	13.39	34.88	18.94	6.38	3.28	2.22	79.09	
Depreciation for the year	-	2.32	5.35	4.06	1.51	0.45	0.25	13.94	
Depreciation on disposals/Adjustment	-	0.01	0.05	0.69	0.16	0.31	0.01	1.23	
<b>Balance as at 31-3-2024</b>	-	15.70	40.18	22.31	7.73	3.42	2.46	91.80	
<b>Net Carrying amount</b>									
<b>As at 31-03-2024</b>	<b>73.54</b>	<b>112.94</b>	<b>43.82</b>	<b>27.87</b>	<b>7.20</b>	<b>2.25</b>	<b>0.88</b>	<b>268.50</b>	
<b>As at 31-03-2023</b>	<b>72.17</b>	<b>101.78</b>	<b>46.66</b>	<b>24.09</b>	<b>6.54</b>	<b>1.50</b>	<b>0.62</b>	<b>253.36</b>	
Useful Life of the asset (In Years)	N/A	Refer note (b)	15 Years	10 Years	8 - 10 Years	5 Years	3 Years		
Method of depreciation	N/A			Straight Line Method					

**Note**

- Certain Property, plant & equipment have been hypothecated as security against long term borrowings and certain current borrowings of the Group (refer note no 20, 25 and 44).
- 30 years for Factory buildings and buildings other than RCC frame structure and 60 years for other buildings.
- During the current year as well as previous year, Property, Plant and Equipment has not been revalued.
- The title deeds of the Immovable properties of all the Group companies (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 respective company.



#### 4(a) CAPITAL WORK-IN-PROGRESS

(Rupees in Crores)

Particulars	Amount
<b>Gross carrying amount as at 01-04-2022</b>	<b>1.56</b>
Additions	10.39
Sub Total	11.95
Less: Capitalised during the year	9.61
<b>Gross carrying amount as at 31-03-2023</b>	<b>2.34</b>
Additions	9.72
Sub Total	12.06
Less: Capitalised during the year	12.06
<b>Gross carrying amount as at 31-3-2024</b>	<b>-</b>

#### 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







(Rupees in Crores)

## Notes to the Consolidated Financial Statements

**5. INVESTMENT PROPERTY**

Particulars	Land	Buildings	Total
<b>Gross carrying amount as at 01-04-2022</b>	<b>8.08</b>	<b>1.53</b>	<b>9.61</b>
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>8.08</b>	<b>1.53</b>	<b>9.61</b>
Additions	-	-	-
Disposals	1.83	-	1.83
<b>Gross carrying amount as at 31-3-2024</b>	<b>6.25</b>	<b>1.53</b>	<b>7.78</b>
<b>Accumulated depreciation and impairment Balance as at 01-04-2022</b>	<b>(0.06)</b>	<b>0.11</b>	<b>0.05</b>
Depreciation for the year	-	0.03	0.03
Depreciation on disposals	-	-	-
<b>Balance as at 31-03-2023</b>	<b>(0.06)</b>	<b>0.14</b>	<b>0.08</b>
Depreciation for the year	-	0.03	0.03
Depreciation on disposals	-	-	-
<b>Balance as at 31-3-2024</b>	<b>(0.06)</b>	<b>0.17</b>	<b>0.11</b>
<b>Net Carrying amount</b>			
<b>As at 31-03-2024</b>	<b>6.31</b>	<b>1.36</b>	<b>7.67</b>
<b>As at 31-03-2023</b>	<b>8.14</b>	<b>1.39</b>	<b>9.53</b>
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	0.28	0.29
Less: Direct operating expenses (including repairs and maintenance) that contribute to rental income	0.03	0.03
Profit from investment properties before depreciation	<b>0.25</b>	<b>0.26</b>
Less: Depreciation	0.03	0.03
Profit from investment property	<b>0.22</b>	<b>0.23</b>

**Fair Value**

Particulars	As at 31-03-2024	As at 31-03-2023
Investment properties	18.72	21.64





## Notes to the Consolidated Financial Statements

**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 Group, the market rate for sale/purchase of such premises are representative of fair values. Group's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location 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.

**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	13.38	1.52	5.81	9.09	9.59	1.94	5.10	6.43	2.66

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	23.07	0.66	10.35	13.38	14.47	3.33	8.21	9.59	3.79

**7 (a) GOODWILL ON CONSOLIDATION**

Particulars	Goodwill
<b>Gross carrying amount as at 01-04-2022</b>	<b>14.04</b>
Additions	-
Disposals	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>14.04</b>
Additions	-
Disposals	-
<b>Gross carrying amount as at 31-03-2024</b>	<b>14.04</b>
<b>Accumulated impairment losses</b>	
Balance as at 01-04-2022	-
Impairment losses for the year	-
Impairment losses on disposals	-
<b>Balance as at 31-03-2023</b>	<b>-</b>
Impairment losses for the year	-
Impairment losses on disposals	-
<b>Balance as at 31-03-2024</b>	<b>-</b>
<b>Net Carrying amount</b>	
<b>As at 31-03-2024</b>	<b>14.04</b>
<b>As at 31-03-2023</b>	<b>14.04</b>

**7 (b) OTHER INTANGIBLE ASSETS**

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

**Note**

During the current year as well the previous year, the Group has not revalued any of its intangible asset.

**7 (c) INTANGIBLE ASSETS UNDER DEVELOPMENT**

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



## Notes to the Consolidated Financial Statements

## 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	-	-	<b>2.89</b>
Projects temporarily suspended	-	-	-	-	-

Project Completion overdue or exceeded cost compared to original plan:  
Project costs exceeded as compared to original plan is ₹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	-	-	-	<b>1.33</b>
Projects temporarily suspended	-	-	-	-	-

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

## 8. TRADE RECEIVABLES (NON-CURRENT)

Particulars	As at 31-3-2024	As at 31-03-2023
<b>Unsecured:</b>		
(a) Considered Good	-	-
(b) Credit Impaired	5.58	5.79
	5.58	5.79
Less: Allowance for doubtful debts (expected credit loss allowance) *	(2.78)	(2.89)
<b>Total</b>	<b>2.80</b>	<b>2.90</b>
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



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### \*Movement in loss allowance of trade receivables

Particulars	As at 31-3-2024	As at 31-03-2023
Opening balance	2.89	3.18
Amount written off	-	-
Credit loss allowance	(0.11)	(0.29)
Closing balance	<b>2.78</b>	<b>2.89</b>

### Trade Receivables (Non-Current) ageing schedule as at 31-3-2024

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	0.16	2.61	<b>2.80</b>
<b>Total</b>	-	-	-	<b>0.03</b>	<b>0.16</b>	<b>2.61</b>	<b>2.80</b>

### 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	0.71	1.78	<b>2.90</b>
<b>Total</b>	-	-	<b>0.21</b>	<b>0.20</b>	<b>0.71</b>	<b>1.78</b>	<b>2.90</b>



## Notes to the Consolidated Financial Statements

**9. LOANS (NON-CURRENT)**

Particulars	As at 31-3-2024	As at 31-03-2023
<b>Other Loans</b>		
<b>Unsecured, considered good:</b>		
(a) Employee advances	0.06	0.06
<b>Total</b>	<b>0.06</b>	<b>0.06</b>

**10. OTHER FINANCIAL ASSETS (NON-CURRENT)**

Particulars	As at 31-3-2024	As at 31-03-2023
(a) Security Deposits	8.06	8.36
(b) Deposit with Suppliers	1.72	1.70
(c) Others		
(i) Tender deposit	0.05	0.05
(ii) Utility deposit	0.32	0.32
<b>Total</b>	<b>10.15</b>	<b>10.43</b>

**11. OTHER NON-CURRENT ASSETS**

Particulars	As at 31-3-2024	As at 31-03-2023
(a) Capital Advances (refer note below)	4.62	2.38
(b) Advances other than capital advances		
(i) Deposits with Government authorities	0.88	0.93
(c) Prepaid expenses	0.33	0.39
<b>Total</b>	<b>5.83</b>	<b>3.70</b>

Capital advances includes borrowing costs of ₹Nil (Previous year ₹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, Udipi, Mumbai, Bengaluru and Goa in the years 2013, 2018, 2021, 2023 and 2024 respectively.

**12. INVENTORIES**

Particulars	As at 31-3-2024	As at 31-03-2023
<b>Inventories: (at lower of cost or net realisable value)</b>		
(a) Raw materials	68.79	55.12
(b) Finished goods	62.71	28.82
(c) Stock-in-trade*	347.89	336.17
(d) Stores and spares	5.37	5.24
<b>Total</b>	<b>484.76</b>	<b>425.35</b>



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

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

Inventories have been hypothecated as security against certain bank borrowings of the Group (refer note no 20, 25 and 44)

### 13. TRADE RECEIVABLES (CURRENT)

Particulars	As at 31-3-2024	As at 31-03-2023
<b>Unsecured:</b>		
(A) Trade receivables Considered Good	668.29	504.35
Less: Allowance for doubtful debts (Expected credit loss allowance)	(0.10)	(0.05)
<b>Total A</b>	<b>668.19</b>	<b>504.30</b>
(B)Trade receivables with significant increase in credit risk	25.21	10.53
Less: Allowance for doubtful debts (Expected credit loss allowance)	(7.29)	(3.77)
<b>Total B</b>	<b>17.92</b>	<b>6.76</b>
<b>Total (A+B)</b>	<b>686.11</b>	<b>511.06</b>
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 31-3-2024	As at 31-03-2023
Opening balance	3.82	8.18
Amount written off	-	-
Credit loss allowance	3.57	(4.36)
Closing balance	<b>7.39</b>	<b>3.82</b>





## Notes to the Consolidated Financial Statements

## Trade Receivables (Current) ageing schedule as at 31-3-2024

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	379.76	268.12	20.31	-	-	-	668.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	12.81	1.37	3.74	17.92
(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	-	-	-	-	-	-	-
<b>Total</b>	<b>379.76</b>	<b>268.12</b>	<b>20.31</b>	<b>12.81</b>	<b>1.37</b>	<b>3.74</b>	<b>686.11</b>

## 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	421.53	72.60	10.17	-	-	-	504.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	1.85	2.14	2.77	6.76
(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	-	-	-	-	-	-	-
<b>Total</b>	<b>421.53</b>	<b>72.60</b>	<b>10.17</b>	<b>1.85</b>	<b>2.14</b>	<b>2.77</b>	<b>511.06</b>

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 Group 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.



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

Credit risk is managed at the respective entity level. Before accepting any new customer, the Group evaluates the financial soundness, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Group does not generally hold any collateral or other credit enhancements over these balances. . Trade receivables have been offered as collateral towards borrowings (refer note no 20, 25 and 44).

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

### 14. CASH AND CASH EQUIVALENTS

Particulars	As at 31-3-2024	As at 31-03-2023
(a) Balances with banks : In current account and cash credit account	27.45	5.32
(b) Cash on hand	0.90	0.55
<b>Total</b>	<b>28.35</b>	<b>5.87</b>

The Group has entered into cash management service agreement with certain banks for the collection of cheques at various branches and transfer of the funds to certain cash credit accounts by way of standing instructions. Pending such credits in the account, the cash credit accounts are disclosed as net of such collections. The above mentioned cash and cash equivalents do not contain any amount that are not available for use by the Group.

### 15. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-3-2024	As at 31-03-2023
<b>Earmarked balances:</b>		
(a) With banks in current account (for unclaimed dividends)	0.05	0.04
(b) Fixed Deposits held as margin money	6.00	6.00
<b>Total</b>	<b>6.05</b>	<b>6.04</b>

### 16. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31-3-2024	As at 31-03-2023
<b>Unsecured, considered good</b>		
<b>(i) Financial assets at amortised cost</b>		
(a) Rent receivable	0.02	0.09
(b) Employee advances*	0.83	1.22
(c) Interest accrued on deposits	0.04	0.07
(d) Other receivables#	0.40	-
(e) Interest receivable	0.06	-
<b>Total</b>	<b>1.35</b>	<b>1.38</b>

\*Includes transaction (s) with related parties - refer note no 47(B) and 47(C).

# Other receivables include refundable capital advance on cancellation of agreements - ₹0.30 crores.



## Notes to the Consolidated Financial Statements

## 17. OTHER CURRENT ASSETS

Particulars	As at 31-3-2024	As at 31-03-2023
<b>Advances other than capital advances:</b>		
(a) Advances for purchases	51.34	34.91
(b) Prepaid Expenses	2.59	1.04
(c) Balances with Government authorities (Goods and Services Tax)	8.27	3.85
(d) Demerger Expenses pending final write off*	0.48	-
<b>Total</b>	<b>62.68</b>	<b>39.80</b>

\* Expenditure on demerger will be shared 50% each by Demerged company and Resulting company.  
(Refer note no 59)

## 18. EQUITY SHARE CAPITAL

Particulars	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised:</b>				
Equity shares of ₹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 ₹30 crores divided into 3,00,00,000 (Three Crore Only) Equity Shares of ₹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 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 18(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 ₹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.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

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

Name of Shareholder	As at 31-3-2024		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 quarter 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%
<b>Total</b>		<b>1,15,88,787</b>	<b>47.79%</b>	<b>0.09%</b>

## 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%
<b>Total</b>		<b>1,15,78,787</b>	<b>50.67%</b>	<b>0.00%</b>

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

- The Company has not allotted any equity shares as fully paid-up without payment being received in cash.
- The Company has not allotted any equity shares by way of bonus issue.
- 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 ₹750/- per Warrant ("Warrant Price"), aggregating to ₹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 ₹105 Crores i.e., ₹26.25 crores) was received on 6th May, 2022 and balance 75% of the total consideration (75% of ₹105 Crores i.e., ₹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 18 (a).



## Notes to the Consolidated Financial Statements

## 19. OTHER EQUITY

Particulars	As at 31-3-2024	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	556.79	481.06
Money received against Share warrants	-	26.25
<b>OTHER COMPREHENSIVE INCOME:</b>		
Exchange differences on translating the Financial Statements of a foreign operation (Refer Statement of changes in Equity for additions and deductions from the last year Balance sheet)	0.22	0.22
<b>Total</b>	<b>773.32</b>	<b>620.24</b>

**Capital Reserve**

Reserve is primarily created on amalgamation as per statutory requirement.

**Securities Premium**

This consists of premium realised on issue of shares and will be applied/ utilised in accordance with the provisions of the Companies Act, 2013

**General Reserve**

General Reserve is an accumulation of retained earnings of the Group, apart from the balance in the statement of profit and loss which can be utilised for meeting future obligations.

**Retained earnings**

Surplus in Statement of Profit and Loss is part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

**Foreign currency translation reserve**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.









## Notes to the Consolidated Financial Statements

## 20. BORROWINGS (NON - CURRENT)

Particulars	As at 31-3-2024	As at 31-03-2023
<b>Term Loans - secured*</b>		
From banks	14.40	26.85
<b>Total</b>	<b>14.40</b>	<b>26.85</b>

*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
Term Loan 5 - 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 7.25% to 9.25% pa - repayable in 48 equated monthly instalments post moratorium period.	1.35	-	1.35
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



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

*Terms and security	Current	Non-current	Total
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
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
Vehicle loan 8 - first charge on the vehicle. Loan repayable in 29 monthly instalments till 15th September 2024 - rate of interest 8.36 % p.a	0.07	-	0.07

Refer note no 44 for carrying amount of vehicles hypothecated

### 21. LEASE LIABILITY (NON-CURRENT)

Particulars	As at 31-3-2024	As at 31-3-2023
Lease liability	1.59	4.59
<b>Total</b>	<b>1.59</b>	<b>4.59</b>

### 22. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31-3-2024	As at 31-3-2023
Rent deposit received	0.09	0.12
<b>Total</b>	<b>0.09</b>	<b>0.12</b>



### 23. PROVISIONS (NON-CURRENT)

Particulars	As at 31-3-2024	As at 31-3-2023
<b>Provision for employee benefits</b>		
Gratuity	-	-
<b>Total</b>	-	-

#### Movement in Provision for employee benefits - gratuity

Particulars	As at 31-3-2024	As at 31-3-2023
Balance at the beginning of the year	-	-
Add: Provision made during the year	-	-
Less: Provision no longer required recognised in other income		
Provision utilised/ reversed during the year	-	-
<b>Balance at the end of the year</b>	-	-

### 24. INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Incomes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs.

#### a) Income tax expenses

Particulars	For the year ended	
	As at 31-3-2024	As at 31-3-2023
<b>Current tax:</b>		
Current tax	26.86	19.32
Tax pertaining to earlier years	0.29	0.11
	<b>27.15</b>	<b>19.43</b>
<b>Deferred tax</b>	<b>(0.18)</b>	<b>1.89</b>
<b>Total</b>	<b>26.97</b>	<b>21.32</b>



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is furnished below:

Particulars	For the year ended 31-03-2024		For the year ended 31-03-2023	
	%	Amount	%	Amount
<b>Profit / (loss) before tax:</b>		108.10		84.37
<b>Tax using the company's domestic tax rate</b>	25.168%	27.21	25.168%	21.23
<b><u>Tax impact on account of</u></b>				
Expenses not deductible in determining taxable profits	0.49%	0.53	(0.17%)	(0.14)
Deductions allowable under tax laws	(0.99%)	(1.07)	(0.11%)	(0.09)
Ind AS Adjustments	0.01%	0.01	0.32%	0.27
Provision for Diminution in value of Investments	0.00%	-	(0.07%)	(0.06)
<b>Effective income tax rate/ Tax expense</b>	<b>24.68%</b>	<b>26.68</b>	<b>25.14%</b>	<b>21.21</b>
Particulars	For the year ended 31-03-2024		For the year ended 31-03-2023	
		Amount		Amount
Tax expenses				
- Current tax		26.86		19.32
- Deferred tax		0.18		1.89
<b>Total tax</b>		<b>26.68</b>		<b>21.21</b>
Add: Tax for earlier years		0.29		0.11
<b>Total tax expenses reported for the year</b>		<b>26.97</b>		<b>21.32</b>

### b) Current Tax Liabilities

Particulars	As at 31-3-2024	As at 31-03-2023
Current tax liabilities (Net)	4.80	5.97

### c) Current Tax Assets

Particulars	As at 31-3-2024	As at 31-03-2023
Current Tax Assets (Net)	1.63	0.77



## Notes to the Consolidated Financial Statements

## d) Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property, plant and equipment under Income Tax Act, 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
<b>Deferred Tax Liability:</b>		
On account of depreciation for tax purpose	11.58	10.77
Expenses allowed on payment basis	0.10	0.10
<b>Deferred Tax Asset:</b>		
Opening adjustments as per Ind AS 116	(0.72)	(0.72)
Allowance for doubtful receivables and advances	(2.41)	(1.54)
Ind AS Adjustments	0.46	0.26
Provision for Diminution in value of Investments	(0.08)	(0.08)
Provision for damaged goods	(0.13)	-
Others	(0.08)	-
<b>Deferred Tax (Asset) /Liabilities (Net)</b>	<b>8.72</b>	<b>8.79</b>

Deferred tax balance (Asset) /Liability in relation to	Balance as at 01-4-2023	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2024
Depreciation under Income Tax Act	10.77	0.81	-	11.58
Provision for employee benefit	0.10	(0.10)	0.10	0.10
Allowance for doubtful receivables and advances	(1.54)	(0.87)	-	(2.41)
Ind AS Adjustments	0.26	0.20	-	0.46
Provision for Diminution in value of Investments	(0.08)	-	-	(0.08)
Adjustment on adoption of Ind AS 116	(0.72)	-	-	(0.72)
Provision for damaged goods	-	(0.13)	-	(0.13)
Others	-	(0.08)	-	(0.08)
<b>Total</b>	<b>8.79</b>	<b>(0.17)</b>	<b>0.10</b>	<b>8.72</b>



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

Deferred tax balance (Asset) /Liability in relation to	Balance as at 01-4-2022	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	Balance as at 31-03-2023
Depreciation under Income Tax Act	10.47	0.30	-	10.77
Provision for employee benefit	0.10	(0.06)	0.06	0.10
Allowance for doubtful receivables and advances	(2.71)	1.17	-	(1.54)
Ind AS Adjustments	(0.30)	0.56	-	0.26
Provision for Dimunition in value of Investments	-	(0.08)	-	(0.08)
Adjustment on adoption of Ind AS 116	(0.72)	-	-	(0.72)
Others	-	-	-	-
<b>Total</b>	<b>6.84</b>	<b>1.89</b>	<b>0.06</b>	<b>8.79</b>

## e) Deferred Tax Asset

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Deferred Tax Asset :</b>		
On account of business loss	(0.01)	-
<b>Deferred Tax (Asset) /Liabilities (Net)</b>	<b>(0.01)</b>	<b>-</b>

## 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 Group 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	-	-
	<b>0.52</b>	<b>0.11</b>		

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





## Notes to the Consolidated Financial Statements

**25. BORROWINGS (CURRENT)**

Particulars	As at 31-3-2024	As at 31-3-2023
<b>SECURED</b>		
(a) Loans repayable on demand (from banks)	42.50	45.30
(b) Current maturities of long term debt ( from banks) (refer note no 20)	12.12	8.70
<b>UNSECURED</b>		
Other loans- Purchase bills discounting and financing	14.39	1.75
<b>Total Borrowings</b>	<b>69.01</b>	<b>55.75</b>

**Terms and Security:**

- 1) Working capital loans are repayable on demand and carries interest @ 8.3% to 12.85% and secured by:
  - a) First charge on the existing and future current assets and certain fixed assets belonging to the Group.
  - b) Guarantee by the Managing Director
- 2) Other Loans- Purchase bills discounting and financing includes loan of ₹9.81 crores (PY ₹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 group with banks are in agreement with books of accounts.
- (ii) The Group has adhered to debt repayment and interest service obligations on time. None of the Companies in the Group have 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 31-03-2024
- (iv) Term loans were applied for the purposes for which they were obtained. Further short term loans availed not have 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	28.35	5.87
Current borrowings	(56.89)	(47.05)
Non-current borrowings*	(26.52)	(35.55)
<b>Net Debt</b>	<b>(55.06)</b>	<b>(76.73)</b>

\*Including current maturities of long-term debt



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

(Rupees in Crores)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
<b>Net debt as at 01-04-2022</b>	2.48	(76.86)	(44.73)	(119.11)
Cash flows	3.39	-	-	3.39
Proceeds from borrowings	-	-	(0.95)	(0.95)
Repayment of borrowings	-	29.81	10.13	39.94
<b>Net debt as at 31-03-2023</b>	<b>5.87</b>	<b>(47.05)</b>	<b>(35.55)</b>	<b>(76.73)</b>
Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
<b>Net debt as at 01-04-2023</b>	5.87	(47.05)	(35.55)	(76.73)
Cash flows	22.48	-	-	22.48
Proceeds from borrowings	-	(9.84)	-	(9.84)
Repayment of borrowings	-	-	9.03	9.03
<b>Net debt as at 31-03-2024</b>	<b>28.35</b>	<b>(56.89)</b>	<b>(26.52)</b>	<b>(55.06)</b>

Note:

Assets are presented in positive numbers

Liabilities are presented in negative numbers

### 26. LEASE LIABILITY- CURRENT

Particulars	As at 31-3-2024	As at 31-03-2023
Lease liability	1.65	0.65
<b>Total</b>	<b>1.65</b>	<b>0.65</b>

### 27. TRADE PAYABLES

Particulars	As at 31-3-2024	As at 31-03-2023
(a) Total outstanding dues of micro enterprises and small enterprises (MSME) [refer note no 42]	21.33	105.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	629.17	414.63
<b>Total</b>	<b>650.50</b>	<b>520.29</b>



## Notes to the Consolidated Financial Statements

## 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	625.61	3.56	-	-	-	629.17
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>646.94</b>	<b>3.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650.50</b>

## 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	411.80	2.83	-	-	-	414.63
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>517.46</b>	<b>2.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>520.29</b>

## 28. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31-3-2024	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*	6.39	6.34
(d) Other expense payable	5.16	4.90
(e) Refund liability	0.02	-
<b>Total</b>	<b>12.18</b>	<b>11.36</b>

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

## 29. OTHER CURRENT LIABILITIES

Particulars	As at 31-3-2024	As at 31-03-2023
(a) Advances from customers (refer note no 46(C))	10.52	9.25
(b) Statutory dues	13.92	4.30
(c) Deferred Rent	0.01	-
<b>Total</b>	<b>24.45</b>	<b>13.55</b>



### 30. PROVISIONS (CURRENT)

Particulars	As at 31-3-2024	As at 31-03-2023
Provision for employee benefits		
(a) Gratuity (refer note no 45(b))	0.38	0.57
(b) Compensated absences	0.20	0.17
<b>Total</b>	<b>0.58</b>	<b>0.74</b>

#### \* Movement in provision for employee benefits - Gratuity

Particulars	As at 31-3-2024	As at 31-03-2023
Balance at the beginning of the year	0.57	0.56
Add: Provision made during the year	0.40	0.57
Less: Provision utilised/ reversed during the year	0.59	0.56
<b>Balance at the end of the year</b>	<b>0.38</b>	<b>0.57</b>

#### Movement in provision for compensated absences

Particulars	As at 31-3-2024	As at 31-03-2023
Balance at the beginning of the year	0.17	0.22
Add: Provision made during the year	0.58	0.48
Less: Provision utilised/ reversed during the year	0.55	0.53
<b>Balance at the end of the year</b>	<b>0.20</b>	<b>0.17</b>

### 31. REVENUE FROM OPERATIONS

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(a) Sale of traded goods	4,540.91	3,912.29
(b) Sale of manufactured products	277.14	109.46
(c) Other Operating Revenues - Sale of scrap	10.39	7.97
<b>Total</b>	<b>4,828.44</b>	<b>4,029.72</b>



## Notes to the Consolidated Financial Statements

**32. OTHER INCOME**

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(a) Interest Income	0.57	0.41
(b) Rent received	0.28	0.29
(c) Profit on sale of property, plant and equipment/ Investment property	1.25	0.07
(d) Gain on termination of lease	0.29	0.74
(e) Unwinding of interest income on rental deposits	0.34	0.47
(f) Commission Income	0.02	-
g) Provision for expenses no longer required written back	0.05	-
(h) Provision for doubtful debts no longer required written back (CY -₹41,865)	0.00	5.00
(i) Payables written back	1.73	0.04
(j) Other non-operating income	0.71	0.68
<b>Total</b>	<b>5.24</b>	<b>7.70</b>

**33. COST OF MATERIALS CONSUMED**

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
Opening stock of Raw Materials (A)	55.12	55.13
Purchases of Raw Materials (B)	975.36	722.88
Closing stock of Raw Materials ( C )	68.79	55.12
<b>Total (A) + (B) - (C)</b>	<b>961.69</b>	<b>722.89</b>

**34. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE**

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
Opening stock of Finished goods	28.82	28.80
Less: Closing stock of Finished goods	62.71	28.82
<b>Total (A)</b>	<b>(33.89)</b>	<b>(0.02)</b>
Opening stock of Stock-in-Trade	336.17	283.33
Less: Closing stock of Stock-in-Trade	348.39	336.17
<b>Total (B)</b>	<b>(12.22)</b>	<b>(52.84)</b>
<b>Total (A) + (B)</b>	<b>(46.11)</b>	<b>(52.86)</b>



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### 35. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(a) Salaries and Wages	49.57	43.32
(b) Contribution to Provident fund and Other funds:		
(i) Provident fund (refer note no 45 (a))	2.97	2.70
(ii) Employees' State Insurance (refer note no 45 (a))	0.29	0.25
(iii) Gratuity (refer note no 45 (b))	0.84	0.83
(c) Staff welfare expenses	1.30	1.14
<b>Total</b>	<b>54.97</b>	<b>48.24</b>

### 36. FINANCE COSTS

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(a) Interest Expense on borrowings	27.71	20.65
(b) Other borrowing costs	3.88	3.02
(c) Interest on lease liability	0.27	0.58
(d) Interest on Income tax	0.48	0.51
<b>Total</b>	<b>32.34</b>	<b>24.76</b>

#### 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 and equipment	4	13.94	12.98
- Investment property	5	0.03	0.03
- Right-of-use Asset	6	1.94	3.33
Total ( a)		15.91	16.34
(b) Amortization of intangible assets	7(b)	-	-
<b>Total-(a+b)</b>		<b>15.91</b>	<b>16.34</b>





## Notes to the Consolidated Financial Statements

## 37. OTHER EXPENSES

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(a) Power, Fuel & Water	5.81	5.05
(b) Stores & Spares consumed	5.20	5.13
(c) Rent	11.15	8.50
(d) Repairs and Maintenance		
(i) Buildings	0.08	0.03
(ii) Others	5.45	4.97
(e) Insurance #	1.07	0.84
(f) Rates & Taxes	1.61	2.24
(g) Travelling and Conveyance	3.03	2.44
(h) Payments to the Auditors (refer note below)	0.50	0.45
(i) Legal and Professional fees	3.12	1.79
(j) Directors sitting fees	0.40	0.29
(k) Communication Expenses	0.99	0.94
(l) Advertisement & Publicity Expenses	2.20	2.43
(m) Loss Allowance for doubtful trade receivables	3.46	0.35
(n) Material handling charges***	11.21	11.41
(o) Freight outwards**	4.77	3.71
(p) Commission Charges	1.61	1.50
(q) Bad Debts written off( PY ₹23,709)	1.01	0.00
(r) Loss on sale of property, plant and equipment	0.05	0.06
(s) Sub contracting	0.84	0.67
(t) Corporate Social Responsibility expenditure (refer note no 50 )	1.10	0.91
(u) Write off of property, plant and equipment	0.28	-
(v) Provision for damaged goods	0.50	-
(w) Miscellaneous Expenses *	4.86	4.30
<b>Total</b>	<b>70.30</b>	<b>58.01</b>

\*Under this head, there is no expenditure which is in excess of 1% of revenue from operations or ₹0.10 crores, whichever is higher.

\*\*Freight recovered from customers-Current year-₹12.66 crores Previous year-₹10.93 crores

\*\*\*Material handling charges recovered from customers-Current year-₹8.81 crores Previous year-₹7.10 crores

#Insurance recovered from customers-Current year- ₹0.59 crores. Previous year- ₹0.51 crores.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

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

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(a) As auditors	0.37	0.30
(b) For taxation matters	0.04	0.02
(c) For other services	0.01	0.03
(d) For reimbursement of expenses	0.08	0.10
<b>Total</b>	<b>0.50</b>	<b>0.45</b>

### 38. Earnings Per Share (EPS)

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>Basic &amp; Diluted</b>		
A. Profit attributable to equity shareholders (in crores)	81.13	63.05
B. Weighted average number of equity shares (in crores)	2.34	2.28
C. Basic and Diluted EPS (₹) [A/B]	34.67	27.59
Face value per share (₹)	10	10

The Group does not have any potential equity shares. Accordingly, basic and diluted earnings per share will remain the same.

### 39. Contingent liabilities:

Particulars	As at 31-03-2024	As at 31-03-2023
(a) Claims against the company not acknowledged as debt		
(i) Income tax	0.15	-
(ii) Entry tax	0.97	0.97
(iii) Value added tax	-	0.76
(iv) Goods and Services tax	1.68	-

The above disputes are pending in appeal before various forums in the respective department. Outflows, if any, arising out of these claims would depend upon the adjudication of appellate authorities and the Group's rights for further appeals.

Amount remitted against disputed liability

Particulars	As at 31-03-2024	As at 31-03-2023
(i) Value added tax	-	0.15
(ii) Entry tax	0.24	0.24
(iii) Goods and Services tax	0.09	-



## Notes to the Consolidated Financial Statements

## 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 ₹0.78 crores)	-	0.19
<b>Total</b>	<b>-</b>	<b>0.19</b>

## 41. Operating lease

## a) As lessor:

**Leasing Arrangements:**

The investment properties are leased to tenants under operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Particulars	As at 31-3-2024	As at 31-3-2023
Within one year	0.26	0.28
Between 1 and 2 years	0.09	0.29
Between 2 and 3 years	-	0.31
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
<b>Total</b>	<b>0.35</b>	<b>0.88</b>

## b) As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 144 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

### 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
Gross carrying amount of Right-of-use assets -Opening	13.38	23.07
Depreciation charged for the Right-of-use assets	1.94	3.33
Interest expense on lease liability	0.27	0.58
The rental expense relating to short-term leases for which Ind AS 116 has not been applied	10.91	8.31
Additions to Right-of-use assets during the current year	1.52	0.66
Deletions to Right-of-use assets during the current year	5.81	10.35
Gross carrying amount of Right-of-use assets -Closing	9.09	13.38
Total cash outflow for leases for the year	2.79	4.39

### Lease liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	1.70	0.68
Later than one year and not more than five years	2.87	4.81
More than five years	-	0.35
Total undiscounted liabilities	4.57	5.84
Lease liabilities		
Current	1.65	0.65
Non-current	1.59	4.59



## Notes to the Consolidated Financial Statements

## 42. Additional Information

Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006 (as per information available with the Group):

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 ('MSMED') 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 Enterprise 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.	-	-

## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### 4.3. Segment Reporting

The Group is engaged in selling various building products to Retail and Channel & Enterprise segments. The group identifies these business segments as the primary segment as per Ind AS 108 – Operating Segments, which is regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments. The group does not have any material operations outside India and hence disclosure of geographic segments is not applicable.

Particulars	As at / For the Year ended 31-03-2024		As at / For the Year ended 31-03-2023			
	Retail	Channel & Enterprise*	Total	Retail	Channel & Enterprise*	Total
<b>Income</b>						
External Sale	2,556.33	2,272.11	4,828.44	2,235.71	1,794.01	4,029.72
<b>Segment Revenue</b>	<b>2,556.33</b>	<b>2,272.11</b>	<b>4,828.44</b>	<b>2,235.71</b>	<b>1,794.01</b>	<b>4,029.72</b>
<b>Segment Result</b>	<b>145.57</b>	<b>35.02</b>	<b>180.59</b>	<b>124.29</b>	<b>19.62</b>	<b>143.91</b>
<b>Other Unallocated Items</b>						
Finance Cost			32.34			24.76
Unallocable Corporate Expenses (Net of unallocable income)			40.15			34.78
<b>Profit before tax</b>			<b>108.10</b>			<b>84.37</b>
<b>OTHER INFORMATION</b>						
Segment assets	568.79	636.48	1,205.27	487.84	460.47	948.31
Unallocated assets			380.27			343.44
<b>Total Assets</b>			<b>1,585.54</b>			<b>1,291.75</b>
Segment Liabilities	93.74	556.76	650.50	76.93	443.36	520.29
Unallocated liabilities			137.47			128.37
<b>Total Liabilities</b>			<b>787.97</b>			<b>648.66</b>
Capital Expenditure			30.28			41.39
Depreciation			15.91			16.34
Non-cash expenses other than depreciation			5.25			0.35







## Notes to the Consolidated Financial Statements

\*Revenue from Channel & Enterprise segment are as follows:

Particulars of segment	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
Channel	1,272.45	-	1,036.79	-
Enterprise	999.66	-	757.22	-
<b>Total</b>	<b>2,272.11</b>	<b>-</b>	<b>1,794.01</b>	<b>-</b>

There were no customers from whom the revenue derived exceeded 10% or more of the entity's total revenue.

#### 44. Assets hypothecated as security

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

Particulars	Note No	As at 31-03-2024	As at 31-03-2023
<b>Current Assets</b>			
<b>A) Financial assets</b>			
(i) First and Second Charge			
- Trade Receivables	13	686.11	511.06
(ii) Floating Charge			
<b>B) Non Financial assets</b>			
(i) First and Second Charge			
- Inventories (net off goods-in-transit)	12	482.68	421.10
(ii) Floating Charge			
<b>Total current assets hypothecated as security</b>		<b>1,168.79</b>	<b>932.16</b>
<b>Non-Current Assets</b>			
<b>Non Financial assets</b>			
(i) First Charge			
- Vehicles and other movable assets		1.24	1.42
- Land and Building		39.07	39.99
- Plant and Equipment		40.21	43.40
(ii) Floating Charge		-	-
<b>Total non-current assets hypothecated as security</b>		<b>80.52</b>	<b>84.81</b>
<b>Total assets hypothecated as security</b>		<b>1,249.31</b>	<b>1,016.97</b>



## 45. Employee benefits

### a) Defined contribution plans

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

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
Employer's Contribution to Provident Fund (includes pension fund)	2.97	2.70
Employer's Contribution to Employees' State Insurance	0.29	0.25

### b) Defined benefit plan

#### (i) Gratuity

The Group has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at last 15 days salary for each completed year of service, subject to a maximum of ₹20 lacs per employee. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31-03-2024. 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.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

## Gratuity (Funded)

Particulars	As at 31-3-2024	As at 31-3-2023
<b>Liability recognized in the Balance Sheet</b>		
Present value of defined benefit obligation		
Opening Balance	8.04	7.86
Current Service Cost	0.81	0.78
Past Service Cost	-	-
Interest Cost	0.59	0.52
Actuarial Loss/(Gain) on obligation	(0.35)	(0.40)
Transfer In/(Out)	(0.01)	-
Benefits paid	(0.28)	(0.72)
<b>Closing Balance</b>	<b>8.80</b>	<b>8.04</b>
<b>Less: Fair Value of Plan Assets</b>		
Opening Balance	7.49	7.35
Expected Return on Plan assets less loss on investments	0.56	0.47
Actuarial (Loss)/Gain on Plan Assets	0.06	(0.20)
Employers' Contribution	0.59	0.59
Benefits paid	(0.28)	(0.72)
Transfer In/(Out)	-	-
<b>Closing Balance</b>	<b>8.42</b>	<b>7.49</b>
<b>Amount recognized in Balance Sheet (refer note no 30 (a))*</b>	<b>0.38</b>	<b>0.55</b>



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

Particulars	As at 31-3-2024	As at 31-3-2023
<b>Expenses during the year</b>		
Current Service cost	0.81	0.78
Past Service cost	-	-
Interest cost	0.59	0.52
Expected Return on Plan assets	(0.56)	(0.47)
<b>Component of defined benefit cost recognized in statement of profit &amp; loss (refer note no 35)</b>	<b>0.84</b>	<b>0.83</b>
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(0.35)	(0.40)
- Actuarial Loss/(Gain) on Plan Assets	(0.06)	0.20
<b>Component of defined benefit cost recognized in other comprehensive income</b>	<b>(0.41)</b>	<b>(0.20)</b>
<b>Total</b>		
<b>Actual Return on plan assets</b>	<b>0.62</b>	<b>0.27</b>
<b>Break up of Plan Assets:</b>		
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	-	-

\*Previous year balance is net off ₹0.02 crores paid in advance by two subsidiary companies

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

## Principal actuarial assumptions

Particulars	As at 31-03-2024	As at 31-03-2023
Discount Rate	7.00%	7.20%
Expected rate(s) of salary increase	7.00%	7.00%
Expected return on plan assets	7.20%	6.5% - 6.9%
Attrition rate	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	



## Notes to the Consolidated Financial Statements

## Experience adjustments

Particulars	31-03-2024	31-03-2023	31-03-2022	31-03-2021	31-03-2020
Defined Benefit Obligation	8.81	8.04	7.86	7.56	7.98
Plan Assets	8.42	7.49	7.35	7.53	6.23
Surplus / (Deficit)	(0.38)	(0.55)	(0.51)	(0.04)	(1.75)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	0.32	(0.07)	0.15	0.33	(0.27)
Experience Adjustments on Plan Assets – (Loss)/Gain	(0.00)	(0.19)	(0.18)	0.09	0.34

The Group expects to contribute ₹0.38 crores (previous year ₹0.57 crores ) to its gratuity plan for the next year.

In assessing the Group's post retirement liabilities, the Group monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (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 29-03-2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to ₹20 lacs from ₹10 lacs. Accordingly the amended and improved benefits, if any, are recognised as current year's expense as required under paragraph 103, Ind AS 19.

## Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Impact on Defined benefit obligation			
	As at 31-03-2024		As at 31-03-2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% increase)	-	0.51	-	0.44
Discount rate (1% decrease)	0.55	-	0.52	-
Future salary growth (1% increase)	0.56	-	0.52	-
Future salary growth (1% decrease)	-	0.51	-	0.47
Attrition rate (1% increase) (CY Increase -₹8,000) (PY Increase-₹5,000, Decrease -₹41,000)	0.00	0.01	0.00	0.00
Attrition rate (1% decrease) (CY Decrease -₹8,000)(PY Increase-₹36,000, Decrease -₹5,000)	0.01	0.00	0.00	0.00



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

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

The average expected remaining lifetime of the plan members is 6 to 8 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 2 - 5 years	Over 5 years	Total
<b>31-03-2024</b>					
Defined benefit obligation (Gratuity)	1.21	1.16	3.39	6.45	12.21
<b>Total</b>	<b>1.21</b>	<b>1.16</b>	<b>3.39</b>	<b>6.45</b>	<b>12.21</b>
<b>31-03-2023</b>					
Defined benefit obligation (Gratuity)	1.03	0.93	3.40	5.59	10.95
<b>Total</b>	<b>1.03</b>	<b>0.93</b>	<b>3.40</b>	<b>5.59</b>	<b>10.95</b>

The Group had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets or own funds. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.





#### 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 products	4,540.91	3,912.29
(b) Sale of Manufactured products	277.14	109.46
(c) Other operating revenues - Scrap Sales	10.39	7.79
<b>Total Operating Revenue</b>	<b>4,828.44</b>	<b>4,029.72</b>
In India	4,828.44	4,029.72
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	4,828.44	Nil	4,029.72	Nil

##### C. Contract Balances

Particulars	As at 31-03-2024	As at 31-03-2023
Contract Assets	-	-
Contract Liabilities	10.52	9.25

##### 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	8.84	7.19

**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	4,828.46	4,029.72
Less: Refund Liabilities	(0.02)	-
Total Revenue at contracted prices	4,828.44	4,029.72
Revenue from contract with customers	4,828.44	4,029.72

**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

**47. Related party disclosures****A. Names of Related parties with whom transactions have taken place during the year/previous year and nature of relationship:**

Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. C.Ravikumar (Whole-time Director)
	Mr. Alex Varghese (Chief Financial Officer)
	Ms. Ereena Vikram (Company Secretary)
	Mr. V.Ravichandar-Chairman and Independent Director
	Mr. B.Jayaraman-Independent Director
	Mr. Chandu Nair-Independent Director
	Ms. Jayashri Murali-Independent Director and of the Subsidiary companies
	Mr. RSV Sivaprasad-Non Executive and Non-Independent Director
	Mr. N.Muthuraman - Independent director of a subsidiary companies
	Mr.Chengalan Nalagath Agfa (Whole-time Director of Shankara Buildpro Limited)
Relatives of Key Managerial Personnel	Mr. Dhananjay Mirlay Srinivas Mrs. Parwathi Mirlay Srikanth
Enterprise in which Key Managerial Personnel have significant influence	Shankara Holdings Private Limited, Bengaluru.
Entities where control exist	Shankara Building Products Employees Gratuity Fund
	Taurus Value Steel & Pipes Private Limited Gratuity Fund
	Vishal Precision Steel Tubes and Strips Private Limited Gratuity fund
	Centurywells Roofing Employees Gratuity fund



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

B. Transactions with Related Parties	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>Amount contributed to</b>		
Shankara Building Products Employees Gratuity Fund	0.56	0.56
Taurus Value Steel & Pipes Private Limited- Gratuity Fund (PY ₹35,000)	0.01	0.00
<b>Rent paid to</b>		
Managing Director	0.43	0.43
Relative of Key Managerial Personnel	0.07	0.03
<b>Advances granted to /(repaid by)</b>		
A Whole-time Director-Net (CY-₹14,412)	(0.00)	(0.02)
Chief Financial Officer-Net	(0.01)	(0.02)
<b>Dividend paid to</b>		
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 to Key Managerial Personnel (refer note 1 below)	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>Short-term employee benefits</b>		
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
Whole-time director of Shankara Buildpro Limited	0.18	-
Sitting fees paid to Non executive directors	0.40	0.29
<b>Remuneration paid to a relative of a Key Managerial Personnel</b>	0.18	0.10

**Notes**

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

C. Amount due to/ from related parties	As at 31-03-2024	As at 31-03-2023
Due from Whole-time director (CY ₹14,412)	-	0.00
Due from Chief Financial Officer	-	0.01



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

Balance Outstanding to/ from related parties	As at 31-03-2024	As at 31-03-2023
<b>Remuneration payable to Key Managerial Personnel</b>		
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
Whole-time director of Shankara Buildpro Limited	0.02	-
<b>Remuneration payable to a relative of a Key Managerial Personnel</b>	0.02	0.01
<b>Guarantees furnished by Managing Director</b>	750.00	597.00
<b>Rent Payable to:</b>		
Managing Director	0.04	0.04
Relative of Key Managerial Personnel (PY ₹23,625)	0.01	0.00

### Terms and Conditions

All outstanding credit balances are unsecured and are repayable in cash.

### Guarantees furnished by the Managing Director

Personal guarantee has been furnished by the Managing Director of the holding company to the Group to avail working capital facilities from the lender banks.

## 48. DETAILS OF SUBSIDIARIES

Details of the Group's subsidiaries at the end of reporting period are as follows:

Name of the Subsidiary	Place of incorporation	Proportion of ownership		Principal activity
		31-03-2024	31-03-2023	
<b>Direct Subsidiary</b>				
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	India	100%	100%	Manufacturing of steel products
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	India	100%	100%	Manufacturing of steel products
Steel Networks (Holdings) Pte Limited, Singapore	Singapore	100%	100%	Investment holding company
Centurywells Roofing India Private Limited, Kancheepuram, Tamil Nadu	India	100%	100%	Manufacturing of roofing sheets
Shankara Buildpro Limited, Bengaluru, Karnataka. Incorporated on 13-10-2023.	India	100%	100%	Engaging in retailing, trading, warehousing, wholesale distribution and e commerce activities related to all building materials.



## 49. FINANCIAL INSTRUMENTS

### A. Capital Management

#### (1) Capital risk management

The Group's capital requirements are mainly to fund its expansion, working capital and strategic acquisitions. The principal source of funding of the group has been, and is expected to continue to be, cash generated from its operations supplemented by borrowings from bank and the funds from capital markets. The Group is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce finance cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	Note no	As at 31-03-2024	As at 31-03-2023
Long term borrowings	20	14.40	26.85
Current maturities of long-term debt	25	12.12	8.70
Short term borrowings	25	56.89	47.05
Less: Cash and cash equivalents	14	(28.35)	(5.87)
Net Debt (A)		55.06	76.73
Total Equity (B)	18,19	797.57	643.09
Gearing Ratio (A / B)		0.07	0.12

- (i) Equity includes all capital and reserves of the Group that are managed as capital.  
(ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 20 and 25

#### (2) Dividend

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>Equity Shares</b>		
(i) Final Dividend for the year ended March 31,2023 of ₹2.5 per fully paid share	5.71	-
(ii) Final Dividend for the year ended March 31,2022 of ₹1.00 per fully paid share	-	2.29



## B. Categories of financial instruments

Particulars	Note no	As at 31-03-2024		As at 31-03-2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>					
<b>Measured at amortised cost</b>					
Loans	9	0.06	0.06	0.06	0.06
Other financial assets	10,16	11.50	11.50	11.81	11.81
Trade receivables	8,13	688.91	688.91	513.96	513.96
Cash and cash equivalents	14	28.35	28.35	5.87	5.87
Bank balances other than cash and cash equivalents	15	6.05	6.05	6.04	6.04
<b>Total financial assets at amortised cost (A)</b>		<b>734.87</b>	<b>734.87</b>	<b>537.74</b>	<b>537.74</b>
<b>Measured at fair value through other comprehensive income (B)</b>		-	-	-	-
<b>Measured at fair value through profit and loss</b>					
Derivative asset not designated as hedges					
Foreign exchange forward contracts		-	-	-	-
<b>Measured at fair value through profit and loss (C)</b>		-	-	-	-
<b>Total financial assets (A+B+C)</b>		<b>734.87</b>	<b>734.87</b>	<b>537.74</b>	<b>537.74</b>
Particulars	Note no	As at 31-03-2024		As at 31-03-2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
Long term Borrowings *	20,25	26.52	26.52	35.55	35.55
Short term Borrowings**	25	56.89	56.89	47.05	47.05
Trade payables	27	650.50	650.50	520.29	520.29
Lease Liabilities	21,26	3.24	3.24	5.24	5.24
Other financial liabilities	22,28	12.27	12.27	11.48	11.48
<b>Total financial liabilities carried at amortised cost (A)</b>		<b>749.42</b>	<b>749.42</b>	<b>619.61</b>	<b>619.61</b>
<b>Total financial liabilities measured at fair value through other comprehensive income (B)</b>		-	-	-	-
<b>Total financial liabilities measured at fair value through profit and loss (C)</b>		-	-	-	-
<b>Total financial liabilities (A+B+C)</b>		<b>749.42</b>	<b>749.42</b>	<b>619.61</b>	<b>619.61</b>

\* including current maturities of long-term debt

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





### C. Financial risk management

The Group has an Audit & Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk and
- Liquidity risk

#### (1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

#### (i) Currency Risk

##### Exposure to currency risk

Particulars	As at 31-03-2024		As at 31-03-2023	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised liabilities	-	-	-	-
Forward exchange contracts	-	-	-	-
<b>Net Exposure</b>	-	-	-	-

#### Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

#### (ii) Commodity price risk

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the group earns from the sale of its steel products.

The Group purchases the steel and other building products in the open market from third parties as well as from subsidiaries at prevailing market price. The Group is therefore subject to fluctuations in the prices of steel coil, steel pipes, sanitary wares etc.

The Group aims to sell the products at prevailing market prices. Similarly the Group procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### Inventory Sensitivity Analysis(Raw materials, Finished goods & Stock-in-trade)

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

Particulars	Impact on profit or (loss)		Impact on Equity, net of tax	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
1% increase in prices of Inventory	(4.79)	(4.20)	(3.59)	(3.14)
1% decrease in prices of Inventory	4.79	4.20	3.59	3.14

### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk since funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the group are principally denominated in rupees. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Group's fixed and floating rate borrowings:

Particulars	As at 31-03-2024	As at 31-03-2023
Fixed rate borrowings	3.35	1.06
Floating rate borrowings	80.06	81.54
<b>Total borrowings</b>	<b>83.41</b>	<b>82.60</b>
Total Net borrowings as per Financial Statements	83.41	82.60
Add: Upfront fees	-	-
<b>Total borrowings</b>	<b>83.41</b>	<b>82.60</b>

### 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	(0.80)	(0.82)	(0.60)	(0.61)
100 basis points decrease in interest rates	0.80	0.82	0.60	0.61

### (2) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Group's credit risk arises principally from the trade receivables and advances.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

**Trade receivables**

Customer credit risk is managed centrally by each entity in the Group and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

**Year ended 31-03-2024****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	379.76	268.12	20.41	16.07	1.97	12.75	699.08
Expected credit losses (Loss allowance provision) trade receivables	-	-	(0.10)	(3.23)	(0.44)	(6.40)	(10.17)
Carrying amount of trade receivables (net of impairment)	379.76	268.12	20.31	12.84	1.53	6.35	688.91

**Year ended 31-03-2023****Expected Credit loss for Trade receivables**

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	421.53	72.60	10.64	2.70	4.10	9.10	520.67
Expected credit losses (Loss allowance provision) trade receivables	-	-	(0.26)	(0.65)	(1.25)	(4.55)	(6.71)
Carrying amount of trade receivables (net of impairment)	421.53	72.60	10.38	2.05	2.85	4.55	513.96

**(3) Liquidity risk management**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for strategic acquisitions. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and borrowings provide liquidity. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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

**Financing arrangements**

Particulars	As at 31-03-2024	As at 31-03-2023
Floating Rate		
- Expiring within one year	196.46	156.80
- Expiring beyond one year	-	-
	196.46	156.80



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

With respect to floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

### Liquidity exposure as at 31-03-2024

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	9	-	0.06	-	0.06
Other financial assets	10,16	1.35	10.00	0.15	11.50
Trade receivables	8,13	686.11	2.80	-	688.91
Cash and cash equivalents	14	28.35	-	-	28.35
Bank balances other than cash and cash equivalents	15	6.05	-	-	6.05
<b>Total financial assets</b>		<b>721.86</b>	<b>12.86</b>	<b>0.15</b>	<b>734.87</b>
<b>Financial liabilities</b>					
Long term Borrowings *	20,25	12.12	14.40	-	26.52
Short term Borrowings**	25	56.89	-	-	56.89
Trade payables	27	650.50	-	-	650.50
Lease Liabilities	21,26	1.65	1.59	-	3.24
Other financial liabilities	22,28	12.18	0.09	-	12.27
<b>Total financial liabilities</b>		<b>733.34</b>	<b>16.08</b>	<b>-</b>	<b>749.42</b>

\* including current maturities of long-term debt

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

### Liquidity exposure as at 31-03-2023

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
Loans	9	-	0.06	-	0.06
Other financial assets	10,16	1.38	10.28	0.15	11.81
Trade receivables	8,13	511.06	2.90	-	513.96
Cash and cash equivalents	14	5.87	-	-	5.87
Bank balances other than cash and cash equivalents	15	6.04	-	-	6.04
<b>Total financial assets</b>		<b>524.35</b>	<b>13.24</b>	<b>0.15</b>	<b>537.74</b>
<b>Financial liabilities</b>					
Long term Borrowings *	20,25	8.70	26.85	-	35.55
Short term Borrowings**	25	47.05	-	-	47.05
Trade payables	27	520.29	-	-	520.29
Lease Liabilities	21,26	0.65	4.59	-	5.24
Other financial liabilities	22,28	11.36	0.12	-	11.48
<b>Total financial liabilities</b>		<b>588.05</b>	<b>31.56</b>	<b>-</b>	<b>619.61</b>

\* including current maturities of long-term debt

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

### Collateral

The Group has hypothecated part of its financial assets in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is an obligation to return the securities to the Group once these banking facilities are surrendered. (refer note no 20, 25 and 44)



(Rupees in Crores)

## Notes to the Consolidated Financial Statements

## D. Level wise disclosure of financial instruments

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	
<b>Financial assets</b>										
Loans	9	0.06	-	-	0.06	-	-	-	-	-
Other financial assets	10,16	11.50	-	-	11.81	-	-	-	-	6.50
Trade receivables	8,13	688.91	-	6.37	513.96	-	-	-	-	-
Cash and cash equivalents	14	28.35	-	-	5.87	-	-	-	-	-
Bank balances other than cash and cash equivalents	15	6.05	-	-	6.04	-	-	-	-	-
<b>Total financial assets</b>		<b>734.87</b>	-	<b>6.37</b>	<b>537.74</b>	-	-	-	-	<b>6.50</b>
<b>Financial liabilities</b>										
Long term Borrowings *	20,25	26.52	-	-	35.55	-	-	-	-	-
Short term Borrowings**	25	56.89	-	-	47.05	-	-	-	-	-
Trade payables	27	650.50	-	-	520.29	-	-	-	-	-
Lease Liabilities	21,26	3.24	-	-	5.24	-	-	-	-	-
Other financial liabilities	22,28	12.27	-	0.09	11.48	-	-	-	-	-
<b>Total financial liabilities</b>		<b>749.42</b>	-	<b>0.09</b>	<b>619.61</b>	-	-	-	-	-

\* including current maturities of long-term debt

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

The carrying amounts of short-term borrowings, trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.

**50. Corporate social responsibility**

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

a) Gross amount required to be spent by the Group during the year - ₹0.99 crores

(Previous year: ₹0.90 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	0.99	1.10	-	-

**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	0.90	0.91	-	-
Amount paid is included under Other expenses (refer note no 37)				

The above aggregated CSR expenditure disclosed are relating to Parent and its subsidiaries.

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

**51. Previous year figures**

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

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

**53.** The Group 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 Group 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





## Notes to the Consolidated Financial Statements

(Rupees in Crores)

55. The Group 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 Pvt. Ltd.	Trade Receivables	0.20	Third party customer
SNN Builders Pvt Ltd.( CY - ₹5,000)	Trade Receivables	0.00	Third party customer
Yesh Trading Company	Trade Receivables	0.36	Third party customer
KODES Design Consultants Pvt. Ltd.	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.

57. During the year the Group 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 Group 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 Holding 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.



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

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 Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments

### 61. Events occurring after the Balance Sheet date

The Board of the Holding Company has recommended a final dividend of ₹3/- (Rupees Three only) per equity share (face value of ₹10/- each) for the financial year ended 31-03-2024 aggregating to ₹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.

### 63. Ratios as per the Schedule III requirements

#### A. Current ratio=Current asset / Current Liabilities

Particulars	As at 31-3-2024	As at 31-3-2023
Current assets	1,270.93	990.27
Current Liabilities	763.17	608.31
<b>Ratio (times)</b>	<b>1.67</b>	<b>1.63</b>
<b>% change from previous year</b>	<b>2.45 %</b>	

Reason for change more than 25%: Not applicable

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

Particulars	As at 31-3-2024	As at 31-3-2023
Net Debt (refer note (i) below)	55.06	76.73
Equity	797.57	643.09
<b>Ratio (times)</b>	<b>0.07</b>	<b>0.12</b>
<b>% change from previous year</b>	<b>-41.67 %</b>	

#### Note

(i) Net debt = Long term borrowings + Short term borrowings - Cash and cash equivalents

Reason for change more than 25%: Reduction in borrowings



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

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)	156.35	125.47
Interest + Principal Repayments of long term loans made during the period excluding prepayment	40.62	33.80
<b>Ratio (times)</b>	<b>3.85</b>	<b>3.71</b>
<b>% change from previous year</b>	<b>3.77 %</b>	

**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	81.13	63.05
Average shareholders equity (refer note (i) below)	720.33	599.53
<b>Ratios (percentage)</b>	<b>11.26 %</b>	<b>10.52 %</b>
<b>% change from previous year</b>	<b>7.03 %</b>	

**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)	4552.06	3805.70
Average inventory (refer note (ii) below)	449.75	393.69
<b>Ratio (times)</b>	<b>10.12</b>	<b>9.67</b>
<b>% change from previous year</b>	<b>4.65%</b>	

**Note**

(i) Cost of goods sold of respective year = Cost of materials consumed + purchases + Changes in inventory

(ii) Average inventory = (Total inventory less Stores and Spares as at beginning of respective year + Total inventory less stores and spares as at end of respective year) divided by 2

Reason for change more than 25%: Not applicable



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

### 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)	5,697.56	4,755.07
Average trade receivables (refer note (ii) below)	601.44	435.57
<b>Ratio (times)</b>	<b>9.47</b>	<b>10.92</b>
<b>% change from previous year</b>	<b>-13.28 %</b>	

#### 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)	5,441.97	4,553.09
Average trade payables (refer note (i) below)	585.40	419.49
<b>Ratio(times)</b>	<b>9.30</b>	<b>10.85</b>
<b>% change from previous year</b>	<b>-14.29</b>	

#### 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	4,828.44	4,029.472
Working capital	507.76	381.96
<b>Ratios (times)</b>	<b>9.51</b>	<b>10.55</b>
<b>% change from previous year</b>	<b>-9.86 %</b>	

#### Note

Working capital = Current assets - Current liabilities

Reason for change more than 25%: Not applicable



## Notes to the Consolidated Financial Statements

(Rupees in Crores)

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

Particulars	As at / For the Year ended 31-03-2024	As at / For the Year ended 31-03-2023
Net profit after tax	81.13	63.05
Revenue from operations	4,828.44	4,029.72
<b>Ratios (percentage)</b>	<b>1.68%</b>	<b>1.56%</b>
<b>% change from previous year</b>	<b>7.69 %</b>	

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)	140.44	109.13
Average Capital employed (refer note (ii) & (iii) below)	786.23	697.44
<b>Ratios (percentage)</b>	<b>17.86%</b>	<b>15.65%</b>
<b>% change from previous year</b>	<b>14.12 %</b>	

**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**

No investment was made by the Group. Hence this ratio is not applicable.



## 63. Additional information, as required under Schedule III to the Companies Act, 2013

Name of the entity	2023-24							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated Profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent:</b>								
Shankara Building Products Limited, Bengaluru	75.38%	601.21	86.11%	69.86	87.09%	0.27	86.11%	70.13
<b>Subsidiaries- Indian :</b>								
Taurus Value Steel & Pipes Private Limited, Kutbullapur Mandal, Telangana	13.27%	105.87	2.60%	2.11	0.00%	0.00	2.59%	2.11
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	9.74%	77.71	5.96%	4.84	6.45%	0.02	5.97%	4.86
Centurywells Roofing India Private Limited, Kancheepuram	4.70%	37.40	5.62%	4.56	3.23%	0.01	5.61%	4.57
Shankara Buildpro Limited, Bengaluru, Karnataka	(0.00%)	(0.01)	(0.03%)	(0.02)	-	-	(0.02%)	(0.02)
<b>Subsidiary- Foreign:</b>								
Steel Networks (Holdings) Pte Limited, Singapore	(0.01%)	(0.08)	(0.10%)	(0.08)	3.23 %	0.01	(0.09%)	(0.07)
<b>Inter-company elimination &amp; consolidation adjustments</b>	(3.08%)	(24.53)	(0.17%)	(0.14)	0.00%	-	(0.17%)	(0.14)
<b>Total</b>	<b>100.00%</b>	<b>797.57</b>	<b>100.00%</b>	<b>81.13</b>	<b>100.00%</b>	<b>0.31</b>	<b>100.00%</b>	<b>81.44</b>



## Additional information, as required under Schedule III to the Companies Act, 2013 - Continued

Name of the entity	2022-23							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated Profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent:</b>								
Shankara Building Products Limited, Bengaluru	71.22%	458.04	90.43%	57.02	83.33%	0.10	90.42%	57.12
<b>Subsidiaries- Indian :</b>								
Taurus Value Steel & Pipes Private Limited, Kurbullapur Mandal, Telangana	16.13%	103.76	0.92%	0.58	66.67%	0.08	1.05%	0.66
Vishal Precision Steel Tubes and Strips Private Limited, Hoskote, Karnataka	11.33%	72.85	2.70%	1.70	100.00%	0.12	2.88%	1.82
Centurywells Roofing India Private Limited, Kancheepuram	5.11%	32.83	5.93%	3.74	75.00%	0.09	6.06%	3.83
<b>Subsidiary- Foreign:</b>								
Steel Networks (Holdings) Pte Limited, Singapore	0.00%	0.00	(0.11%)	(0.07)	(16.67%)	(0.02)	(0.14%)	(0.09)
<b>Inter-company elimination &amp; consolidation adjustments</b>	(3.79%)	(24.39)	0.13%	0.08	(208.33%)	(0.25)	(0.27%)	(0.17)
<b>Total</b>	<b>100.00%</b>	<b>643.09</b>	<b>100.00%</b>	<b>63.05</b>	<b>100.00%</b>	<b>0.12</b>	<b>100.00%</b>	<b>63.17</b>



As per our report attached of even date

**For SUNDARAM & SRINIVASAN**

Chartered Accountants  
ICAI Firm Reg.No: 004207S

**Srinivasan K**

Partner  
Membership No: 209120  
ICAI UDIN:24209120BKBKIA5545

Place: Bengaluru  
Date: May 20, 2024

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

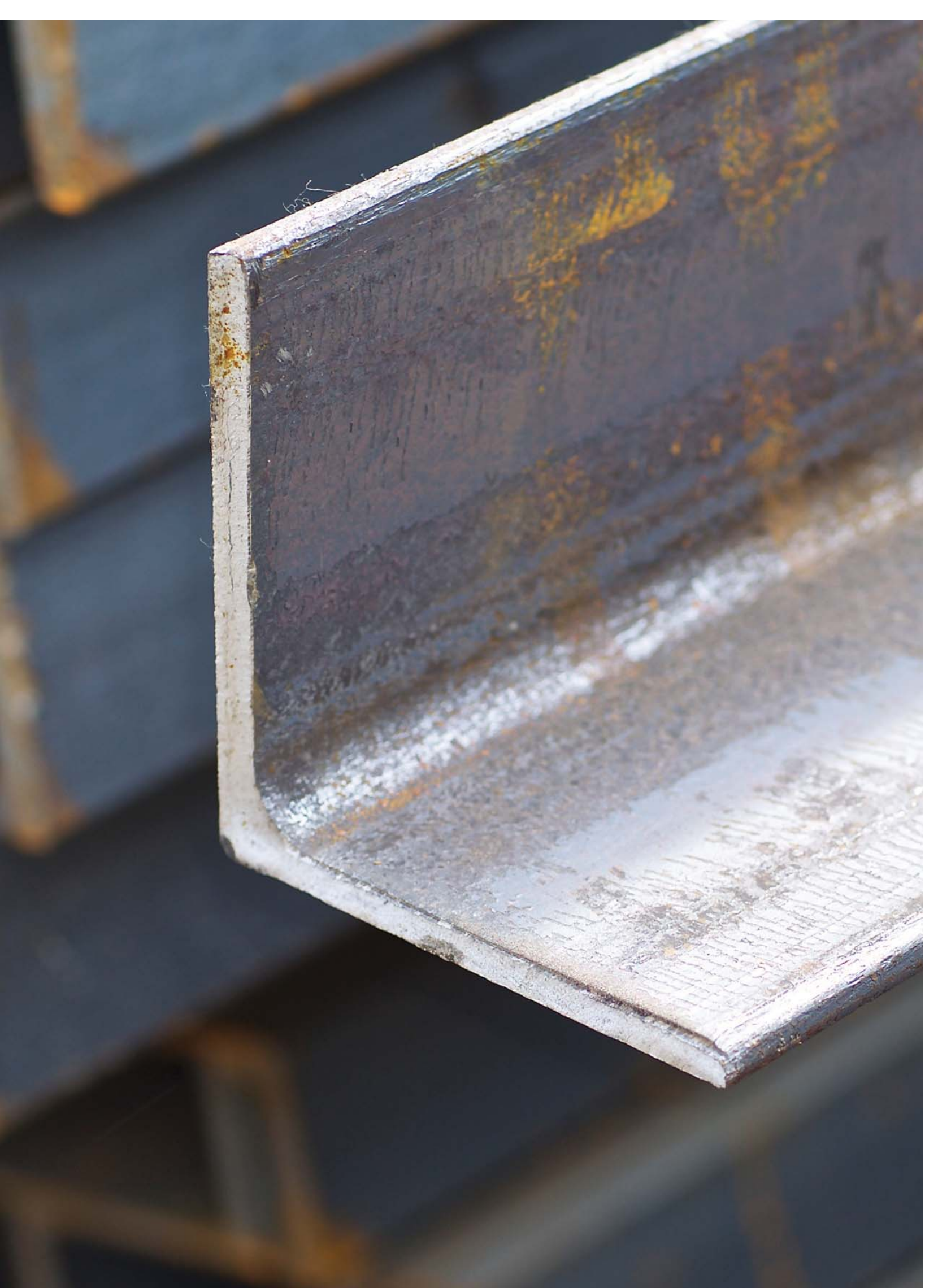
**C. Ravikumar**

Whole-time Director  
DIN: 01247347

**Ereena Vikram**

Company Secretary  
ACS Membership No: 33459





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# Standalone Audit Report and Financials

2023 - 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 cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current 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
<p><b><u>INVENTORY EXISTENCE AND VALUATION</u></b></p> <p>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 &amp; numerous inventory products, multiple storage locations and price fluctuations of products. Hence, inventory quantities and valuation is identified as a key audit Matter.</p>	<p><b>We have performed the following procedures:</b></p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.</li> </ul>





Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"><li>● 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.</li></ul>

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 statement

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 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:

- 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.

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.

(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.

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 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 ₹ 3.00 /- per equity share (face value of ₹ 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.

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.

**Place: Bengaluru**  
**Date : May 20 , 2024**

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

**Srinivasan K**  
**Partner**  
**Membership No. 209120**  
**UDIN: 24209120BKBKIB6861**



**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.

(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)

₹ in crores

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



\*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

(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.

(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 (₹ In crore)	Forum where the dispute is Pending
2019-20	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 (₹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 Tax, Appeals, Bengaluru
2018-19	CGST, SGST, interest and Penalty	0.86	Joint Commissioner of Commercial Taxes, Appeals, Bengaluru

\*Out of it ₹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).

(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





₹ 750 per share (including a premium of ₹ 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 ₹ 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.

(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

(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.

(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.



Place: Bengaluru  
Date : May 20 , 2024

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

Srinivasan K  
Partner  
Membership No. 209120  
UDIN: 24209120BKBKIB6861

**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 controls with reference to financial statements, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

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

I.pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 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

**Place: Bengaluru**  
**Date : May 20 , 2024**

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

**Srinivasan K**  
**Partner**  
**Membership No. 209120**  
**UDIN: 24209120BKBKIB6861**

SEPARATE (i.e. STANDALONE) BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2024

(Rupees in Crores)

Particulars	Note No	As at 31-03-2024	As at 31-03-2023
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(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
<b>(g) Financial Assets</b>			
(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
<b>Total Non-current assets</b>		<b>263.12</b>	<b>249.39</b>
<b>(2) Current assets</b>			
(a) Inventories	14	348.16	336.25
<b>(b) Financial Assets</b>			
(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
<b>Total current assets</b>		<b>1,043.58</b>	<b>862.12</b>
<b>Total Assets</b>		<b>1,306.70</b>	<b>1,111.51</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	20	24.25	22.85
(b) Other Equity	21	576.96	435.19
<b>Total Equity</b>		<b>601.21</b>	<b>458.04</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(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>(b) Provisions</b>	25	0.26	0.35
<b>(c) Deferred tax liabilities (Net)</b>	26(c)	3.78	3.54
<b>Total Non-current liabilities</b>		<b>20.22</b>	<b>72.06</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	27	61.00	45.83
(ia) Lease Liabilities	28	1.19	0.52
<b>(ii) Trade payables:-</b>	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>(b) Other current liabilities</b>	31	23.08	11.20
<b>(c) Provisions</b>	32	0.54	0.71
<b>(d) Current Tax Liabilities(Net)</b>	26(b)	4.25	5.10
<b>Total current liabilities</b>		<b>685.27</b>	<b>581.41</b>
<b>Total Equity and Liabilities</b>		<b>1,306.70</b>	<b>1,111.51</b>
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: 0042075

**Srinivasan K**  
Partner  
Membership No: 209120  
ICAI UDIN: 24209120BKBKH7175

Place : Bengaluru  
Date : May 20, 2024

## For and on behalf of the Board of Directors

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Alex Varghese**  
Chief Financial Officer

**C.Ravikumar**  
Whole-time Director  
DIN: 01247347

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru  
Date : May 20, 2024



## SEPARATE (i.e STANDALONE) STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

(Rupees in Crores)

Particulars	Note No.	For the Year ended 31-03-2024	For the Year ended 31-03-2023
<b>I Revenue From Operations</b>	33	4,862.73	4,036.22
<b>II Other Income</b>	34	6.68	7.31
<b>III Total Income (I+II)</b>		<b>4,869.41</b>	<b>4,043.53</b>
<b>IV Expenses</b>			
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
<b>Total expenses (IV)</b>		<b>4,776.49</b>	<b>3,967.28</b>
<b>V Profit before exceptional items and tax [III-IV]</b>		92.92	76.25
<b>VI Exceptional items</b>		-	-
<b>VII Profit before tax [V+VI]</b>		92.92	76.25
<b>VIII Tax expense:</b>	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
<b>Total Tax Expense</b>		<b>23.06</b>	<b>19.23</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>69.86</b>	<b>57.02</b>
<b>X Other Comprehensive Income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
(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)
<b>Total A</b>		<b>0.27</b>	<b>0.10</b>
<b>B Items that will be reclassified to profit or loss</b>			
(i) Effective portion of cash flow hedges		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total B</b>		<b>-</b>	<b>-</b>
<b>Total Other Comprehensive Income (A+B)</b>		<b>0.27</b>	<b>0.10</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>70.13</b>	<b>57.12</b>
<b>XII Earning per equity share: [Face value ₹10 per share]</b>	38		
(1) Basic (in ₹)		29.85	24.95
(2) Diluted (in ₹)		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

**Srinivasan K**

Partner

Membership No: 209120

ICAI UDIN: 24209120BKBKHZ7175

Place : Bengaluru

Date : May 20, 2024

### For and on behalf of the Board of Directors

**Sukumar Srinivas**

Managing Director

DIN: 01668064

**Alex Varghese**

Chief Financial Officer

**C.Ravikumar**

Whole-time Director

DIN: 01247347

**Ereena Vikram**

Company Secretary

ACS Membership No: 33459

Place : Bengaluru

Date : May 20, 2024



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(Rupees in Crores)

Particulars	Note No	For the Year ended 31-03-2024	For the Year ended 31-03-2023
<b>Cash flow from operating activities</b>			
Profit before tax		92.92	76.25
<b>Adjustments to reconcile profit before tax to net cash flow:</b>			
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 ₹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	-
<b>Operating profit before working capital changes</b>		<b>133.86</b>	<b>101.08</b>
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 ₹45,506)		11.88	(0.00)
(Decrease)/Increase in provisions		(1.83)	(0.40)
<b>Cash flow from/(used in) operations</b>		<b>58.84</b>	<b>89.32</b>
Income taxes paid		(21.74)	(14.11)
<b>Net cash flows from/(used in) operating activities (A)</b>		<b>37.10</b>	<b>75.21</b>
<b>Cash flow from investing activities</b>			
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
<b>Net cash flows from/(used in) investing activities (B)</b>		<b>(20.13)</b>	<b>(40.57)</b>



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 CONTD.

(Rupees in Crores)

Particulars	Note No	For the Year ended 31-03-2024	For the Year ended 31-03-2023
<b>Cash flow from financing activities</b>			
Money received against Share warrants* ( CY 75%, PY 25%)		78.75	26.25
Principal 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 ₹28,757)		0.01	0.00
Dividends paid	48 (A)(2)	(5.71)	(2.29)
Net cash flows from/(used in) financing activities (C)		<b>5.54</b>	<b>(30.18)</b>
Net increase/(decrease) in cash and cash equivalents(A+B+C)		<b>22.51</b>	<b>4.46</b>
Cash and cash equivalents - at the beginning of the year		<b>5.71</b>	<b>1.25</b>
Cash and cash equivalents - at the end of the year		<b>28.22</b>	<b>5.71</b>
Non cash financing and investing activities			
- Acquisition of Right-of-use assets	6	<b>1.52</b>	<b>0.65</b>
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
		<b>28.22</b>	<b>5.71</b>
<b>Material accounting policies information</b>	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  
ICAI UDIN: 24209120BKBKHZ7175

### For and on behalf of the Board of Directors

**Sukumar Srinivas**  
Managing Director  
DIN: 01668064

**Alex Varghese**  
Chief Financial Officer

**C.Ravikumar**  
Whole-time Director  
DIN: 01247347

**Ereena Vikram**  
Company Secretary  
ACS Membership No: 33459

Place : Bengaluru  
Date : May 20, 2024

Place : Bengaluru  
Date : May 20, 2024



(Rupees in Crores)

**SEPARATE (i.e STANDALONE) STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

**A. Equity Share Capital**

**(1) Year ended 31<sup>st</sup> March 2024 (refer note no 20)**

Balance at the beginning i.e. 01 <sup>st</sup> 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. 31 <sup>st</sup> March 2024
22.85	-	22.85	1.40	24.25

**(2) Year ended 31<sup>st</sup> March 2023 (refer note no 20)**

Balance at the beginning i.e. 01 <sup>st</sup> 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. 31 <sup>st</sup> March 2023
22.85	-	22.85	-	22.85

**B. Other Equity (refer note no 21)**

**(1) Year ended 31<sup>st</sup> March 2024**

Particulars	Note No	Reserve and Surplus				Retained Earnings	Other Items of other comprehensive income	Money received against Share warrants *	Total		
		Capital Reserve	Securities Premium	General Reserve	Surplus in Statement of Profit and Loss					Defined benefit plan	Remeasurements of Net defined benefit Liability / Asset
Balance at the beginning i.e. 01 <sup>st</sup> 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		
<b>Balance at the end i.e. 31<sup>st</sup> March 2024</b>		<b>0.19</b>	<b>214.88</b>	<b>1.24</b>	<b>360.39</b>	<b>0.26</b>	<b>0.00</b>	<b>-</b>	<b>576.96</b>		

\* Refer Note no 20 (f)

**Other Equity Contd.**  
**(2) Year ended 31st March 2023**

(Rupees in Crores)

Particulars	Note No	Reserve 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			
<b>Balance at the beginning i.e. 01st April 2022</b>		0.19	111.28	1.24	24-1.51	(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	
<b>Balance at the end i.e. 31st March 2023</b>		0.19	111.28	1.24	296.24	(0.01)	0.00	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: 0042075

**Srinivasan K**

Partner

Membership No: 209120

ICAI UDIN: 24209120BKKBKHZ175

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**

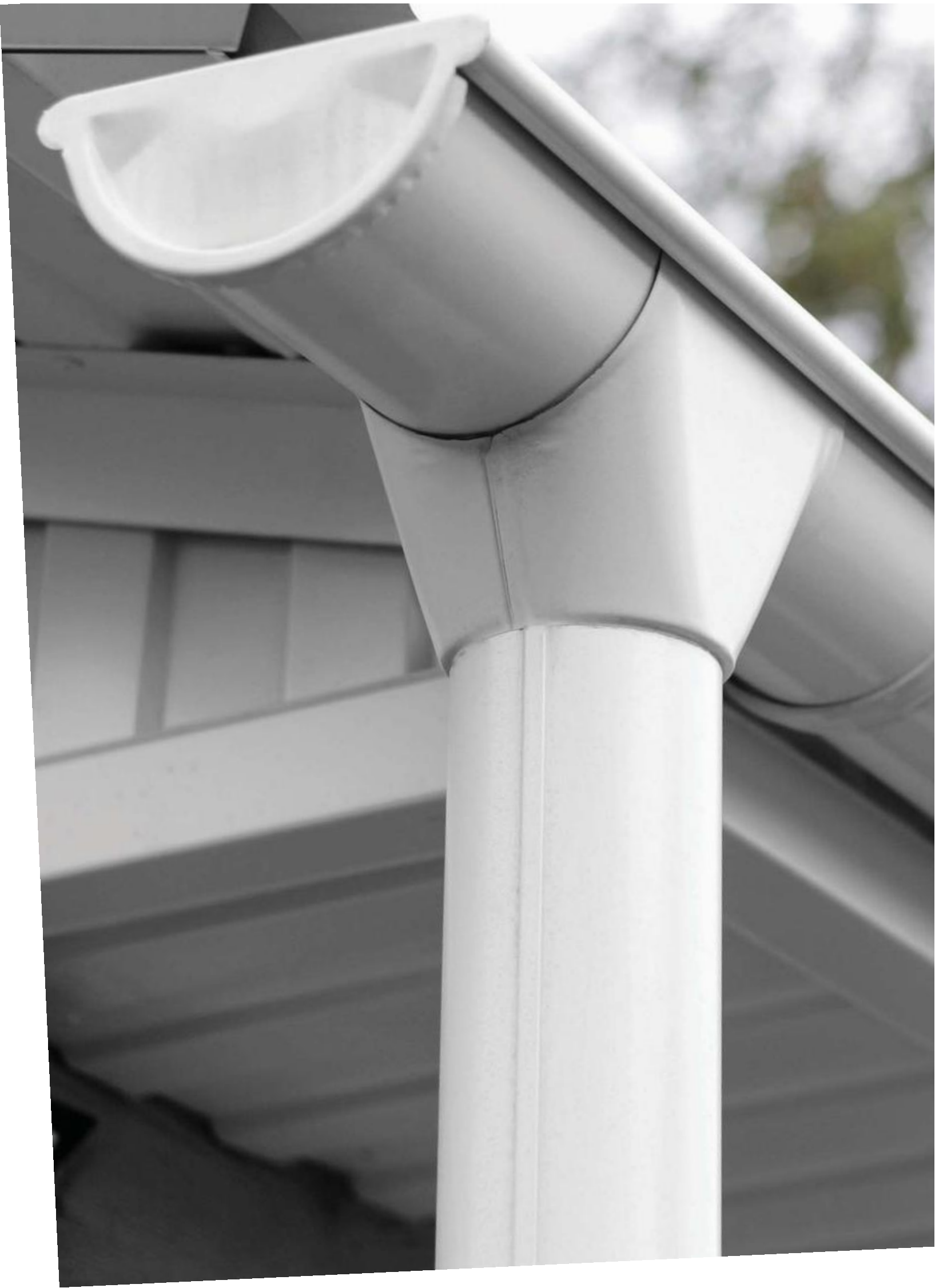
Company Secretary

ACS Membership No: 33459

Place : Bengaluru

Date : May 20, 2024







## STANDALONE ACCOUNTING POLICIES

### 1. GENERAL INFORMATION

Shankara Building Products Limited ("SBPL" or "the company") is a public listed company incorporated and domiciled in India. The registered office is situated at 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.

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.

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.

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

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

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

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

## 2.9 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the 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 relating to the termination of the lease and the importance of the underlying asset to the company's operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term for future periods is reassessed to ensure that the lease term reflects the current economic circumstances. In respect of such long term contracts, Ind AS 116 is applied..



### Where the company is lessor

As per terms of lease agreements there is no substantial transfer of risk and reward of the property to the lessee. Accordingly such leased out assets are treated as belonging to the company. Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

### Where the company is a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a Right-of-Use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The company has however elected to use the exemptions provided by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset whichever shorter. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair

value less cost to sell and the value-in-use) is determined on an Individual asset basis unless the asset does not generate cash flows that are largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.11 Inventories

Inventories are stated at lower of cost and net realizable value.

Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First-in, First-out ('FIFO') basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

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

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

### Raw materials

Raw materials are valued at cost of purchase net of duties and taxes and include all expenses incurred in bringing such materials to the location of its use.

### Finished goods

Finished goods include conversion costs in



addition to the landed cost of raw materials.

### **Stock in Trade**

Stock in trade cost includes the purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts.

### **Stores, spares and tools**

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## **2.12 Employee benefits**

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

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

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

The Company presents the first two components of defined benefit costs in profit or loss in the line

item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

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

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

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

The company recognizes a liability and an expense for bonus. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## **2.13 Income taxes**

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### **Current tax**

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

### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.





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

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

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

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

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

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:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

## 2.15 Provisions, contingent liabilities and contingent assets

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

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





is the present value of those cash flows (when the effect of the time value of money is material).

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

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

### 2.16 Earnings per share

Basic earnings per share is computed by dividing the profit after tax / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the company to satisfy the exercise of the share options by the employees.

### 2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

### 2.18 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;
- 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 transaction and services availed value if the transaction do not contain significant financing component.

### a) Financial Assets

#### (i) Recognition and initial measurement

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets

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

#### (ii) Subsequent measurement

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

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

### Debt instruments at amortised cost:

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

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

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

### Debt instrument at FVTOCI:

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



- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

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

### Debt instrument at FVTPL:

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

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

(iii) De-recognition of financial assets

A financial asset is de-recognised only when;

a. The entity has transferred the rights to receive cash flows from the financial asset or

b. The entity retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the entity examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is de-recognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is de-recognised, if the entity has not retained control of the financial asset. Where the entity retains control of the financial

asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### (iv) Investment in subsidiaries:

The company's investment in equity instruments of subsidiaries are accounted for at cost as per Ind AS 27, including adjustment for fair value of obligations, if any, in relation to such subsidiaries.

### b) Financial liabilities and equity instruments

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### Trade and other payables:

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated at fair value through profit and loss at the inception.

The Company enters into deferred payment arrangements (acceptances) whereby lenders



such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances 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 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 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 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  
 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 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 crystallising 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.

**New standards and amendments to existing standards 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 - Ind AS - 101, 102, 103, 107, 109, 115, 1, 8, 12 and 34 under Companies (Indian Accounting Standards) Rules, 2023 on March 31, 2023. These amendments are effective for the financial year beginning from April 1, 2023.





(Rupees in Crores)

Notes to the Standalone Financial Statements

**4. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
<b>Gross carrying amount as at 01-04-2022</b>	<b>51.90</b>	<b>70.04</b>	<b>5.40</b>	<b>36.30</b>	<b>9.93</b>	<b>4.07</b>	<b>2.30</b>	<b>179.94</b>
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
<b>Gross carrying amount as at 31-03-2023</b>	<b>66.17</b>	<b>83.15</b>	<b>5.37</b>	<b>41.60</b>	<b>12.08</b>	<b>4.53</b>	<b>2.70</b>	<b>215.60</b>
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
<b>Gross carrying amount as at 31-03-2024</b>	<b>67.51</b>	<b>94.21</b>	<b>6.09</b>	<b>48.57</b>	<b>14.09</b>	<b>5.41</b>	<b>3.18</b>	<b>239.06</b>
<b>Accumulated depreciation and impairment</b>								
<b>Balance as at 01-04-2022</b>	-	<b>4.65</b>	<b>1.62</b>	<b>14.44</b>	<b>5.34</b>	<b>2.59</b>	<b>1.97</b>	<b>30.61</b>
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
<b>Balance as at 31-03-2023</b>	-	<b>5.84</b>	<b>1.93</b>	<b>17.90</b>	<b>5.97</b>	<b>3.06</b>	<b>2.11</b>	<b>36.81</b>
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
<b>Balance as at 31-03-2024</b>	-	<b>7.25</b>	<b>2.31</b>	<b>21.18</b>	<b>7.29</b>	<b>3.20</b>	<b>2.35</b>	<b>43.58</b>
<b>Net Carrying amount</b>								
<b>As at 31-03-2024</b>	<b>67.51</b>	<b>86.96</b>	<b>3.78</b>	<b>27.39</b>	<b>6.80</b>	<b>2.21</b>	<b>0.83</b>	<b>195.48</b>
<b>As at 31-03-2023</b>	<b>66.17</b>	<b>77.31</b>	<b>3.44</b>	<b>23.70</b>	<b>6.11</b>	<b>1.47</b>	<b>0.59</b>	<b>178.79</b>
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						

**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.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

## 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 31-03-2023	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	-

## 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



## 5. INVESTMENT PROPERTY

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



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Estimation of fair value

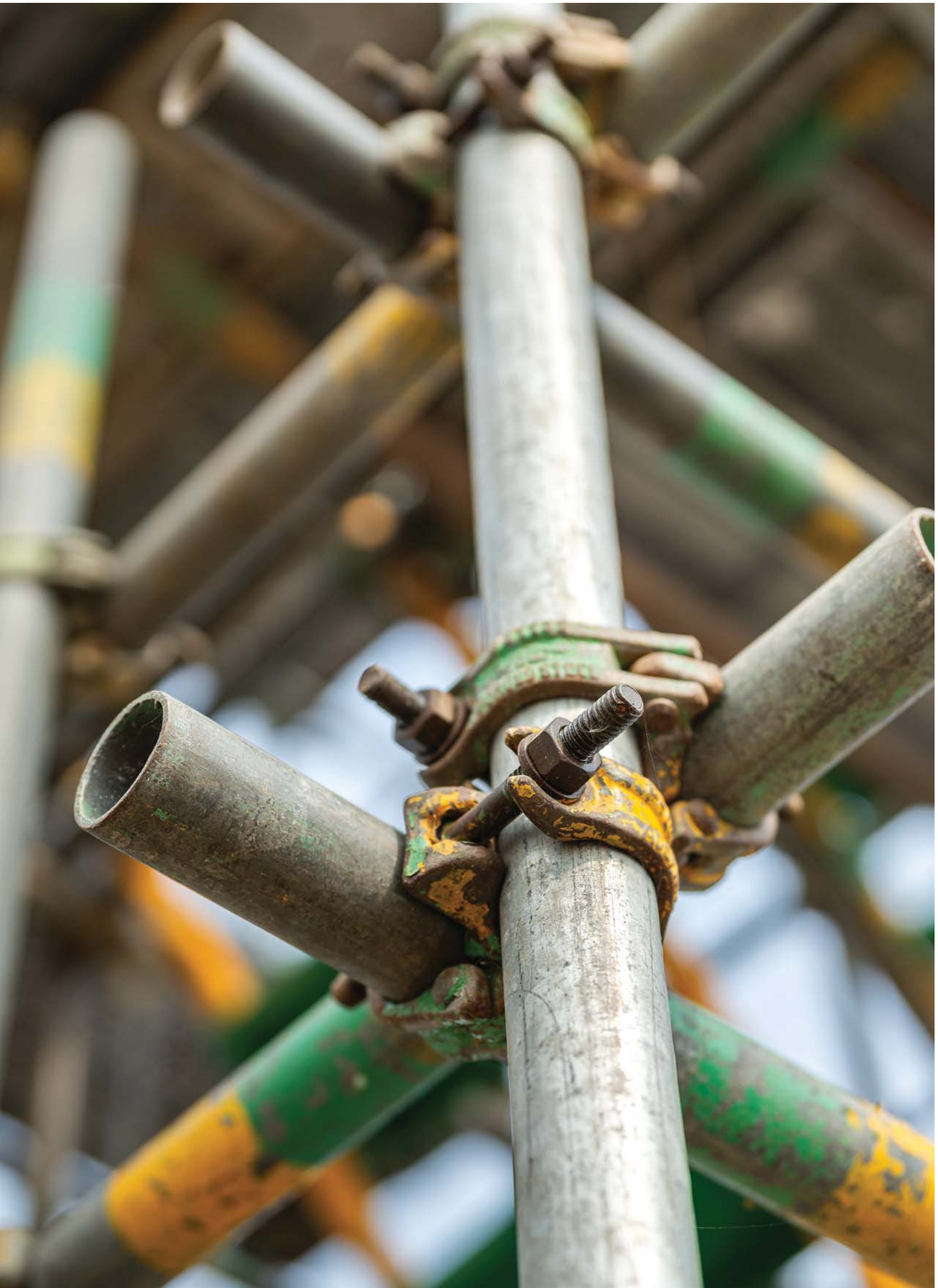
The best evidence of fair values is current prices in an active market for similar properties. Since investment properties are leased out by the Company, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active 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.

### 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
<b>Total</b>	<b>10.32</b>	<b>1.52</b>	<b>5.13</b>	<b>6.71</b>	<b>7.32</b>	<b>1.47</b>	<b>4.49</b>	<b>4.30</b>	<b>2.41</b>

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
<b>Total</b>	<b>19.31</b>	<b>0.65</b>	<b>9.64</b>	<b>10.32</b>	<b>12.19</b>	<b>2.71</b>	<b>7.58</b>	<b>7.32</b>	<b>3.00</b>









## 7. INTANGIBLE ASSETS

Particulars	Brand	Software	Total
<b>Gross carrying amount as at 01-04-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.23</b>
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying amount as at 31-03-2024</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Accumulated Amortization and impairment</b>			
<b>Balance as at 01-04-2022</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
Amortization for the year	-	-	-
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2023</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
Amortization for the year	-	-	-
Amortization on disposals	-	-	-
<b>Balance as at 31-03-2024</b>	<b>10.78</b>	<b>0.69</b>	<b>11.47</b>
<b>Net Carrying amount</b>			
<b>As at 31-03-2024</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31-03-2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
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 as 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	-
<b>Gross carrying amount as at 31-03-2023</b>	<b>1.33</b>
Additions	1.56
Sub-total	2.89
Less: Capitalised during the year	-
<b>Gross carrying amount as at 31-03-2024</b>	<b>2.89</b>

### 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 ₹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



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 9. INVESTMENTS (Non-current)

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

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.

### 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

S.No	Name of the Body Corporate	Nature of Relationship	Nature of Transaction	Amount of transaction during the year	Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023	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.



**10. TRADE RECEIVABLES (NON-CURRENT)**

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Unsecured:</b>		
(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)
<b>Total</b>	<b>2.69</b>	<b>2.79</b>
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 - 1year	1-2 years	2-3 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
<b>Total</b>	-	-	-	<b>0.03</b>	<b>0.10</b>	<b>2.56</b>

### 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 - 1year	1-2 years	2-3 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	-	-	0.21	0.20	0.65	1.73
(vi) Disputed Trade Receivables – credit impaired	-	-	<b>0.21</b>	<b>0.20</b>	<b>0.65</b>	<b>2.79</b>
<b>Total</b>	-	-	<b>0.21</b>	<b>0.20</b>	<b>0.65</b>	<b>1.73</b>



**11. LOANS (NON-CURRENT)**

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Unsecured:</b>		
<b>Considered good:</b>		
(a) Employee advances	0.06	0.06
<b>Total</b>	<b>0.06</b>	<b>0.06</b>

**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
<b>Total</b>	<b>7.67</b>	<b>7.97</b>

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
<b>Total</b>	<b>3.97</b>	<b>3.21</b>

Capital advances includes borrowing costs of ₹Nil (Previous year ₹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, Udipi, Mumbai and Bengaluru in the years 2013, 2018, 2021 & 2023 respectively.

### 14. INVENTORIES

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

\* Includes goods-in-transit amounting to ₹2.08 crores (PY ₹4.25 crores) and is net of provision for damaged goods amounting to ₹0.50 crores. (PY ₹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
<b>Unsecured:</b>		
(A) Trade receivables - Considered Good*	617.05	494.83
Less: Allowance for doubtful debts (Expected credit loss allowance)	(0.10)	(0.05)
<b>Total A</b>	<b>616.95</b>	<b>494.78</b>
(B) Trade receivables with significant increase in credit risk	22.83	8.09
Less: Allowance for doubtful debts (Expected credit loss allowance)	(6.22)	(2.85)
<b>Total B</b>	<b>16.61</b>	<b>5.24</b>
<b>Total (A+B)</b>	<b>633.56</b>	<b>500.02</b>
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



### Trade Receivables (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 - 1year	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	-	-	-	-	-	-	-
<b>Total</b>	<b>333.78</b>	<b>263.07</b>	<b>20.10</b>	<b>12.70</b>	<b>1.16</b>	<b>2.75</b>	<b>633.56</b>

### 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 - 1year	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	-	-	-	-	-	-	-
<b>Total</b>	<b>414.18</b>	<b>70.54</b>	<b>10.06</b>	<b>1.55</b>	<b>1.64</b>	<b>2.05</b>	<b>500.02</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

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	0.52	0.52
<b>Total</b>	<b>28.22</b>	<b>5.71</b>

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.

## 17. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

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



## 18. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Unsecured, considered good Financial assets at amortised cost</b>		
(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 accrued on fixed deposits	0.01	0.04
(f) Interest receivable*	0.06	
<b>Total</b>	<b>1.36</b>	<b>1.30</b>

\*Includes transaction(s) with related parties - refer note no 47B and 47C.

# Other receivables include refundable capital advance on cancellation of agreements - ₹0.30 crores.

## 19. OTHER CURRENT ASSETS

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Advances other than capital advances:</b>		
(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
<b>Total</b>	<b>31.06</b>	<b>17.00</b>

\* 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.



**20. EQUITY SHARE CAPITAL**

Particulars	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised:</b>				
Equity shares of ₹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 ₹30 crores divided into 3,00,00,000 (Three Crore Only) Equity Shares of ₹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 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 ₹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%



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**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%
<b>Total</b>		<b>1,15,88,787</b>	<b>47.79%</b>	<b>0.09%</b>

**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%
<b>Total</b>		<b>1,15,78,787</b>	<b>50.67%</b>	<b>0.00%</b>

**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 ₹750/- per Warrant ("Warrant Price"), aggregating to ₹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 ₹105 Crores i.e., ₹26.25 crores) was received on 6th May, 2022 and balance 75% of the total consideration (75% of ₹105 Crores i.e., ₹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).



## 21. OTHER EQUITY

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 (Refer Statement of changes in Equity for additions and deductions from the last year Balance sheet)	-	26.25
<b>Total</b>	<b>576.96</b>	<b>435.19</b>

### 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)

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



## Notes to the Standalone Financial Statements

(Rupees in Crores)

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
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
<b>Total</b>	<b>1.59</b>	<b>3.46</b>



## 24. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
Rent deposit received*	0.19	0.12
<b>Total</b>	<b>0.19</b>	<b>0.12</b>

\*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
<b>Total</b>	<b>0.26</b>	<b>0.35</b>

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
<b>Balance at the end of the year</b>	<b>0.26</b>	<b>0.35</b>

## 26. INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Incomes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs.

The Company has opted to exercise the option permitted under section 115BAA of the Income-tax Act, 1961. Accordingly, the Company has made a provision for Income tax and re-measured its deferred tax at the rate prescribed by the section. Income tax is charged at 22% plus surcharge of 10% plus health and education cess of 4%.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 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
<b>Deferred tax</b>	0.15	2.20
<b>Total</b>	<b>23.06</b>	<b>19.23</b>

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 Amount	31-03-2023 %	31-03-2023 Amount
Profit before tax		92.92		76.25
Tax using the company's domestic tax rate	25.168%	23.39	25.168%	19.19
<b>Tax impact on account of:</b>				
Depreciation under Income-tax Act				
Provision for doubtful 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 Diminution in value of Investments	0.00%	-	(0.08%)	(0.06)
<b>Effective income tax rate/ Tax expense</b>	<b>24.50%</b>	<b>22.77</b>	<b>25.08%</b>	<b>19.12</b>

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

### b) Current Tax Liabilities

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





## Notes to the Standalone Financial Statements

(Rupees in Crores)

## 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
<b>Deferred Tax Liability:</b>		
On account of depreciation for tax purpose	6.36	5.32
<b>Deferred Tax Asset:</b>		
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 Diminution in value of Investments	(0.08)	(0.08)
<b>Deferred Tax (Asset)/Liabilities (Net)</b>	<b>3.78</b>	<b>3.54</b>

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 Diminution 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)
<b>Total</b>	<b>3.54</b>	<b>0.15</b>	<b>0.09</b>	<b>3.78</b>

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 Diminution in value of Investments	-	(0.08)	-	(0.08)
Adjustment on adoption of Ind AS 116	(0.65)	-	-	(0.65)
<b>Total</b>	<b>1.30</b>	<b>2.20</b>	<b>0.04</b>	<b>3.54</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 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	-	-
	<b>0.52</b>	<b>0.11</b>		

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





## 27. BORROWINGS (CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
<b>SECURED</b>		
(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
<b>UNSECURED</b>		
(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
<b>Total</b>	<b>61.00</b>	<b>45.83</b>

### Terms and Security:

1) Working capital loans are repayable on demand and carries interest @ 8.3% to 12.75% p.a. and secured by:

- First charge on the existing and future current assets belonging to the company.
- Guarantee by the Managing Director.

2) Other Loans- Purchase bills discounting and financing includes loan of ₹9.81 crores (PY ₹ 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)
<b>Net Debt</b>	<b>(47.18)</b>	<b>(104.71)</b>

\* Including current maturities of long-term debt



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
<b>Net debt as at 01-04-2022</b>	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
<b>Net debt as at 31-03-2023</b>	<b>5.71</b>	<b>(37.51)</b>	<b>(72.91)</b>	<b>(104.71)</b>
<b>Net debt as at 01-04-2023</b>	<b>5.71</b>	<b>(37.51)</b>	<b>(72.91)</b>	<b>(104.71)</b>
Net cashflows	22.51	-	-	22.51
Proceeds from borrowings	-	(12.79)	-	(12.79)
Repayment of borrowings	-	-	47.81	47.81
<b>Net debt as at 31-03-2024</b>	<b>28.22</b>	<b>(50.30)</b>	<b>(25.10)</b>	<b>(47.18)</b>

**Note:**

Assets are presented in positive numbers

Liabilities are presented in negative numbers

## 28. LEASE LIABILITY (CURRENT)

Particulars	As at 31-03-2024	As at 31-03-2023
Lease liability	1.19	0.52
<b>Total</b>	<b>1.19</b>	<b>0.52</b>

## 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
<b>Total</b>	<b>585.34</b>	<b>508.62</b>

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



Notes to the Standalone Financial Statements

(Rupees in Crores)

**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	-	-	-	-	-	-
<b>Total</b>	<b>584.43</b>	<b>0.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>585.34</b>

**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	-	-	-	-	-	-
<b>Total</b>	<b>505.98</b>	<b>2.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>508.62</b>

Refer note no 47 (c) for related party transactions



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 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	-
<b>Total</b>	<b>9.87</b>	<b>9.43</b>

\*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	-
<b>Total</b>	<b>23.08</b>	<b>11.20</b>

### 32. PROVISIONS (CURRENT)

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
<b>Total</b>	<b>0.54</b>	<b>0.71</b>

#### \* 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
<b>Balance at the end of the year</b>	<b>0.36</b>	<b>0.56</b>

#### \*\* 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
<b>Balance at the end of the year</b>	<b>0.18</b>	<b>0.15</b>





### 33. REVENUE FROM OPERATIONS

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
<b>Total</b>	<b>4,862.73</b>	<b>4,036.22</b>

### 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
<b>Total</b>	<b>6.68</b>	<b>7.31</b>

\*(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
<b>Total</b>	<b>(14.58)</b>	<b>(50.09)</b>



### 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
<b>Total</b>	<b>45.34</b>	<b>39.09</b>

### 36. FINANCE COSTS

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
<b>Total</b>	<b>31.66</b>	<b>22.05</b>

#### 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	-	-
<b>Total-(A+B)</b>		<b>9.46</b>	<b>9.71</b>



## 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) Payment 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 ₹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
<b>Total</b>	<b>55.34</b>	<b>44.89</b>

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

\*\*Material handling charges recovered from customers-Current year-₹8.72 Crores Previous year-₹7.10 Crores

\*\*\*Freight recovered from customers-Current year-₹9.89 crores Crores Previous year-₹8.84 Crores

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

**Note : Breakup for payment to 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
<b>Total</b>	<b>0.38</b>	<b>0.37</b>



### 38. EARNINGS PER SHARE (EPS)

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 (₹) [A/B]	29.85	24.95
Face value per share (₹)	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
<b>(a) Claims against the company not acknowledged as debt</b>		
(i) Value added tax*	-	0.76
(ii) Goods and Service tax*	1.68	-
(iii) Income tax*	0.15	-
<b>Total</b>	<b>1.83</b>	<b>0.76</b>

\*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 ₹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	For the Year ended 31-03-2024	For the Year ended 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	-	-
	<b>1.00</b>	<b>1.47</b>

##### b) As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 144 months for office premises, storage space and retail shop, which are renewable on a periodic basis by mutual consent of both parties. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The reporting entity makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

For the short-term and low value leases, the reporting entity recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

##### 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



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 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 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 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 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, 2006.	-	-





#### 44. ASSETS HYPOTHECATED AS SECURITY:

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

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

#### 45. EMPLOYEE BENEFITS

##### a) Defined contribution plans

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

Particulars	For the Year ended 31-03-2024	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



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### b) Defined benefit plan

#### (i) Gratuity

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of ₹20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31-03-2024. 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
<b>Liability recognized in the Balance Sheet</b>		
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)
<b>Closing Balance</b>	<b>7.29</b>	<b>6.62</b>
<b>Less: Fair Value of Plan Assets</b>		
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)
<b>Closing Balance</b>	<b>6.93</b>	<b>6.06</b>
<b>Amount recognized in Balance Sheet (refer note no 32)</b>	<b>0.36</b>	<b>0.56</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
<b>Expenses during the year</b>		
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)
<b>Component of defined benefit cost recognized in statement of profit &amp; loss (refer note no 35)</b>	<b>0.74</b>	<b>0.70</b>
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
<b>Component of defined benefit cost recognized in other comprehensive income</b>	<b>(0.36)</b>	<b>(0.14)</b>
<b>Actual Return on plan assets</b>	<b>0.50</b>	<b>0.22</b>
<b>Break up of Plan Assets:</b>		
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.	



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 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 ₹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 ₹0.36 crores (previous year ₹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 ₹20 lakhs from ₹10 lakhs. Accordingly the amended and improved benefits, if any, are recognised as current year's expense as required under paragraph 103, Ind AS 19.

### Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

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 ₹39,000)	-	0.01	-	0.00
Attrition rate (1% decrease)(PY ₹35,000)	0.01	-	0.00	-
Mortality (increase in expected life time by 1 year)(PY ₹1,000)	-	-	-	0.00
Mortality (increase in expected life time by 3 years) (PY ₹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
<b>31-03-2024</b>					
Defined benefit obligation (Gratuity)	0.98	1.01	2.83	5.27	10.09
<b>Total</b>	<b>0.98</b>	<b>1.01</b>	<b>2.83</b>	<b>5.27</b>	<b>10.09</b>
<b>31-03-2023</b>					
Defined benefit obligation (Gratuity)	0.80	0.79	2.88	4.56	9.03
<b>Total</b>	<b>0.80</b>	<b>0.79</b>	<b>2.88</b>	<b>4.56</b>	<b>9.03</b>

The Company had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**46. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115**

## Disaggregated revenue information

**A. Type of goods and service**

Particulars	For the Year ended 31-03-2024	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
<b>Total Operating Revenue</b>	<b>4,862.73</b>	<b>4,036.22</b>
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





## Notes to the Standalone Financial Statements

(Rupees in Crores)

## 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

## 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)
<b>Other related parties and their relationship where transaction exists:</b>	
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 Independent Director
	Mr.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



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Related Party Disclosures Contd.

B.	Transactions with Related Parties	For the Year ended 31-03-2024	For the Year ended 31-03-2023
	<b>Purchase of Goods from (refer note 1 below)</b>		
	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
	<b>Sale of Goods to (refer note 2 below)</b>		
	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
	<b>Rent paid to</b>		
	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
	<b>Interest received from</b>		
	Vishal Precision Steel Tubes and Strips Private Limited	0.27	-
	Taurus Value Steel & Pipes Private Limited (CY ₹4,000)	0.00	-
	Centurywells Roofing India Private Limited	0.63	-
	<b>Interest paid to</b>		
	Taurus Value Steel & Pipes Private Limited	2.61	2.79
	<b>Rent received from</b>		
	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	-



## 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
<b>Sale of Assets to</b>		
Vishal Precision Steel Tubes and Strips Private Limited	0.04	0.54
<b>Income on Corporate guarantee</b>		
Taurus Value Steel & Pipes Private Limited (PY ₹20,000)	0.05	0.00
Vishal Precision Steel Tubes and Strips Private Limited (PY ₹20,000)	0.46	0.00
Centurywells Roofing India Private Limited (PY ₹20,000)	0.40	0.00
<b>Advances granted to /(repaid by) Refer note no 4 below:</b>		
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 ₹14,412)	(0.00)	(0.02)
Chief Financial Officer-Net	(0.01)	(0.02)
<b>Rental Deposit- Received from</b>		
Vishal Precision Steel Tubes and Strips Private Limited(CY ₹45,000)	0.00	-
Centurywells Roofing India Private Limited	0.08	0.01
Shankara Buildpro Limited (CY ₹30,000)	0.00	-
<b>Rental Deposit- Given to</b>		
Taurus Value Steel & Pipes Private Limited	0.01	-
Centurywells Roofing India Private Limited	0.05	-
<b>Goods-in-transit from</b>		
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	-
<b>Unsecured loan availed/ (Repaid)</b>		
Taurus Value Steel & Pipes Private Limited	(39.74)	(0.24)
<b>Contribution to employee related trusts made during the year</b>		
Shankara Building Products Employees Gratuity Fund	0.56	0.56
<b>Investments in subsidiary companies</b>		
Shankara Buildpro Limited	0.01	-
<b>Dividend paid to</b>		
Key Managerial Personnel	2.92	1.17
Relatives of Key Managerial Personnel	0.05	0.02
Shankara Holdings Private Limited	0.04	0.02



## Notes to the Standalone Financial Statements

(Rupees in Crores)

Remuneration paid to Key Managerial Personnel (refer note 3 below)	For the Year ended 31-03-2024	For the Year ended 31-03-2023
<b>Short-term employee benefits</b>		
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 executive Directors	0.35	0.23
<b>Remuneration paid to Relative of Key Managerial Personnel</b>	<b>0.18</b>	<b>0.10</b>

**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 was granted to Subsidiaries for working capital purpose.

<b>Balance Outstanding to/ from related parties</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
<b>Trade Payables</b>		
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
<b>Advances to Subsidiary company for Purchases</b>		
Taurus Value Steel & Pipes Private Limited	-	2.58
<b>Trade Receivables</b>		
Vishal Precision Steel Tubes and Strips Private Limited	23.14	-
<b>Interest Receivables</b>		
Vishal Precision Steel Tubes and Strips Private Limited	0.06	-
Taurus Value Steel & Pipes Private Limited (CY ₹4,000)	0.00	-
<b>Rent payable</b>		
Vishal Precision Steel Tubes and Strips Private Limited (Current year ₹27,000/-, Previous Year ₹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 ₹23,625)	0.01	0.00
<b>Remuneration payable to Key Managerial Personnel</b>		
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



## 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
<b>Remuneration payable to a relative of a Key Managerial Personnel</b>	0.02	0.01
<b>Expenses receivable</b>		
Shankara Buildpro Limited	0.01	-
<b>Rent Receivable</b>		
Taurus Value Steel & Pipes Private Limited (Current Year ₹31,255/-, Previous year ₹31,000/-)	0.00	0.00
Vishal Precision Steel Tubes and Strips Private Limited (Previous year ₹23,000/-)	0.01	0.00
Centurywells Roofing India Private Limited	0.05	0.02
Shankara Buildpro Limited	0.01	-
<b>Rental Deposit -Payable to</b>		
Centurywells Roofing India Private Limited	0.09	0.01
Shankara Buildpro Limited (CY ₹30,000)	0.00	-
Vishal Precision Steel Tubes and Strips Private Limited (Current Year ₹45,000/-,)	0.00	-
<b>Rental Deposit-Receivable</b>		
Taurus Value Steel & Pipes Private Limited	0.01	-
Centurywells Roofing India Private Limited	0.05	-
<b>Loan Payable</b>		
Taurus Value Steel & Pipes Private Limited	-	39.74
<b>Investments in subsidiary companies (Refer note no 9)</b>	38.62	38.70
<b>Assets hypothecated as security against the loans availed by</b>		
Centurywells Roofing India Private Limited	12.97	13.13
<b>Guarantees &amp; Collaterals furnished to</b> (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
<b>Guarantees furnished by</b>		
Managing Director	680.00	552.00
Due from a Whole-time director (PY ₹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

### 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
<b>Equity Shares</b>		
(i) Final Dividend for the year ended March 31,2023 of ₹2.5 per fully paid share	5.71	-
(ii) Final Dividend for the year ended March 31,2022 of ₹1.00 per fully paid share	-	2.29





## Notes to the Standalone Financial Statements

(Rupees in Crores)

## B. Categories of financial instruments

Particulars	Note No	As at 31-03-2024		As at 31-03-2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>					
<b>Measured at amortised cost</b>					
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
<b>Total financial assets at amortised cost (A)</b>		<b>713.40</b>	<b>713.40</b>	<b>558.39</b>	<b>558.39</b>
<b>Total financial assets measured at fair value through other comprehensive income (B)</b>		-	-	-	-
<b>Measured at fair value through profit and loss</b>					
Derivative asset not designated as hedge					
Foreign exchange forward contracts		-	-	-	-
<b>Total financial assets measured at fair value through profit and loss (C)</b>		-	-	-	-
<b>Total financial assets (A+B+C)</b>		<b>713.40</b>	<b>713.40</b>	<b>558.39</b>	<b>558.39</b>
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
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
<b>Total financial liabilities carried at amortised cost (A)</b>		<b>673.58</b>	<b>673.58</b>	<b>632.57</b>	<b>632.57</b>
<b>Total financial liabilities measured at fair value through profit and loss (B)</b>		-	-	-	-
<b>Total financial liabilities measured at fair value through other comprehensive income (C)</b>		-	-	-	-
<b>Total financial liabilities (A+B+C)</b>		<b>673.58</b>	<b>673.58</b>	<b>632.57</b>	<b>632.57</b>

\* including current maturities of long-term debt

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



## Notes to the Standalone Financial Statements

(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	-	-	-	-
<b>Net Exposure</b>	-	-	-	-

### Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

#### (ii) Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company purchases the steel and other building products in the open market from third parties as well as from subsidiaries at prevailing market price. The Company is therefore subject to fluctuations in the prices of steel coil, steel pipes, sanitary wares etc.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**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

**(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
<b>Total borrowings</b>	<b>75.40</b>	<b>110.42</b>
Total Net borrowings as per Financial Statements	75.40	110.42
Add: Upfront fees	-	-
<b>Total borrowings</b>	<b>75.40</b>	<b>110.42</b>

**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.



## Notes to the Standalone Financial Statements

(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)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>333.78</b>	<b>263.07</b>	<b>20.10</b>	<b>12.73</b>	<b>1.26</b>	<b>5.31</b>	<b>636.25</b>

### 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)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>414.18</b>	<b>70.54</b>	<b>10.27</b>	<b>1.75</b>	<b>2.29</b>	<b>3.78</b>	<b>502.81</b>



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**(ii) Financial guarantees furnished :**

The company has furnished Corporate guarantee to the lenders of the subsidiaries 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

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.

**Liquidity risk management**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for strategic acquisitions. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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

**Financing arrangements**

Particulars	As at 31-03-2024	As at 31-03-2023
Floating Rate		
- Expiring within one year	180.59	138.20
- Expiring beyond one year	-	-
	<b>180.59</b>	<b>138.20</b>

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

With respect to floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### Liquidity exposure as at 31-03-2024

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
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
<b>Total financial assets</b>		<b>664.36</b>	<b>10.28</b>	<b>38.76</b>	<b>713.40</b>
<b>Financial liabilities</b>					
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
<b>Total financial liabilities</b>		<b>657.40</b>	<b>16.18</b>	<b>-</b>	<b>673.58</b>

\* including current maturities of long-term debt

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

### Liquidity exposure as at 31-03-2023

Particulars	Note no	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>					
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
<b>Total financial assets</b>		<b>508.87</b>	<b>10.68</b>	<b>38.84</b>	<b>558.39</b>
<b>Financial liabilities</b>					
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
<b>Total financial liabilities</b>		<b>564.40</b>	<b>68.17</b>	<b>-</b>	<b>632.57</b>

\* including current maturities of long-term debt

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





## Notes to the Standalone Financial Statements

(Rupees in Crores)

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)

**D. Level wise disclosure of financial instruments**

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
<b>Financial assets</b>									
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			
<b>Total financial assets</b>		<b>713.40</b>	<b>-</b>	<b>-</b>	<b>5.86</b>	<b>558.39</b>	<b>-</b>	<b>-</b>	<b>6.09</b>
<b>Financial liabilities</b>									
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			
<b>Total financial liabilities</b>		<b>673.58</b>	<b>-</b>	<b>-</b>	<b>0.09</b>	<b>632.57</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* including current maturities of long-term debt

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

The carrying amounts of short-term borrowings, trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.



#### 49. CORPORATE SOCIAL RESPONSIBILITY

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 - ₹0.82 Crores

(Previous year: ₹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)

**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.



## 51. Ratios as per the Schedule III requirements

### 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
<b>Ratio (times)</b>	<b>1.52</b>	<b>1.48</b>
<b>% change from previous year</b>	<b>2.70%</b>	

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
<b>Ratio (times)</b>	<b>0.08</b>	<b>0.23</b>
<b>% change from previous year</b>	<b>-65.22%</b>	

#### 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
<b>Ratio (times)</b>	<b>3.42</b>	<b>3.74</b>
<b>% change from previous year</b>	<b>-8.56%</b>	

#### Note

(i) Earnings available for debt service = Earnings before interest, tax, exceptional items, depreciation and amortisation.

Reason for change more than 25%: Not applicable



## Notes to the Standalone Financial Statements

(Rupees in Crores)

### 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
<b>Ratios (percentage)</b>	<b>13.19%</b>	<b>13.66%</b>
<b>% change from previous year</b>	<b>-3.44%</b>	

**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
<b>Ratio (times)</b>	<b>13.67</b>	<b>12.55</b>
<b>% change from previous year</b>	<b>8.92%</b>	

**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

### 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
<b>Ratio (times)</b>	<b>10.08</b>	<b>11.32</b>
<b>% change from previous year</b>	<b>-10.95%</b>	

**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
<b>Ratio (times)</b>	<b>10.03</b>	<b>11.37</b>
<b>% change from previous year</b>	<b>-11.79%</b>	

**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



## Notes to the Standalone Financial Statements

(Rupees in Crores)

**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
<b>Ratios (times)</b>	<b>13.57</b>	<b>14.38</b>
<b>% change from previous year</b>	<b>-5.63%</b>	

**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
<b>Ratios (percentage)</b>	<b>1.44%</b>	<b>1.41%</b>
<b>% change from previous year</b>	<b>2.13%</b>	

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
<b>Ratios (percentage)</b>	<b>20.57%</b>	<b>18.23%</b>
<b>% change from previous year</b>	<b>12.84%</b>	

**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.



## 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 - ₹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.

**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.





## Notes to the Standalone Financial Statements

(Rupees in Crores)

(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 ₹3/- (Rupees Three only) per equity share (face value of ₹10/- each) for the financial year ended 31-03-2024 aggregating to ₹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 and on behalf of the Board of Directors

**For SUNDARAM & SRINIVASAN**Chartered Accountants  
ICAI Firm Reg.No: 004207S**Srinivasan K**Partner  
Membership No: 209120  
ICAI UDIN: 24209120BKBKHZ7175**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: 33459Place: Bengaluru  
Date: May 20, 2024Place: Bengaluru  
Date: May 20, 2024

